



NOTICE

Notice is hereby given that the 55th Annual General Meeting of the Members of **THE KOLHAPUR STEEL LIMITED** will be held at the Registered Office of the Company at Pune-Bangalore Highway, Shirol (Pulachi), Taluka Hatkanangale, Dist. Kolhapur - 416 122 on Tuesday, 15th day of September, 2020 at 11.00 a.m. to transact the following business:

1. To consider and adopt the audited Financial Statements as at March 31, 2020 and Boards' Report and Auditors' Report thereon.
2. To appoint a director in place of Mr. Chittaranjan Mate (DIN 07399559) who retires by rotation and being eligible, offers himself for re-appointment and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Chittaranjan Mate (DIN 07399559) Director of the Company who retires by rotation at this Annual General Meeting and being eligible for re-appointment be and is hereby re-appointed as a Director liable to retire by rotation."

Special Business:

3. To pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160 and other applicable Sections if any, of the Companies Act, 2013 and read with the applicable rules, including any statutory modification(s) or re-enactment thereof as may be in force and read with Schedule IV of the said Act, Mr. K. Taranath (DIN 00051697) who was appointed by the Board as an Additional Director with effect from 30th March, 2020 and who holds office upto the date this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of a director be and is hereby re-appointed as an Independent Director of the Company to hold the office for 2nd term of five consecutive years for a term upto 29th March, 2025.

RESOLVED FURTHER THAT K. Taranath shall not be considered as a Director liable to retire by rotation unless he is disqualified to be an Independent Director before the expiry of term of five years, in terms of Section 149 and 152 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds, matters and things as may be necessary to give effect to this resolution."

4. To pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and as per the provisions of Schedule V to the said Act, the Articles of Association of the Company read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as recommended by the Board, the consent of the Members be and is hereby accorded for the appointment of Mr. Ravindra R. Samant (DIN 07002226) as a Managing Director for a period of three (3) years with effect from August 30, 2019 for a period up to August 29, 2022 in addition to his existing appointment as a Managing Director of Karad Projects and Motors Limited (KPML), to perform the duties that may be delegated by the Board from time to time, subject to overall supervision and control of the Board of Directors and upon all other terms and conditions as set out in the Agreement to be entered into between the Company and Mr. Ravindra R. Samant and on the remuneration set out below:-

Performance Linked Pay

Performance Linked pay to the extent of ₹ 40,00,000/- (Rupees Forty Lacs Only) may be paid, subject to the remuneration policy of the Company and inter alia including other criteria as may be decided by the Nomination and Remuneration Committee for the Financial Years 2019-20 to 2021-22.

Perquisites:

Perquisites shall be valued as per the provisions of the Income Tax Rules.

Minimum Remuneration:

In the event of loss or inadequacy of profits in any financial year during the currency of his tenure as Managing Director, the payment of perquisites actually paid shall in no event exceed the limit prescribed in Schedule V to the

Companies Act, 2013 as may be amended from time to time, as minimum remuneration, subject to other restrictions and provisions for computation of the ceiling on remuneration etc. as may be applicable from time to time.

The Managing Director, so long as he functions as such, shall be a non-retiring Director and shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all the acts, deeds and things as may be necessary to give effect to this resolution."

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 Section 13,61 and all other applicable provisions of the Companies Act, 2013 and in accordance with the provisions of the Articles of Association of the Company, the existing Authorised Share Capital of Company of ₹ 550,000,000/- (Rupees Fifty Five Crores only) divided into 550,000,000 (Fifty Five Crores) Equity Shares of ₹ 1/- (Rupee One only) each be and is hereby reclassified as ₹ 400,000,000/- (Rupees Forty Crores Only) Equity Share Capital divided into 400,000,000 (Forty Crores only) Equity Shares of ₹ 1/- (Rupee One only) each and ₹ 150,000,000/- (Rupees Fifteen Crores only) Preference Share Capital divided into 150,000,000 (Fifteen Crores only) Preference Shares of ₹ 1/- (Rupee One only) each.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be substituted as under:

V. The Capital of the Company is ₹ 400,000,000/- (Rupees Forty Crores Only) Equity Share Capital divided into 400,000,000 (Forty Crores) Equity Shares of ₹ 1/- (Rupee One only) each and ₹ 150,000,000/- (Rupees Fifteen Crores only) Preference Share Capital divided into 150,000,000 (Fifteen Crores only) Preference Shares of ₹ 1/- (Rupee One only) each with power to increase or reduce, the capital of the Company for the time being into several classes, to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

RESOLVED FURTHER THAT the any Director and Company Secretary of the Company be and are hereby severally authorized to take all such steps and to do all such acts and things as may be necessary to give effect to the resolution.

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

"RESOLVED THAT pursuant to Section 55 and all other applicable provisions of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014 as may be amended from time to time and in accordance with the provisions of the Articles of Association of the Company and subject to the approval of the Audit Committee and Board of Directors of KBL, consent of the Company be and is hereby accorded to the Board to issue 150,000,000 (Fifteen Crore) 6% Non-Cumulative Convertible Preference Shares of ₹ 1/- (Rupee One only) each amounting to ₹ 150,000,000/- (Rupees Fifteen Crores only) in one or more tranches having following rights and conditions:

- (a) The shares shall carry preferential rights towards payment of dividend vis-à-vis equity shares at a fixed rate of 6% payable out of the distributable profits as determined by the Board of Directors on the fully paid amount of the shares;
- (b) The shares shall not carry any rights in participation of surplus funds;
- (c) The shares shall, in the event of winding up, carry preferential right to payment of such capital as has been paid up on the shares and all arrears of fixed dividend accrued upto the commencement of the winding up (whether earned or declared) in priority to the equity shares but shall not confer the right to any further participation in profits or assets;
- (d) The rate of dividend shall be 6% on non-cumulative basis;
- (e) The shares are convertible into equity shares at any time as the Company deems fit after 6 months from the date of allotment and within 3 year from the date of allotment;

- (f) The shares shall not confer on the holder thereof any right to vote either in person or by proxy at any general meeting of the Company save to the extent and in the manner provided by Section 47(2) of the Companies Act, 2013;

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such matters, deeds and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue of the aforesaid shares and to resolve and settle all questions and difficulties that may arise in the proposed issue of any of the said shares, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and all such authorities exercised by the Board in pursuance to the above be and are hereby approved.

By the order of the Board of Directors
For **THE KOLHAPUR STEEL LIMITED**

Place: Pune
Date : August 06, 2020

Sd/-
Siddhesh Mandke
Company Secretary

NOTES:**1. A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as a proxy on behalf of Members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy for his entire shareholding and such person shall not act as a Proxy for another person or shareholder. An authorised representative of a body corporate, holding shares in the Company, may appoint a proxy under his signature. An instrument of proxy duly filled, stamped, dated and signed should be lodged at the Registered Office of the Company not later than 48 hours before the commencement of the Annual General Meeting (AGM). Proxy form which does not state the name of the Proxy shall not be considered valid. During the period beginning 24 hours before the time fixed for the commencement of AGM and ending with the conclusion of AGM, Member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided written notice is given to the Company at least 3 (three) days before the commencement of AGM. The proxy holder shall bring his/her ID-proof for the purpose of identification at the time of attending the AGM.

2. Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), statement of material facts in respect of Item Nos. 3 to 6 above is annexed.
3. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 (Act) will be available for inspection by the Members at the time of the AGM.
4. Register of Contracts or Arrangements in which the directors are interested, as maintained under Section 189 of the Act, will be available for inspection by the Members at the time of the AGM.
5. In case, Members wish to ask for any information about the accounts or operations of the Company, they are requested to send their queries, in writing at least 7 (seven) days before the date of the AGM, so that the information can be made available at the time of the AGM.
6. Members of the Company and / or their proxies only will be allowed to attend the AGM. Before entering the meeting hall, Members and/ or proxies are requested to sign the Attendance Slip in the prescribed form and leave it at the counter.

Members are requested to carry their Folio No. / Client Id and DP Id for easy identification.

7. Since, the Company's shares are available for dematerialisation, to ensure better investor service and elimination of risk of holding shares in physical form, it is requested that the Members holding shares in physical form to get their shares dematerialised at the earliest.
8. Members who hold shares in physical form are requested to notify any change in their address to the Company / Registrar & Transfer Agents (R&T Agent) at the address mentioned below. Members, having multiple folios, are requested to intimate to the Company / R&T Agent such folios, to consolidate all shareholdings into one folio.

Therefore, all correspondence relating to transfer and transmission of shares, issue of duplicate share certificates, change of address, dematerialisation of shares, payment of unclaimed dividend etc. will be attended and processed at the office of the R&T Agent at the following address:-

Link Intime India Private Limited
(Unit : The Kolhapur Steel Limited)
Block No. 202, 2nd Floor, Akshay Complex,
Near Ganesh Temple, Off Dhole Patil Road,
Pune- 411 001.
Phone : (020)-26160084
Fax : (020)- 26163503
E-mail: pune@linkintime.co.in

9. The unclaimed dividend of ₹ 76,642/- for the Financial Year 2011-12 and the underlying 60,265 (number) shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more has been transferred to Investor Education and Protection Fund (IEPF) pursuant to the applicable provisions of Section 124 and 125 of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") and amendments thereof, if any. In terms of the said Section read with relevant Rules, any money transferred to the Unpaid Dividend Account of the Company, which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company along with the interest accrued to a fund called IEPF, established by the Central Government. Accordingly, the unpaid / unclaimed dividend for the Financial Year 2012-13 and onwards which has not been paid or claimed for 7 (seven) consecutive years or more will become transferable from the respective dates of transfer of such money to the Unclaimed Dividend Account of the Company to IEPF.

The details of the same are given below:

Financial Year	Dividend in ₹ per share	Date of declaration	Due Date of transfer to the IEPF Account
2012 - 13	0.25	20-July-2013	August, 2020

The Company has not declared any dividend after the Financial Year 2012-13. In terms of the IEPF (uploading of Information regarding unpaid dividend amount lying with the Companies) Rules, 2012, the details of the unclaimed dividend up to the Financial Year 2012-13 have been uploaded on the Company's website at www.kolhapursteel.com. Further, names of shareholders along with their folio number or DP ID - Client ID, whose shares will be transferred to IEPF are also available on the website. This will facilitate the shareholders to claim their unclaimed dividend and shares. Members are therefore, requested to check and send their claims, if any, for the relevant Financial Years' before the respective amounts become due for transfer to IEPF.

10. Pursuant to the provisions of Section 124(5) and 125 of the Act and "IEPF Rules" and amendments thereof, if any, all shares on which dividend amount has not been paid / claimed for 7 (seven) consecutive years or more shall be transferred by way of a corporate action to the Demat Account of IEPF Authority, after complying with the procedure laid down under the IEPF Rules. The details of the shares transferred and identified to be transferred pursuant to IEPF Rules are available on the website of the Company i.e. www.kolhapursteel.com.

In terms of the provisions under the said Rule, the said shares and the dividend transferred to IEPF can be claimed by the shareholders or his /her legal heir subject to submission of prescribed documents and compliance of certain conditions as mentioned in the said Rule. The procedure for the same is available on the website of the Company at www.kolhapursteel.com.

11. As per Ministry of Corporate Affairs vide Notification dated November 30, 2018, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository with effect from April 01, 2019. Shareholders holding shares in physical form shall get their shares dematerialized and credited in their demat account before undertaking any transaction(s) for transfer of shares.

12. Authorisations in respect of representatives of the Corporations shall be received by the Company on or before the commencement of AGM. Representative attending the AGM in person shall submit the letter of appointment/ authorisation, as the case may be before the commencement of AGM.
13. The result of the resolutions shall be declared by the Chairman at the end of AGM.
14. The notice has been uploaded on the website of the Company.

By the order of the Board of Directors
For **THE KOLHAPUR STEEL LIMITED**

Place: Pune
Date : August 06, 2020

Sd/-
Siddhesh Mandke
Company Secretary

ANNEXURE TO THE NOTICE**I. Details of Directors Seeking Appointment/ Re-Appointment as required under Secretarial Standards (SS-2)****Item No. 2:**

Mr. Chittaranjan M. Mate (age-64) (DIN 07399559) retires by rotation and being eligible, offers himself for re-appointment. He will be re-appointed without payment of any remuneration and on such other terms and conditions as may be decided by the Board of Directors of the Company. No remuneration has been drawn by him till date.

Mr. Mate holds Bachelor degree in Commerce and is a Chartered Accountant. He is having a 39 years of rich experience in Finance. Currently he is working as Chief Financial Officer of Kirloskar Brothers Limited. Before joining Kirloskar Brothers Limited, he was working with Kirloskar Ebara Pumps Limited since 1989 and handled various assignments in Finance as well as other departments. He is not holding any shares in the Company.

He is a Director in Kirloskar Corrocoat Private Limited and Kirloskar Brothers Thailand Limited. He is also a member of the Audit Committee of the Board of Directors of the Company and not holding any other Directorships or Chairmanship of the Committees of other Board.

Except Mr. Mate, none of the other Directors and Key Managerial Personnel including their relatives is concerned or interested, directly or indirectly, financially or otherwise in the proposed appointment.

The approval of Members is sought for the appointment Mr. Chittaranjan M. Mate, who is retiring by rotation and offers himself for re-appointment.

The Board recommends the passing of this resolution as an Ordinary Resolution.

II. Statement of material facts as required under Section 102 of the Companies Act, 2013**Item No. 3:**

Mr. K. Taranath (age 76) (DIN 00051697) was appointed as an Independent Director by the shareholders of the Company at its 50th Annual General Meeting for an initial term of 5 years upto March 29, 2020. Subsequently, he was appointed by the Board of Directors as an Additional Director of the Company with effect from March 30, 2020 vide Circular Resolution passed on 24th March, 2020 on the recommendation of Nomination and Remuneration Committee of the Board of Directors of the Company vide Circular Resolution passed on 24th March, 2020. In terms of Section 161 of the Companies Act, 2013, Mr. K. Taranath holds office up to the date of this Annual General Meeting.

Mr. Taranath has done Diploma in Mechanical Engineering (DME). He was an ex-employee of Kirloskar Brothers Limited (KBL) started his carrier as Trainee Engineer of KBL. He was associated with KBL's Hermetic Compressor division at Karad where he headed various functions of the Company like -- Quality Assurance, Production, R&D, Product Engineering, Reliability, Servicing and HRD during his tenor. He was in-charge of both Plants of the KBL at Karad & Atit. He was the Managing Director of Kirloskar Copeland Limited since October 2000. He has total 43 years of rich experience in the engineering industry. He played leading role in getting national award for the Company in Conservation & Productivity. He was a member of Bureau of Indian Standards (BIS) for Formulating ISI Standards for RAC and National Committee for introduction of CFC free refrigerant (Eco-friendly) in the country.

Mr. K. Taranath will be entitled for sitting fees as may be decided by the Board from time to time and commission, if any, as may be approved by the Board.

He has attended 6 (six) Board Meetings held during the Financial Year 2019-20. He does not hold any shares in the Company.

He is also a chairman of the Audit Committee and a member of the Nomination and Remuneration Committee of the Board of Directors of the Company. He is on the Board of Karad Projects and Motors Limited (KPML) and a Chairman of the Board of Directors of KPML and a Chairman of the Corporate Social Responsibility Committee of the Board of Directors of KPML and does not hold any other Directorships or Chairmanship of the Committees of other Board.

He has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment.

In Board's opinion the incumbent, Mr. K. Taranath fulfill the conditions specified in the Act and the Rules made thereunder for independence and also possess appropriate balance of skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively and that he is independent of management. Considering his rich experience and related discipline, the Board considers his re-appointment as an Independent Director on the Board of Directors would be beneficial and in the best interest of the Company.

The Company has received a Notice from a Member, proposing his candidature for the office of director of the Company as required by Section 160 of the Companies Act, 2013.

Except Mr. K. Taranath, none of the other Directors and Key Managerial Personnel including their relatives are concerned or interested, directly or indirectly, financially or otherwise in the proposed appointment.

The approval of the Members is sought for the re-appointment of Mr. K. Taranath as a Director in the category of Independent Director of the Company.

On the recommendation of Nomination and Remuneration Committee and as per the requirements of provisions of Section 149 (10) of the Companies Act, 2013, the Board recommends the passing of this resolution as a Special Resolution re-appointing him as an Independent Director of the Company for consecutive 2nd term up to March 29, 2025.

Item No. 4.

Mr. Ravindra R. Samant (age 49) (DIN 07002226) is a graduate in Industrial Electronics and a post graduate in Business Management. He has a vast experience in Operations Management. He is also certified as a "MOST" auditor and is a six sigma green belt holder.

Mr. Samant was appointed as a Chief Executive Officer (CEO) of Hematic Motors Private Limited in May, 2013. Post-merger of Hematic Motors Private Limited with Kirloskar Construction & Engineers Limited, he is appointed as a Managing Director of the merged entity viz., Karad Projects and Motors Limited with effect from October, 2014.

Mr. Samant was appointed as a Managing Director of the Company at the 52nd Annual General Meeting of the Company held on 22nd July, 2017 for a period of 3 (three) years with effect from August 30, 2016 up to August 29, 2019 on such terms and conditions by the Board of Directors of the Company.

The Board of Directors in its meeting held on July 18, 2019 re-appointed Mr. Samant as managing director of the Company for the further period of 3 years till 29th August, 2022. The Board of Directors of the Company propose to re-appoint him for a further period of 3 years with effect from 30th August, 2019 to 29th August, 2022. He is sought to be paid remuneration in the form of perquisites by way of Performance Linked pay to the extent of ₹ 40,00,000/- (Rupees Forty Lacs Only) subject to remuneration policy of the Company and inter alia including other criteria as may be decided by the Nomination and Remuneration Committee for the Financial Years 2019-20 to 2021-22.

He has attended 5 (five) meetings of the Board during the Financial Year 2019-20 and does not hold any shares in the Company.

As mentioned above, Mr. Samant is also the Managing Director of Karad Projects and Motors Limited and a Member of Corporate Social Responsibility Committee of the Board of Directors of Karad Projects and Motors Limited. Besides this he is not holding any other Directorships or Membership/Chairmanship of the Committees of other Boards.

Except Mr. Ravindra R. Samant, none of the other Directors and Key Managerial Personnel including their relatives are concerned or interested, directly or indirectly, financially or otherwise in the proposed appointment.

The approval of Members is sought for the appointment and payment of remuneration to Mr. Samant as Managing Director of the Company.

The Board recommends the passing of this resolution as an Ordinary Resolution.

Item No. 5 and 6:

The Company is running into heavy losses for last few years due to overall industrial recession and it would require an immediate support in the form of financial assistance in order to meet its working capital requirements. The Net worth of the Company has been eroded completely and is not in a position to serve its debts, not in a position to pay for suppliers etc. which is affecting day to day operations and production of the Company.

The Company has good amount of orders in hand as on today, but the Company is in urgent need of Working Capital requirement in order to execute these orders. Further, the Company is also planning to undertake various cost optimisation measures and also wants to incur some necessary Capital expenditure to upgrade the plant and machinery of the Company in order to become competitive and save upon the overall cost of production. Thus, the Company is in urgent need of funds upto approx. ₹ 15 Crores to meet its financial exigencies.

In order to meet these financial exigencies, in addition to discussion with Banks and Financial institutions for additional financial facilities, the Company has approached Kirloskar Brothers Limited (KBL)-Holding Company with the proposal for rendering financial assistance in the form of subscription to the Preference Share Capital of the Company to the extent of ₹ 15 Crores which will be subject to the approval by the Audit Committee and Board of Directors of KBL.

Further, in order to issue Preference Shares, the existing Authorised Capital of the Company ₹ 550,000,000/- (Rupees Fifty Five Crores only) divided into 550,000,000 (Fifty Five Crores) Equity Shares of ₹ 1/- (Rupee One only) each is required to re-classified as ₹ 400,000,000/- (Rupees Forty Crores Only) Equity Share Capital divided into 400,000,000 (Forty Crores only) Equity Shares of ₹ 1/- (Rupee One only) each and ₹ 150,000,000/- (Rupees Fifteen Crores only) Preference Share Capital divided into 150,000,000 (Fifteen Crores only) Preference Shares of ₹ 1/- (Rupee One only) each and consequent to the same the Clause V of the Memorandum of Association of the Company needs to be altered to that effect subject to the approval of the members of the Company.

Pursuant to the provisions of Section 55 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof for the time being in force) read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 as amended from time to time and the provisions of the Articles of Association of the Company and subject to the approval of the members of the Company, it is proposed to make allotment of 15,00,00,000- 6% Non-Cumulative Convertible Preference Shares of the Company of ₹ 1/- each amounting to ₹ 15 Crores in one or more tranches to KBL-Holding Company.

The disclosures required under Amendment Rule 9 as per the Companies (Share Capital and Debenture) Rules, 2015 are as under:

(a) Size of issue and number of Preference Shares to be issued and nominal value of each share:

150,000,000 (Fifteen Crore only) 6% Non-Cumulative Convertible Preference Shares of face value of ₹ 1/- (Rupee One only) each aggregating to ₹ 150,000,000/- (Rupees Fifteen Crores only).

(b) Nature of shares:

The shares shall carry preferential rights towards payment of dividend at a fixed rate of 6% on Non-Cumulative basis and capital, in the event of winding up as detailed in the resolution.

(c) Objective of the issue:

The Company is in urgent need of Working Capital requirement in order to execute the orders. Further, the Company is also planning to undertake various cost optimisation measures and also wants to incur some necessary Capital expenditure to upgrade the plant and machinery of the Company in order to become competitive and save upon the overall cost of production. Thus, the Company is in urgent need of funds of approx. ₹ 15 Crores to meet its financial exigencies.

(d) Manner of issue of shares:

The issue is proposed to be made to Kirloskar Brothers Limited, the Company's holding company in one or more tranches.

(e) Price at which shares are proposed to be issued:

The shares are proposed to be issued at face value of ₹ 1/- (Rupee One only) each.

(f) Basis on which the price has been arrived at:

Valuation Report from the Registered Valuer is obtained.

(g) Terms of issue including terms and rate of dividend on each share:

6% Non-Cumulative.

(h) Terms of redemption including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion:

The shares are convertible into equity shares at any time as the Company may deem fit at ₹ 1/- each after 6 month from the date of allotment and within 3 years from the date of allotment at 1 equity share fully paid to be considered against each fully paid 6% Non-Cumulative Convertible Preference Shares.

(i) Manner and modes of redemption:

The shares are convertible into equity shares at any time as the Company may deem fit at ₹ 1/- each after 6 month from the date of allotment and within 3 years from the date of allotment at 1 equity share fully paid to be considered against each fully paid 6% Non-Cumulative Convertible Preference Shares.

(j) Current shareholding pattern of the Company:

Category	No. of Equity shares	% of Equity Share capital
Bodies Corporate:		
Kirloskar Brothers Limited	26,63,15,115	99.74
Individual:		
Indian public	430,340	0.16
Others: Investor Education and Protection Fund	254,545	0.10
Total	26,70,00,000	100.00

(k) Expected dilution in equity share capital upon conversion of Preference Shares:

The expected dilution to the extent that upon conversion of the proposed 6% Non-Cumulative Convertible Preference Shares, these shares would rank pari-pasu with existing Equity Shares in all respect.

Copy of the Valuation Report is available for inspection by the Members' at Registered Office of the Company during the business hours i.e. between 9:00 a.m. to 5:30 p.m. (excluding Monday). The inspection can be conducted by giving a prior intimation of at least 24 hours in advance.

The Board recommends the resolution Nos. 5 & 6 for the approval of shareholders.

By the order of the Board of Directors
For **THE KOLHAPUR STEEL LIMITED**

Place: Pune
Date : August 06, 2020

Sd/-
Siddhesh Mandke
Company Secretary

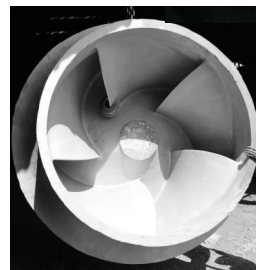
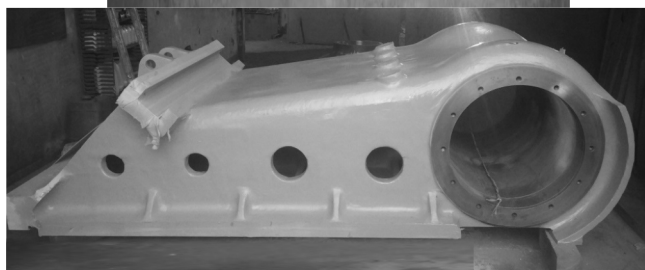
TKSL



Enriching Lives

**55 YEARS AND THE JOURNEY TOWARDS
EXCELLENCE CONTINUES...**

55th Annual Report 2019-20



THE KOLHAPUR STEEL LIMITED
A Kirloskar Group Company

Annual Report for the Financial Year ended as on 31st March 2020.

BOARD OF DIRECTORS

C. M. Mate	Chairman
Ravindra Samant	Managing Director
Sandeep Phadnis	Director
Ravi Sinha	Director
K. Taranath	Additional Director (w.e.f. 30 th March, 2020)
Achyut Dhadphale	Independent Director

CHIEF FINANCIAL OFFICER

Ananta Charan Das

COMPANY SECRETARY

Siddhesh Mandke

AUDITORS

M/s. P. G. Bhagwat, Chartered Accountants, Pune

BANKERS

ICICI Bank Ltd.

REGISTERED OFFICE AND FACTORY

At & Post: Pune - Bangalore Highway,
Shiroli (Pulachi), Taluka - Hatkanangale,
Kolhapur - 416 122
Tel. No.: (0230) 2468061 / 62 / 63
Website: www.kolhapursteel.com

REGISTRAR AND TRANSFER AGENT

M/s. Link Intime India Private Limited
(Unit: The Kolhapur Steel Limited)
Block No. 202, 2nd Floor, Akshay Complex,
Near Ganesh Temple, off Dhole-Patil Road,
Pune - 411 001
Tel. No.: (020) 26160084 / 26161629
Fax No.: (020) 26163503
E-mail: pune@linkintime.co.in

Information for shareholders

Annual General Meeting	
Day and Date	: Thursday, 6 th August 2020
Time	: 11.00 a.m.
Venue	: The Kolhapur Steel Limited Pune-Bangalore Highway, Shiroli (Pulachi), Taluka:Hatkanangale Kolhapur - 416 122

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NOTICE

Notice is hereby given that the 55th Annual General Meeting of the Members of **THE KOLHAPUR STEEL LIMITED** will be held at the Registered Office of the Company at Pune-Bangalore Highway, Shirol (Pulachi), Taluka Hatkanangale, Dist. Kolhapur - 416 122 on Thursday, 6th day of August, 2020 at 11.00 a.m. to transact the following business:

1. To consider and adopt the audited Financial Statements as at March 31, 2020 and Boards' Report and Auditors' Report thereon.
2. To appoint a director in place of Mr. Chittaranjan Mate (DIN 07399559) who retires by rotation and being eligible, offers himself for re-appointment and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Chittaranjan Mate (DIN 07399559) Director of the Company who retires by rotation at this Annual General Meeting and being eligible for re-appointment be and is hereby re-appointed as a Director liable to retire by rotation."

Special Business:

3. To pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160 and other applicable Sections if any, of the Companies Act, 2013 and read with the applicable rules, including any statutory modification(s) or re-enactment thereof as may be in force and read with Schedule IV of the said Act, Mr. K. Taranath (DIN 00051697) who was appointed by the Board as an Additional Director with effect from 30th March, 2020 and who holds office upto the date this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of a director be and is hereby re-appointed as an Independent Director of the Company to hold the office for 2nd term of five consecutive years for a term upto 29th March, 2025.

RESOLVED FURTHER THAT K. Taranath shall not be considered as a Director liable to retire by rotation unless he is disqualified to be an Independent Director before the expiry of term of five years, in terms of Section 149 and 152 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all the acts, deeds, matters and things as may be necessary to give effect to this resolution."

4. To pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and as per the provisions of Schedule V to the said Act, the Articles of Association of the Company read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as recommended by the Board, the consent of the Members be and is hereby accorded for the appointment of Mr. Ravindra R. Samant (DIN 07002226) as a Managing Director for a period of three (3) years with effect from August 30, 2019 for a period up to August 29, 2022 in addition to his existing appointment as a Managing Director of Karad Projects and Motors Limited (KPML), to perform the duties that may be delegated by the Board from time to time, subject to overall supervision and control of the Board of Directors and upon all other terms and conditions as set out in the Agreement to be entered into between the Company and Mr. Ravindra R. Samant and on the remuneration set out below:-

Performance Linked Pay

Performance Linked pay to the extent of Rs. 40,00,000/- (Rupees Forty Lacs Only) may be paid, subject to the remuneration policy of the Company and inter alia including other criteria as may be decided by the Nomination and Remuneration Committee for the Financial Years 2019-20 to 2021-22.

Perquisites:

Perquisites shall be valued as per the provisions of the Income Tax Rules.

Minimum Remuneration:

In the event of loss or inadequacy of profits in any financial year during the currency of his tenure as Managing Director, the payment of perquisites actually paid shall in no event exceed the limit prescribed in Schedule V to the

Companies Act, 2013 as may be amended from time to time, as minimum remuneration, subject to other restrictions and provisions for computation of the ceiling on remuneration etc. as may be applicable from time to time.

The Managing Director, so long as he functions as such, shall be a non-retiring Director and shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all the acts, deeds and things as may be necessary to give effect to this resolution."

By the order of the Board of Directors
For **THE KOLHAPUR STEEL LIMITED**

Sd/-

Place: Pune
Date : May 27, 2020

Siddhesh Mandke
Company Secretary

NOTES:

- 1. A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as a proxy on behalf of Members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy for his entire shareholding and such person shall not act as a Proxy for another person or shareholder. An authorised representative of a body corporate, holding shares in the Company, may appoint a proxy under his signature. An instrument of proxy duly filled, stamped, dated and signed should be lodged at the Registered Office of the Company not later than 48 hours before the commencement of the Annual General Meeting (AGM). Proxy form which does not state the name of the Proxy shall not be considered valid. During the period beginning 24 hours before the time fixed for the commencement of AGM and ending with the conclusion of AGM, Member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided written notice is given to the Company at least 3 (three) days before the commencement of AGM. The proxy holder shall bring his/her ID-proof for the purpose of identification at the time of attending the AGM.

2. Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), statement of material facts in respect of Item Nos. 3 and 4 above is annexed.
3. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 (Act) will be available for inspection by the Members at the time of the AGM.
4. Register of Contracts or Arrangements in which the directors are interested, as maintained under Section 189 of the Act, will be available for inspection by the Members at the time of the AGM.
5. In case, Members wish to ask for any information about the accounts or operations of the Company, they are requested to send their queries, in writing at least 7 (seven) days before the date of the AGM, so that the information can be made available at the time of the AGM.
6. Members of the Company and / or their proxies only will be allowed to attend the AGM. Before entering the meeting hall, Members and/ or proxies are requested to sign the Attendance Slip in the prescribed form and leave it at the counter.

Members are requested to carry their Folio No. / Client Id and DP Id for easy identification.

7. Since, the Company's shares are available for dematerialisation, to ensure better investor service and elimination of risk of holding shares in physical form, it is requested that the Members holding shares in physical form to get their shares dematerialised at the earliest.
8. Members who hold shares in physical form are requested to notify any change in their address to the Company / Registrar & Transfer Agents (R&T Agent) at the address mentioned below. Members, having multiple folios, are requested to intimate to the Company / R&T Agent such folios, to consolidate all shareholdings into one folio.

Therefore, all correspondence relating to transfer and transmission of shares, issue of duplicate share certificates, change of address, dematerialisation of shares, payment of unclaimed dividend etc. will be attended and processed at the office of the R&T Agent at the following address:-

Link Intime India Private Limited
 (Unit : The Kolhapur Steel Limited)
 Block No. 202, 2nd Floor, Akshay Complex,
 Near Ganesh Temple, Off Dhole Patil Road,
 Pune- 411 001.
 Phone : (020)-26160084
 Fax : (020)- 26163503
 E-mail: pune@linkintime.co.in

9. The unclaimed dividend of Rs. 76,642/- for the Financial Year 2011-12 and the underlying 60,265 (number) shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more has been transferred to Investor Education and Protection Fund (IEPF) pursuant to the applicable provisions of Section 124 and 125 of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") and amendments thereof, if any. In terms of the said Section read with relevant Rules, any money transferred to the Unpaid Dividend Account of the Company, which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company along with the interest accrued to a fund called IEPF, established by the Central Government. Accordingly, the unpaid / unclaimed dividend for the Financial Year 2012-13 and onwards which has not been paid or claimed for 7 (seven) consecutive years or more will become transferable from the respective dates of transfer of such money to the Unclaimed Dividend Account of the Company to IEPF.

The details of the same are given below:

Financial Year	Dividend in ₹ per share	Date of declaration	Due Date of transfer to the IEPF Account
2012 - 13	0.25	20-July-2013	August, 2020

The Company has not declared any dividend after the Financial Year 2012-13. In terms of the IEPF (uploading of Information regarding unpaid dividend amount lying with the Companies) Rules, 2012, the details of the unclaimed dividend up to the Financial Year 2012-13 have been uploaded on the Company's website at www.kolhapursteel.com. Further, names of shareholders along with their folio number or DP ID - Client ID, whose shares will be transferred to IEPF are also available on the website. This will facilitate the shareholders to claim their unclaimed dividend and shares. Members are therefore, requested to check and send their claims, if any, for the relevant Financial Years' before the respective amounts become due for transfer to IEPF.

10. Pursuant to the provisions of Section 124(5) and 125 of the Act and "IEPF Rules" and amendments thereof, if any, all shares on which dividend amount has not been paid / claimed for 7 (seven) consecutive years or more shall be transferred by way of a corporate action to the Demat Account of IEPF Authority, after complying with the procedure laid down under the IEPF Rules. The details of the shares transferred and identified to be transferred pursuant to IEPF Rules are available on the website of the Company i.e. www.kolhapursteel.com.

In terms of the provisions under the said Rule, the said shares and the dividend transferred to IEPF can be claimed by the shareholders or his /her legal heir subject to submission of prescribed documents and compliance of certain conditions as mentioned in the said Rule. The procedure for the same is available on the website of the Company at www.kolhapursteel.com.

11. As per Ministry of Corporate Affairs vide Notification dated November 30, 2018, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository with effect from April 01, 2019. Shareholders holding shares in physical form shall get their shares dematerialized and credited in their demat account before undertaking any transaction(s) for transfer of shares.
12. Authorisations in respect of representatives of the Corporations shall be received by the Company on or before the commencement of AGM. Representative attending the AGM in person shall submit the letter of appointment/ authorisation, as the case may be before the commencement of AGM.
13. The result of the resolutions shall be declared by the Chairman at the end of AGM.
14. The notice has been uploaded on the website of the Company.

By the order of the Board of Directors
For **THE KOLHAPUR STEEL LIMITED**

Place: Pune
Date : May 27, 2020

Sd/-
Siddhesh Mandke
Company Secretary

ANNEXURE TO THE NOTICE**I. Details of Directors Seeking Appointment/ Re-Appointment as required under Secretarial Standards (SS-2)****Item No. 2:**

Mr. Chittaranjan M. Mate (age-64) (DIN 07399559) retires by rotation and being eligible, offers himself for re-appointment. He will be re-appointed without payment of any remuneration and on such other terms and conditions as may be decided by the Board of Directors of the Company. No remuneration has been drawn by him till date.

Mr. Mate holds Bachelor degree in Commerce and is a Chartered Accountant. He is having a 39 years of rich experience in Finance. Currently he is working as Chief Financial Officer of Kirloskar Brothers Limited. Before joining Kirloskar Brothers Limited he was working with Kirloskar Ebara Pumps Limited since 1989 and handled various assignments in Finance as well as other departments. He is not holding any shares in the Company.

He is a Director in Kirloskar Corrocoat Private Limited and Kirloskar Brothers (Thailand) Limited. He is also a member of the Audit Committee of the Board of Directors of the Company and not holding any other Directorships or Chairmanship of the Committees of other Board.

Except Mr. Mate, none of the other Directors and Key Managerial Personnel including their relatives is concerned or interested, directly or indirectly, financially or otherwise in the proposed appointment.

The approval of Members is sought for the appointment Mr. Chittaranjan M. Mate, who is retiring by rotation and offers himself for re-appointment.

The Board recommends the passing of this resolution as an Ordinary Resolution.

II. Statement of material facts as required under Section 102 of the Companies Act, 2013**Item No. 3:**

Mr. K. Taranath (age 76) (DIN 00051697) was appointed as an Independent Director by the shareholders of the Company at its 50th Annual General Meeting for an initial term of 5 years upto March 29, 2020. Subsequently, he was appointed by the Board of Directors as an Additional Director of the Company with effect from March 30, 2020 vide Circular Resolution passed on 24th March, 2020 on the recommendation of Nomination and Remuneration Committee of the Board of Directors of the Company vide Circular Resolution passed on 24th March, 2020. In terms of Section 161 of the Companies Act, 2013, Mr. K. Taranath holds office up to the date of this Annual General Meeting.

Mr. Taranath has done Diploma in Mechanical Engineering (DME). He was an ex-employee of Kirloskar Brothers Limited (KBL) started his carrier as Trainee Engineer of KBL. He was associated with KBL's Hermetic Compressor division at Karad where he headed various functions of the Company like -- Quality Assurance, Production, R&D, Product Engineering, Reliability, Servicing and HRD during his tenor. He was in-charge of both Plants of the KBL at Karad & Atit. He was the Managing Director of Kirloskar Copeland Limited since October 2000. He has total 43 years of rich experience in the engineering industry. He played leading role in getting national award for the Company in Conservation & Productivity. He was a member of Bureau of Indian Standards (BIS) for Formulating ISI Standards for RAC and National Committee for introduction of CFC free refrigerant (Eco-friendly) in the country.

Mr. K. Taranath will be entitled for sitting fees as may be decided by the Board from time to time and commission, if any, as may be approved by the Board.

He has attended 6 (six) Board Meetings held during the Financial Year 2019-20. He does not hold any shares in the Company.

He is also a chairman of the Audit Committee and a member of the Nomination and Remuneration Committee of the Board of Directors of the Company. He is on the Board of Karad Projects and Motors Limited (KPML) and a Chairman of the Board of Directors of KPML and a Chairman of the Corporate Social Responsibility Committee of the Board of Directors of KPML and does not hold any other Directorships or Chairmanship of the Committees of other Board.

He has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment.

In Board's opinion the incumbent, Mr. K. Taranath fulfill the conditions specified in the Act and the Rules made thereunder for independence and also possess appropriate balance of skills, experience and knowledge so as to

enable the Board to discharge its functions and duties effectively and that he is independent of management. Considering his rich experience and related discipline, the Board considers his re-appointment as an Independent Director on the Board of Directors would be beneficial and in the best interest of the Company.

The Company has received a Notice from a Member, proposing his candidature for the office of director of the Company as required by Section 160 of the Companies Act, 2013.

Except Mr. K. Taranath, none of the other Directors and Key Managerial Personnel including their relatives are concerned or interested, directly or indirectly, financially or otherwise in the proposed appointment.

The approval of the Members is sought for the re-appointment of Mr. K. Taranath as a Director in the category of Independent Director of the Company.

On the recommendation of Nomination and Remuneration Committee and as per the requirements of provisions of Section 149 (10) of the Companies Act, 2013, the Board recommends the passing of this resolution as a Special Resolution re-appointing him as an Independent Director of the Company for consecutive 2nd term up to March 29, 2025.

Item No. 5.

Mr. Ravindra R. Samant (age 49) (DIN 07002226) is a graduate in Industrial Electronics and a post graduate in Business Management. He has a vast experience in Operations Management. He is also certified as a "MOST" auditor and is a six sigma green belt holder.

Mr. Samant was appointed as a Chief Executive Officer (CEO) of Hematic Motors Private Limited in May, 2013. Post-merger of Hematic Motors Private Limited with Kirloskar Construction & Engineers Limited, he is appointed as a Managing Director of the merged entity viz., Karad Projects and Motors Limited with effect from October, 2014.

Mr. Samant was appointed as a Managing Director of the Company at the 52nd Annual General Meeting of the Company held on 22nd July, 2017 for a period of 3 (three) years with effect from August 30, 2016 up to August 29, 2019 on such terms and conditions prescribed by the Board of Directors of the Company.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on July 18, 2019, re-appointed Mr. Samant as Managing Director of the Company for the further period of 3 years till 29th August, 2022. The Board of Directors of the Company propose to re-appoint him for a further period of 3 years with effect from 30th August, 2019 to 29th August, 2022. He is sought to be paid remuneration in the form of perquisites by way of Performance Linked Pay to the extent of Rs. 40,00,000/- (Rupees Forty Lacs Only) subject to remuneration policy of the Company and inter-alia including other criteria as may be decided by the Nomination and Remuneration Committee for the Financial Years 2019-20 to 2021-22.

He has attended 5 (five) meetings of the Board during the Financial Year 2019-20 and does not hold any shares in the Company.

As mentioned above, Mr. Samant is also the Managing Director of Karad Projects and Motors Limited (KPML) and a Member of Corporate Social Responsibility Committee of the Board of Directors of KPML. Besides this he is not holding any other Directorships or Membership/Chairmanship of the Committees of other Boards.

Except Mr. Ravindra R. Samant, none of the other Directors and Key Managerial Personnel including their relatives are concerned or interested, directly or indirectly, financially or otherwise in the proposed appointment.

The approval of Members is sought for the re-appointment and payment of remuneration to Mr. Samant as Managing Director of the Company.

The Board recommends the passing of this resolution as an Ordinary Resolution.

By the order of the Board of Directors
For **THE KOLHAPUR STEEL LIMITED**

Place: Pune
Date : May 27, 2020

Sd/-
Siddhesh Mandke
Company Secretary

BOARDS' REPORT

To,

The Members of the Company,

Your Directors present the 55th Annual Report and Audited Financial Statements of the Company for the year ended on March 31, 2020 together with the Reports of the Auditors' and Board thereon.

FINANCIAL PERFORMANCE

The financial results of the Company for the Financial Year 2019-20 as compared with the previous Financial Year are as under: -

	Year ended March 31, 2020 (Amt ₹ in Thousands)	Year ended March 31, 2019 (Amt ₹ in Thousands)
Revenue from Operations	308,990.63	359,798.43
Other Income	5,114.43	4,649.14
Total	314,135.06	364,447.57
Profit (Loss) before tax	(116,260.50)	(77,168.59)
Tax Expense	(562.52)	(919.27)
Profit (Loss) for the period	(115,697.99)	(76,249.32)
Other Comprehensive Income	4,078.49	(774.66)
Surplus in Profit & Loss Account brought from previous year	(380,525.92)	(303,531.94)
Depreciation and amortization expense	13,443.28	13,315.08
Available surplus	(492,145.41)	(380,525.92)

STATEMENT OF AFFAIRS

Your Company's turnover for the year under review has decreased by 14% over last year. The Company has incurred losses mainly due to prolonged recessionary conditions in all the industrial sectors, low order board from K GROUP companies than forecast, business impact of COVID-19.

Various actions on cost control are initiated in all the departments. Few of them are stated below:

- 1) Yield improvement compared to last Year.
- 2) Improvements made in melting process to reduce melting cost / kg and savings achieved by night shift pouring.
- 3) Conversion from diesel to BIO CNG completed for both the heat treatment furnaces which gives considerable savings.
- 4) Reduction in fresh sand consumption by using appropriate moulding boxes.
- 5) Reduced water consumption by installing STP plant.
- 6) Casting quality has been improved by using neutral lining for induction furnaces.
- 7) Use of AOD only for critical grades and for R/R conversion only. It has reduced melting cost.

ISO 9001: 2015 (QMS), EMS 14001 CERTIFICATE has been upgraded as per latest version of 2015.

DIVIDEND

No Dividend is recommended for the Financial Year ended March 31, 2020.

RESERVES

No amount is proposed to be carried to any reserves.

STATUTORY DISCLOSURES**1. EXTRACT OF THE ANNUAL RETURN**

Extract of the Annual Return in Form MGT - 9 as per provisions of Section 134 read with Section 92(3) of the Companies Act, 2013 is given in Annexure I to this report.

Extract of the Annual Return in Form MGT - 9 is available on the website of the Company at <http://www.kolhapursteel.com/we-are-tksl-investors.aspx>

2. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2019-20, the Board of Directors met 6 (six) times on 17th April 2019, 29th May, 2019, 18th July 2019, 19th October 2019, 17th January 2020 and 10th March 2020.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Board of Directors report that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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 loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) 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
- f) 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.

3. INDEPENDENT DIRECTORS' DECLARATION

All Independent Directors of the Company have given declarations under sub-section (7) of Section 149 of the Companies Act, 2013 that they meet the criteria laid down in Section 149 (6) of the Act.

4. DISCLOSURE REQUIRED UNDER SECTION 134(3)(e)

Your Company follows the standards of corporate governance set up by Kirloskar Brothers Limited, Holding Company. The Board comprises of an optimum combination with appropriate balance of skill, experience, background, and other qualities required for effective functioning of the Board.

The Remuneration Policy provides for appointment and remuneration to be paid to the Directors, Key Managerial Personnel and Senior Management as recommended by the Nomination and Remuneration Committee and approved by the Board.

The Remuneration Policy is available on the website of the Company at <http://www.kolhapursteel.com/we-are-tksl-investors.aspx>

The Independent Directors of the Company are entitled to receive sitting fees for every meeting of Board and Committee thereof attended by them.

5. REPORT OF AUDITORS'

During the Financial Year under review, there is no qualification, reservation or adverse remarks or disclaimer made by the Statutory Auditor of the Company in their Audit Report.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS'

During the Financial Year under review, there were no frauds reported by auditors' under sub-section (12) of Section 143 under the Companies Act, 2013.

6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

There were no Loans, Guarantees and Investments made during the Financial Year as covered under the provisions of Section 186 of the Companies Act, 2013.

7. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Disclosure relating to the particulars of contract or arrangement with related parties referred in sub-section (1) of Section 188 in Form AOC-2 is as below:

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 transactions under third proviso thereto:

- i. Details of contracts or arrangements or transactions not at arm's length basis: All the transactions with related parties are at arm's length.
- ii. Details of material contracts or arrangement or transactions at arm's length basis: NIL

8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND DATE OF THE REPORT - NIL**9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo given in Annexure II.

10. BUSINESS RISK MANAGEMENT

Senior Management team periodically reviews the working conditions affecting the Company and reports the same to the Board. In the opinion of the Board, none of the identified risks threaten the existence of the Company.

11. CORPORATE SOCIAL RESPONSIBILITY REPORT

The provisions of Section 135 of the Companies Act, 2013 read with Schedule VII are not applicable to the Company.

12. BOARD EVALUATION

The Board has formulated a Board Evaluation Policy for evaluation of individual directors as well as the entire Board for its performance and that of its committees thereof. The evaluation framework is divided into parameters based on the various performance criteria to be done annually. The evaluation for the Financial Year ended on March 31, 2020 has been completed.

The Board Evaluation Policy of the Company is available on the website of the Company on following link:
www.kolhapursteel.com/pdf/BoardEvaluationPolicy

In compliance with the requirements under Schedule IV of the Companies Act, 2013, a meeting of the Independent Directors was held on 17th January, 2020 primarily to discuss the matters mentioned under Schedule IV of the Companies Act, 2013. Both Independent Directors of the Company attended the same.

13. HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY DURING THE PERIOD UNDER REPORT:
Not Applicable**OTHER STATUTORY DISCLOSURES AS REQUIRED UNDER RULE 8(5) OF THE COMPANIES (ACCOUNTS) RULES, 2014.**

- (i) **Financial summary/highlights are already included elsewhere in the Report.**
- (ii) **Change in the nature of the business during the year under review: There has been no change in the nature of the business during the year under review.**
- (iii) **Details of Directors and Key Managerial Personnel who were appointed or have resigned during the year:**

Mr. C. M. Mate Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. K. Taranath was appointed as an Independent Director by the shareholders of the Company at its 50th Annual General Meeting for an initial term of 5 years upto March 29, 2020. Subsequently, he has been appointed as an Additional Director in the category of Independent Director with effect from March 30, 2020 pursuant to the provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office till the date of the ensuing Annual General Meeting. The Board recommends his re-appointment as an Independent Director at the ensuing Annual General Meeting.

Mr. Ravindra R. Samant has been appointed as a Managing Director of the Company in the 52nd Annual General Meeting of the Company for a period of 3 years upto August 30, 2019. Mr. Samant has been re-appointed by the Board as Managing Director of the Company at its meeting held on July 18, 2019 subject to the approval of Members at the Annual General Meeting and such other approvals as may be required and pursuant to Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and as per the provisions of schedule V to the said Act, the Articles of Association of the Company read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in addition to his existing appointment as a Managing Director of Karad Projects and Motors Limited with effect from August 30, 2019 for a period of 3 (three) years up to August 29, 2022, to perform the duties that may be delegated by the Board from time to time, subject to overall supervision and control of the Board of Directors and upon all other terms and conditions to be mentioned in the Agreement to be entered between the Company and Mr. Ravindra R. Samant.

The Board recommends his appointment as Managing Director.

(iv) Names of Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year: Not Applicable

(v) Details relating to Deposits:

Your Company has not accepted any deposits within the meaning of Section 2(31) of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

(vi) Details of Significant and material orders passed by the Regulators or Court or Tribunals impacting the going concern status and Company's operations in future: None

(vii) Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statement:

The Company has Internal Financial Control Systems which commensurate with the size, scale, nature and complexity of its operations. Corporate Internal Audit Department (CIA) of Kirloskar Brothers Limited were appointed as an Internal Auditors for the Financial Year 2019-20. Based on the report of Internal Auditors the Company undertakes corrective action and further strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Board.

(viii) Other disclosures required under Companies Act, 2013 as may be applicable:

- **Composition of Audit Committee:**

As required under Section 177 of the Companies Act, 2013, the Board has constituted the Audit Committee comprising of following Directors:

Mr. K. Taranath - Chairman

Mr. Achyut Dhadphale - Member

Mr. C. M. Mate - Member

- **Particulars of Employee:**

The information as prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to unlisted companies.

- **HOLDING COMPANY**

Kirloskar Brothers Limited is the Holding Company.

14. DISCLOSURE AS PER SECRETARIAL STANDARD

Your Board of Directors confirm the compliance with the applicable Secretarial Standards (SS-1) for the Financial Year under review.

15. CASH FLOW

A Cash Flow Statement for the Financial Year ended on March 31, 2020 is attached to the Financial Statements.

CONSOLIDATION OF SHARE CAPITAL:

The Company has submitted an application to National Company Law Tribunal (NCLT) Mumbai Bench to consolidate the Issued, Subscribed and Paid up equity shares in the share capital of the Company by increasing the face value of the equity shares from ₹ 1/- (Rupee One Only) each to ₹ 10,000/- (Rupees Ten Thousand Only) each by consolidating existing 10,000 equity shares of ₹ 1/- each into new 1 equity share of ₹ 10,000/- (Rupees Ten Thousand only) each.

SAFETY, HEALTH AND ENVIRONMENT

- Your manufacturing plant is certified for Environment Management System (ISO 14001:2015). Periodic internal audits of our manufacturing unit is being conducted to ensure legal compliance as per ISO 14001:2015 requirements.
- Apart from compliance of external or internal audits, your manufacturing unit is internally audited by Cross-Plant Safety team for verification of EHS compliances and as per standard industrial safe practices.
- To percolate and motivate the Safety culture at bottom level, involvement of top management is ensured. To motivate Safety culture, Plant Safety Rounds by Senior Management are conducted every month.
- Almost 106 incidents of unsafe acts and conditions at the workplace have been registered through the various initiative for reporting the incidents and 89% of reported incidents are closed. It helped in reducing unsafe acts and conditions at the workplace.
- Measuring Plant safety performance system is introduced, considering leading indicators and lagging indicators. From last six months, we have added slide on plant safety performance in Plant MIS.
- National Safety Week, World Environment Day, Fire Safety Day, Road Safety Day etc. are celebrated to increase awareness amongst the employees and motivating for safety culture.
- As a result of above initiatives, we have achieved 609 working days without reportable accidents as on March 31, 2020.
- Gantry in moulding area as well as shrouded bus bar for EOT crane is replaced to ensure safety in that area.

AUDITORS

M/s. P.G. Bhagwat, Chartered Accountants (Firm Registration No. 101118W) are appointed as Statutory Auditors for a period of 5 (five) years in the 54th Annual General Meeting held on July 18, 2019.

16. MAINTENANCE OF COST RECORDS

The Company is required to maintain the cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are made and maintained.

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

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In terms of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rule 2013, the report for the year ended on March 31, 2020:

No. of complaints received in the year	Nil
No. of complaints disposed off in the year	Nil
Cases pending for more than 90 days	Nil
No. of workshops and awareness programmes conducted in the year	01
Nature of action by employer or District Officer, if any	Nil

ACKNOWLEDGMENT

Your Directors wish to place on record their appreciation for the co-operation given by the banks for their extended support and also to vendors and contractors of the Company, for their valuable support extended to the Company from time to time. Your Directors would further like to record their appreciation for the sincere efforts of every employee and their contribution in the Company's progress.

For and on behalf of the Board of Directors
For **THE KOLHAPUR STEEL LIMITED**

Place: Pune

Date : May 27, 2020

Sd/-

Chittaranjan Mate

Chairman

DIN: 07399559

1896, Anamika Bunglow,

S. M. Mate Path, Sadashiv Peth,

Pune - 411 030

Form No. MGT - 9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2020
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i) CIN	U27106MH1965PLC013212
ii) Registration Date	May 26, 1965
iii) Name of the Company	The Kolhapur Steel Limited
iv) Category / Sub-Category of the Company	Company limited by shares
v) Address of the Registered office and contact details	Pune-Bangalore Highway, shiroli (Pulachi), Kolhapur-416 122 Phone : 0230-2468061 / 62 / 63
vi) Whether listed Company	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Link Intime India Private Limited, Block No. 202, 2 nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001, Phone : 020-26160084

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated: -

Sr. No.	Name and description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1.	Steel Casting	24319	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Kirloskar Brothers Limited "YAMUNA" S. No. 98(3 to 7), Plot No 3, Baner, Pune - 411 045	L29113PN1920PLC000670	Holding	99.74	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s).	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	266315115	0	266315115	99.74	266315115	0	266315115	99.74	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1) : -	266315115	99.74	266315115	99.74	266315115	0	266315115	99.74	0

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding ... contd.

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter									
(A) = (A) (1) + (A) (2)	266315115	0	266315115	99.74	266315115	0	266315115	99.74	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s).	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1) :-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	13127	477478	490605	0.18	13127	417213	430340	0.16	(0.02)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify) Investor Education and Protection Fund	194280	0	194280	0.07	254545	0	254545	0.09	0.02
Sub-total (B)(2):-	207407	477478	684885	0.25	267672	417213	684885	0.25	0
Total Public Shareholding (B) = (B)(1) + (B)(2)	207407	477478	684885	0.25	267672	417213	684885	0.25	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	266522522	477478	267000000	100.00	266522522	417213	267000000	100.00	0

(ii) Shareholding of Promoters :

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of shares Pledged / encumbered to total Shares	
1	Kirloskar Brothers Limited	266315115	99.74	0	266315115	99.74	0	0
	Total	266315115	99.74	0	266315115	99.74	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change) :

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			NO CHANGE	
	At the end of the year				

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	For Each of the Top 10 Shareholders				
1	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY- MINISTRY OF CORPORATE AFFAIRS				
	At the beginning of the year	194280	0.07	194280	0.07
	For Each of the Top 10 Shareholders				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0	60265	0.02
	At the end of the year (or on the date of separation, if separated during the year)			254545	0.09
2	RAJSHEKHAR KESHAV SAHASRABUDHE				
	At the beginning of the year	7932	0.003	7932	0.003
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)			7932	0.003

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	SHINDE SADASHIVRAO BHAURAO				
	At the beginning of the year	7685	0.003	7685	0.003
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)			7685	0.003
4	PATIL ATUL ANANDRAO				
	At the beginning of the year	7063	0.003	7063	0.003
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)			7063	0.003
5	PATIL SHANTABAI SHIVAJI				
	At the beginning of the year	4400	0.002	4400	0.002
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)			4400	0.002
6	KULKARNI MADAN SHANKAR				
	At the beginning of the year	3915	0.001	3915	0.001
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)			3915	0.001
7	YADAV PUSHPA RAGHUNATH				
	At the beginning of the year	3730	0.001	3730	0.001
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)			3730	0.001%
8	GUNDESHA GOVIND BHIMRAJ				
	At the beginning of the year	3345	0.001	3345	0.001
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)			3345	0.001

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	TAMHANE SHREEKANT G.				
	At the beginning of the year	3163	0.001	3163	0.001
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)			3163	0.001
10	PATIL SHIVAJI VISHNU				
	At the beginning of the year	3125	0.001	3125	0.001
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0	0	0
	At the End of the year (or on the date of separation, if separated during the year)			3125	0.001

(v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	For Each of the Directors and KMP				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	0	0	0	0
	At the end of the year	0	0	0	0

V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Thousands)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	81,845.79	11,214.02	0	93,059.81
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	81,845.79	11,214.02	0	93,059.81

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
● Addition	0	150,000.00	0	150,000.00
● Reduction	42,188.94	800.00	0	42,488.94
Net Change	(42,188.94)	149,200.00	0	107,511.06
Indebtedness at the end of the financial year				
i) Principal Amount	39,656.85	160,414.02	0	200,070.87
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	39,656.85	160,414.02	0	200,070.87

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER :

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (₹)
		Ravindra Samant Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	NA
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA
2	Stock Option	NA	NA
3	Sweat Equity	NA	NA
4	Commission		
	- as % of profit	Nil	Nil
	- others, specify	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)		
	Ceiling as per the Act	8,400,000.00	NA

B. REMUNERATION TO OTHER DIRECTORS

Amount in (₹)

Sr. No.	Particulars of Remuneration	Name of Director		Total Amount
	Independent Directors	Mr.K.Taranath	Mr. Achyut Dhadphale	
	Fees for attending board / committee meetings	70,000	70,000	140,000
	Commission -	-	-	
	Others, please specify -	-	-	
	Total (1)	70,000	70,000	140,000

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
	Other Non-Executive Directors	Sandeep Phadnis	Ravi Sinha	Chittaranjan Mate	
	Fees for attending Board /				
	Committee meetings	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL
	Total (B)= (1+2)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL	NIL	NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total (₹)
		Siddhesh Mandke	Ananta Das	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	NIL	17,51,439	17,51,439
	(b) Value of perquisites under Section 17(2) of the Income-Tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission			
	- As % of profit	NIL	NIL	NIL
	- Others, specify	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total	NIL	17,51,439	17,51,439

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Sr. No.	Particulars	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A.	COMPANY					
	Penalty					
	Punishment					
	Compounding					
B.	DIRECTORS					
	Penalty					
	Punishment					
	Compounding					
C.	OTHER OFFICERS IN DEFAULT					
	Penalty					
	Punishment					
	Compounding					

ANNEXURE - II**The report on conservation of energy, technology absorption, foreign exchange earnings and outgo as per Rule 8 (3) of the Companies (Accounts) Rules, 2014****(A) CONSERVATION OF ENERGY :****(i) The steps taken or impact on conservation of energy:**

- Shifted melting activities of furnaces to night shift to take advantage of lower power tariff.
- Added six numbers of IGBT welding machines in fettling area for energy saving as well as to improve quality of welding.
- Made new moulding boxes to avoid excess sand consumption and save machine running hours.
- Installation of APFC (Automatic Power Factor Control) panel 2 nos for power factor correction.
- Cooling tower for 5MT induction furnace e-auto switch off facility installed based on return water temperature to prevent unnecessary fan operation.
- For heavy welding started use of MIG CO2 welding machines instead of ARC welding machines which saves electricity.
- 20 no's of LED lamps of 50/70 watt replaced from various locations of shop and other premises.
- Replacement of 33 KV incoming breaker and CT /PT for all incoming VCB to avoid sudden power failure & for accurate measurement of power.
- Air compressor re-scheduling as per air requirement. In night shift 60 HP compressor is used instead of 100 HP.

(ii) The steps taken by the Company for utilizing alternate sources of energy:NIL**(iii) The capital investment on energy conservation equipment's:**

- ₹ 10.86 lakhs spent for welding and Gouging Machines in Fettling Department.
- ₹ 5.80 lakhs were spent on Automatic Power Factor Control
- ₹ 8.35 lakhs were spent on Sand Attrition Machine
- Investment made for LED ₹ 1 lakh.

(B) TECHNOLOGY ABSORPTION :**(i) The efforts made towards technology absorption:**

- NIL

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

- By use of both heat treatment furnaces on BIO-CBG we are achieving every year.
- Savings in Ladle preheater by using BIO-CBG is continued

(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the Financial Year): Not Applicable

(a) the details of technology imported: NA

(b) the year of import: NA

(c) Whether the technology been fully absorbed: NA

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA

(iv) Expenditure incurred on Research and Development : Nil**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows. ₹

- | | |
|---|-------------|
| - Imported: Foreign exchange outgo towards import of Raw Material | NIL |
| - Export: Foreign exchange inflow towards Export sales of pattern and casting | 62,32,708/- |

For and on behalf of the Board of Directors
For **THE KOLHAPUR STEEL LIMITED**

Sd/-
Chittaranjan Mate

Chairman

DIN: 07399559

1896, Anamika Bunglow

S. M. Mate Path, Sadashiv Peth,

Pune 411 030

Place: Pune

Date : May 27, 2020

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE KOLHAPUR STEEL LIMITED**

Report on the Indian Accounting Standards (Ind AS) Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of The Kolhapur Steel Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity, and the statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, its loss (including Other Comprehensive Loss), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

The Company incurred a net loss of Rs. 111,619.50 (in thousands) during the year ended 31st March 2020 and, as of that date, the Company's current liabilities exceeded its total assets by Rs. 18,044.53 (in thousands). As evident from the balance sheet, these events or conditions, along with other matters as set forth in Note 40, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, based on the steps taken by management, as mentioned in note 40 our opinion is not modified in this regard.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

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

In connection with our audit of the 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 Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity, cash flows of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015, as amended.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended.
 - e. We have significant doubt on material uncertainty relating to going concern. Kindly refer Note 40, along with 'Material Uncertainty on Going Concern' paragraph reported below 'Basis of Opinion' paragraph for further details.
 - f. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
 - h. The Company has not given any remuneration to its directors during the period of audit. Consequently, reporting under section 197(16) of the Act is not applicable; and
 - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note no.28 to the financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2020.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M/s. P. G. Bhagwat
Chartered Accountants

Firm's Registration No: 101118W

Akshay B. Kotkar
Partner

Membership No. 140581

UDIN: 20140581AAAAB04581

Place: Pune

Date : 27th May, 2020

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 of the Independent Auditor's Report of even date to the Members of The Kolhapur Steel Limited on the financial statements as of and for the year ended 31st March 2020.

- (i) In respect of Property, Plant & Equipment:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.
- (b) The fixed assets of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. Also, the Company has policy of verifying one block of asset every year. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on Property, Plant and Equipment to the financial statements, are held in the name of the Company.
- (ii) The physical verification of inventory, excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material, and have been appropriately dealt with in the books of accounts.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Therefore, the reporting under Clause 3(iii)(a), (b) and (c) of the said Order are not applicable to the Company.
- (iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- (v) The Company has not accepted any deposits from public within the meaning of Section 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, the provisions of Clause 3(v) of the said Order are not applicable to the Company.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income-tax, duty of customs, Goods & Service Tax, cess and other material statutory dues, as applicable, with appropriate authorities.
- (b) According to information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Goods and Service tax, Cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they become payable.
- (c) According to information and explanation given to us and the records of the Company examined by us, there are no dues of Income tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value added tax, Goods and Service tax as at 31st March 2020 which have not been deposited on account of any dispute other than those mentioned below:

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Central Excise Duty	5,50,266	1986-87 & 2002-03	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)

- (viii) According to records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank.
- (ix) The Company has not raised moneys by way of initial public offer, further public offer (including debt instruments) but company has raised money by way of term loans from holding company, and observed that that the same is applied for the purposes for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) Based on our examination of the records of the Company, no managerial remuneration has been paid or provided by the Company.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For M/s. P. G. Bhagwat
Chartered Accountants
Firm's Registration No: 101118W

Akshay B. Kotkar
Partner
Membership No. 140581
UDIN: 20140581AAAAB04581

Place : Pune
Date : 27th May, 2020

ANNEXURE - B TO THE AUDITOR'S REPORT

(Referred to in paragraph 2(f) of our Report on Other Legal and Regulatory Requirements of even date to the Members of The Kolhapur Steel Limited)

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

We have audited the internal financial controls over financial reporting of The Kolhapur Steel Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are

recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s. P. G. Bhagwat**Chartered Accountants**

Firm's Registration No: 101118W

Akshay B. Kotkar**Partner**

Membership No. 140581

UDIN: 20140581AAAAB04581

Place : Pune**Date** : 27th May, 2020

NOTES TO ACCOUNTS

1. Corporate information

The Kolhapur Steel Limited (TKSL), a subsidiary Company of Kirloskar Brothers Limited, established in the year 1965. TKSL is manufacturing of Mild Steel and Stainless Steel castings for various industries, viz. Power sector, Pumps and Valve, Mining, Cement, Heavy engineering application, Sugar etc.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared to comply in all material respects with Companies (Indian Accounting Standards) Rules, 2015 with section 133 of the Companies Act 2013 as amended on time to time.

The financial statements were authorised for issue by the Board of Directors on 27th May 2020.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Defined benefit Obligation	Fair value

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information is presented in INR rounded to the nearest Thousands except share and per share data, unless otherwise stated.

Exchange differences are recognized in the Statement of Profit and Loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying value of assets or liabilities in future periods.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Critical estimates and judgments

The areas involving critical estimates or judgments are:

1. Estimation of defined benefit obligation - Refer note 32

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies

consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables which tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 32.

2. Impairment of financial assets

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3. Estimation of provision for warranty claims - Refer note 2.15 Provisions

4. Estimated useful life of intangible assets - Refer note 2.9 Intangible asset and amortization

Current versus non-current classification

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

An asset as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

2.5 Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and stores spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost is calculated on moving weighted average method.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

- Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.6 Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and highly liquid short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in balance sheet.

2.7 Property, plant and equipment

- **Recognition and measurement**

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are disclosed under "Other non-current assets".

- **Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as incurred.

- **Disposal**

An item of property, plant and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/expenses in the statement of profit and loss.

- **Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognized in the statement of profit and loss generally on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment as prescribed in Schedule II of the Companies Act 2013, as assessed by the Management of the Company based on technical evaluation.

2.8 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and cost of the item can be measured reliably. All other repairs and maintenance costs are expensed

when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties are depreciated using straight-line method over their estimated useful lives as prescribed in Schedule II of the Companies Act 2013.

2.9 Intangible assets and amortisation

● **Recognition and measurement**

Intangible assets are recognized when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

● **Subsequent measurement**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

● **Amortisation**

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortization is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets which is 3 years from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

2.10 Revenue recognition

Company recognizes revenue when it transfers control over a good or service to a customer i.e. when it has fulfilled all 5 steps as given by Ind AS 115.

Revenue is measured at transaction price i.e. Consideration to which accompany expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and after considering effect of variable consideration, significant financing component.

For contracts with multiple performance obligations, transaction price is allocated to different obligations based on their standalone selling price. In such case, revenue recognition criteria are applied for each separately to different performance obligations, in order to reflect the substance of the transaction and revenue is recognized separately for each obligation as and when the recognition criteria for the component is fulfilled.

Company has assumed that recovery of excise duty flows to the Company on its own account. Accordingly, it is the liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of GST flows to the Company on its own account, revenue includes GST.

However, GST is not received by the Company on its own account. Accordingly, it is excluded from revenue.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Amounts included in revenue are net of returns, trade allowances, rebates, goods and service tax, value added taxes.

Rendering of services

Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on surveys of work performed.

If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the list prices at which the Company sells the services in separate transactions.

Other income

Other income comprises of interest income, dividend income, foreign currency gain on financial assets and liabilities and export benefits.

Interest income is recognised as it accrues in the statement of profit and loss, using the effective interest method. Dividend income and export benefits in the form of Duty Draw Back claims are recognised in the statement of profit and loss on the date that the Company's right to receive payment is established.

2.11 Finance costs

Finance costs comprises of interest expense on borrowings, and foreign currency loss on financial assets and liabilities. Interest expenditure is recognised as it accrues in the statement of profit and loss, using the effective interest method.

2.12 Foreign currencies transactions

The financial statements are presented in INR, which is also the company's functional currency. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

2.13 Employee Benefits

Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, expected cost of bonus and short term compensated absences, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

Post-Employment Benefits

Defined Contribution Plans

The Company's state governed provident fund scheme related and employee state insurance scheme are defined contribution plans. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related service.

Defined Benefit Plans

The employees' gratuity fund scheme is the Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and

measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expenses on a straight-line basis over the average period until the benefits become vested. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Long Term Employee Benefit

The obligation for long term employee benefits such as long term compensated absences is recognized in the same manner as in the case of defined benefit plans as mentioned above.

Accumulated leaves that are expected to be utilized within the next 12 months are treated as short term employee benefits.

2.14 Income Taxes

Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of tax laws enacted or substantially enacted at the end of reporting period. Management periodically evaluates positions taken in tax returns with respect to situation in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be

utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.15 Provisions

A Provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources is expected to settle the obligation, in respect of which a reliable estimate can be made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in case of -

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) present obligation arising from past events, when no reliable estimate is possible
- c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognized, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

2.16 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

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 at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily

determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if 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, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at the same value at which the lease liability is recognized. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for the year ended March 31, 2019.

2.17 Impairment of non-financial assets

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's net selling price or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.18 Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Quoted market prices, when available, are used as the measure of fair value. In cases where quoted market prices are not available, fair values are determined using present value estimates or other valuation techniques, for example, the present value of estimated expected future cash flows using discount rates commensurate with the risks involved. Fair value estimation techniques normally incorporate assumptions that market participants would use in their estimates of values, future revenues, and future expenses, including assumptions about interest rates, default, prepayment and volatility. Because assumptions are inherently subjective in nature, the estimated fair values cannot be substantiated by comparison to independent market quotes and, in many cases, the estimated fair values would not necessarily be realized in an immediate sale or settlement of the instrument.

For cash and other liquid assets, the fair value is assumed to approximate to book value, given the short term nature of these instruments. For those items with a stated maturity exceeding twelve months, fair value is calculated using a discounted cash flow methodology.

The instruments carried at fair value were categorized under the three levels of the Ind AS fair value hierarchy as follows:

- Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). These inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available in the circumstances, which include the Company's own data. The Company's own data used to develop unobservable inputs is adjusted if information indicates that market participants would use different assumptions.

2.19 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- 1) Debt instruments at amortized cost
- 2) Debt instruments at fair value through other comprehensive income (FVTOCI)
- 3) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- 4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial asset

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Lease receivables
- d. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- e. Loan commitments which are not measured as at FVTPL
- f. Financial guarantee contracts which are not measured as at FVTPL

The group follows 'simplified approach' for recognition of impairment loss allowance on:

- a. Trade receivables or contract revenue receivables; and
- b. All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Financial liabilities**Initial recognition and measurement**

The company initially recognizes loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognized on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.20 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period as reduced by number of shares bought back, if any. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share

split(consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.21 Borrowing

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

2.22 Standards issued but not effective

The amendments are proposed to be effective for annual reporting periods beginning on or after 1 April 2020.

The Company is in the process of evaluating the impact of these amendment on financial statements.

A. Issue of Ind AS 117 - Insurance Contracts

The exposure draft of Ind AS 117 was issued by the Institute of Chartered Accountants of India as replacement for Ind AS 104 Insurance Contracts. It requires a current measurement model where estimates are re-measured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under Ind AS 109.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

B. Amendments to existing Standards

The Company is in the process of evaluating the impact of these amendment on financial statements.

1. Ind AS 40 - Investment Property

The exposure draft on amendments to Ind AS 40 issued by the Institute of Chartered Accountants of India proposes to reinstate the fair value option thereby providing the entities an accounting policy choice to subsequently measure investment properties using either the cost model or the fair value model.

2. Ind AS 1 - Presentation of Financial Statements and Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The exposure draft on amendments to Ind AS 1 and Ind AS 8 issued by the Institute of Chartered Accountants of India proposes to amended the definition of the term "Material" and to use a consistent definition of materiality throughout Indian Accounting Standards and the Conceptual Framework for Financial Reporting. The amendment clarifies when information is material. In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general-purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

3. Ind AS 103, Business Combinations

The exposure draft on amendments to Ind AS 103 issued by the Institute of Chartered Accountants of India proposes to amend the definition of "Business". Proposed guidance provides that an acquisition should include an input and a substantive process that together significantly contribute to the ability to create outputs.

The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early stage companies that have not generated outputs). To be a business without outputs, there will now need to be an organized workforce.

It is no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets and base the assessments on what has been acquired in its 'current state and condition'. The amendment also provides for an 'optional test', where substantially all of the fair value of gross assets is concentrated in a single asset (or group of similar assets), the assets acquired would not represent a business.

4. Ind AS 109, Financial Instruments and Ind AS 107 Financial Instruments: Disclosures - Interest Rate Benchmark Reform

The exposure draft on amendments to Ind AS 109 and Ind AS 107 issued by the Institute of Chartered Accountants of India proposes amendments to modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the Inter Bank Offer Rate (IBOR) reforms. Additionally, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

Balance Sheet as at 31 March 2020

(Amounts in Thousand Rupees)

Particulars	Note No	31 March 2020	31 March 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	87,400.48	95,904.36
Right of Use Assets	3	1,046.83	-
Capital work-in-progress		3,787.73	3,542.44
Investment Property	4	2,249.73	2,355.84
Goodwill		-	-
Other Intangible assets	3	7.68	23.70
Intangible assets Under Development		-	-
Financial Assets			
Investments		-	-
Trade receivables	5	-	-
Loans	6	3.50	45.28
Others		-	-
Deferred tax assets (net)	18	3,000.03	3,870.49
Other non-current assets	7	1,066.93	888.09
Total non-current assets		98,562.92	106,630.20
Current assets			
Inventories	9	62,975.44	90,802.83
Financial Assets			
Investments		-	-
Trade receivables	5	27,575.53	50,036.74
Cash and cash equivalents	10 a	168.84	174.36
Other bank balances	10 b	571.60	647.99
Loans	6	137.00	-
Others		-	-
Current Tax Assets (net)		-	-
Other current assets	8	13,232.90	6,844.51
Total current assets		104,661.31	148,506.43
TOTAL ASSETS		203,224.23	255,136.63
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	267,001.56	267,001.56
Other equity	12	(481,794.05)	(370,174.56)
Total equity		(214,792.49)	(103,173.00)
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	165,625.00	25,000.00
Trade payables -	14	-	-
- Dues of Micro and Small Enterprises		-	-
- Dues of other than Micro and Small Enterprises		-	-
Other financial liabilities	15	578.72	-
Provisions	16	30,593.36	34,658.65
Deferred tax liabilities (net)	18	-	-
Other non-current liabilities	17	-	-
Total non-current liabilities		196,797.08	59,658.65
Current liabilities			
Financial liabilities			
Borrowings	13	21,945.87	55,559.81
Trade payables	14	-	-
- Dues of Micro and Small Enterprises		1,007.93	12,631.24
- Dues of other than Micro and Small Enterprises		103,240.04	106,166.65
Other financial liabilities	15	35,341.90	36,083.75
Provisions	16	12,959.48	15,781.57
Current tax liabilities (net)		-	-
Other current liabilities	17	46,724.41	72,427.97
Total current liabilities		221,219.63	298,650.99
Total liabilities		418,016.72	358,309.64
TOTAL EQUITY AND LIABILITIES		203,224.23	255,136.63
Corporate Information	1		
Summary of significant accounting policies	2		
See accompanying notes to financial statements	3-43		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For M/s P. G. BhagwatChartered Accountants
FRN- 101118W**Akshay B. Kotkar**

Partner

Membership No. 140581
UDIN: 20140581AAAAB04581

Pune : 27th May 2020

Ravindra SamantManaging Director
DIN:07002226**Ananta Charan Das**

Chief Finance Officer

C M MateChairman
DIN:07399559**Siddhesh Mandke**

Company Secretary

Statement of Profit & Loss for the Year Ended 31 March 2020

(Amounts in Thousand Rupees)

Particulars	Note No.	Year Ended 31 March 2020	Year Ended 31 March 2019
Revenue from Operations	19	308,990.63	360,035.71
Other Income	20	5,144.43	4,411.86
Total Income		314,135.06	364,447.57
Expenses			
Cost of materials consumed	21 a	125,035.66	179,820.29
Purchases of Stock-in-Trade	21 b	6,284.30	4,781.00
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	22	31,301.63	(8,416.24)
Employee benefits expense	23	93,952.22	92,088.30
Finance costs	24	16,331.08	12,070.00
Depreciation and amortization expense	25	13,443.28	13,315.08
Other expenses	26	144,047.39	147,957.73
Total expenses		430,395.56	441,616.16
Profit/(loss)before exceptional items and tax		(116,260.50)	(77,168.59)
Exceptional items		-	-
Profit / (loss) before tax		(116,260.50)	(77,168.59)
Tax expenses	18		
(1) Current tax		-	-
(2) Deferred tax		562.52	919.27
(3) Short provision of earlier years		-	-
Total Tax expenses		562.52	919.27
Profit/(loss) for the year		(115,697.99)	(76,249.32)
Other Comprehensive Income	27		
Items that will not be reclassified to profit or loss		5,511.47	(1,006.29)
Income tax relating to items that will not be reclassified to profit or loss		(1,432.98)	261.64
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income for the year, net of tax		4,078.49	(744.66)
Total Comprehensive Income for the year		(111,619.50)	(76,993.98)
Earnings per equity share			
(1) Basic		(0.43)	(0.29)
(2) Diluted		(0.43)	(0.29)

Corporate Information	1
Summary of significant accounting policies	2
See accompanying notes to financial statements	3-43
The notes referred to above form an integral part of the financial statements	

As per our report of even date attached

For M/s P. G. Bhagwat
Chartered Accountants
FRN- 101118W

Akshay B. Kotkar
Partner
Membership No. 140581
UDIN: 20140581AAAAB04581
Pune : 27th May 2020

For and on behalf of the Board of Directors

Ravindra Samant
Managing Director
DIN:07002226

Ananta Charan Das
Chief Finance Officer

C M Mate
Chairman
DIN:07399559

Siddhesh Mandke
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

(Amounts in Thousand Rupees)

Sr. No.	Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
A	Cashflows from Operating Activities		
	Net Profit before taxation and extraordinary items	(116,260.50)	(77,168.59)
	Adjustments for :-		
1	Depreciation / Amortization	13,443.28	13,315.08
2	Fixed Assets written off and reversal of Impairment	-	(87.56)
3	Profit on sale of Fixed Assets	(194.12)	(1,779.88)
4	Bad debts written off	30.51	1.13
5	Provision for doubtful debts, advances and claims	336.82	97.74
6	Interest Income	(24.20)	(37.23)
7	Interest Expenses	16,189.08	12,070.00
8	Interest Expenses - Lease	142.00	-
	Operating Profit Before Working capital changes	(86,337.13)	(53,589.31)
	Adjustments for :-		
1	(Increase)/ decrease in inventories	27,827.38	(12,953.65)
2	(Increase)/ decrease in trade receivables	22,093.90	13,626.72
3	(Increase)/ decrease in financial assets	76.39	218.85
4	(Increase)/ decrease in non-financial assets	(6,561.21)	(592.89)
5	Increase/ (decrease) in trade payable	(14,549.91)	7,165.41
6	Increase/ (decrease) in financial liabilities	(1,263.38)	5,224.82
7	Increase/ (decrease) in non-financial liabilities	(25,703.56)	62,042.43
8	Increase/ (decrease) in provisions	(1,375.91)	1,238.88
	Cash Generated from Operations	(85,793.44)	22,381.26
9	Income Tax (Paid) / Refunded net of provision	(78.74)	(583.14)
	Net Cash Flow from Operating Activities	(85,872.18)	21,798.12
B	Cashflows from Investing Activities		
1	Purchase of Fixed Assets	(4,561.63)	(4,521.40)
2	Sale of Fixed Assets	194.12	1,779.88
3	Interest Received	24.20	37.23
4	Investment in Right of Use assets	(612.00)	-
	Net Cash Flow from Investment Activities	(4,955.32)	(2,704.29)
C	Cash Flows from Financing Activities		
1	Proceeds from borrowing	117,186.06	1,258.28
2	Repayment of borrowings	(10,175.00)	(13,500.00)
4	Interest Paid	(16,189.08)	(12,070.00)
4	Dividend Paid	-	-
5	Tax on Dividend	-	-
4	Proceeds from issuance of share capital	-	-
5	Redemption of pref. share capital	-	-
	Net Cash Flow from Financing Activities	90,821.98	(24,311.72)
	Net Increase/(decrease) in Cash and Cash Equivalents	(5.52)	(5,217.89)
1	Cash & Cash Equivalents at beginning of year	174.36	5,392.28
2	Cash & Cash Equivalents at end of the year (refer note 10 a)	168.84	174.36

Note :- 1. Previous year's figures are regrouped wherever necessary to make them comparable with the Current Year.
2. Cash flow is prepared using indirect method.

As per our report of even date attached

For and on behalf of the Board of Directors

For M/s P. G. Bhagwat
Chartered Accountants
FRN- 101118W

Ravindra Samant
Managing Director
DIN:07002226

C M Mate
Chairman
DIN:07399559

Akshay B. Kotkar
Partner
Membership No. 140581
UDIN: 20140581AAAAB04581
Pune : 27th May 2020

Ananta Charan Das
Chief Finance Officer

Siddhesh Mandke
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2020

A. Equity Share Capital

(Amounts in Thousand Rupees)

Balance as at 1 April 2018	Changes in equity share capital during the year	Balance as at 31 March 2019
267,000	-	267,000
<hr/>		
Balance as at 31 March 2019	Changes in equity share capital during the year	Balance as at 31 March 2020
267,000	-	267,000

B. Other Equity

	Reserves and Surplus			Total
	Securities Premium Reserve	General Reserve	Retained Earnings	
Balance as at 1 April 2018	2,523.56	7,827.80	(303,531.93)	(293,180.57)
Profit for the year	-	-	(76,249.32)	(76,249.32)
Other comprehensive income	-	-	(744.66)	(744.66)
Dividends Paid	-	-	-	-
Transfer to/from retained earnings	-	-	-	-
Balance as at 31 March 2019	2,523.56	7,827.80	(380,525.91)	(370,174.55)
Restated balance at the beginning of the reporting period	-	-	-	-
Profit for the year	-	-	(115,697.99)	(115,697.99)
Other comprehensive income	-	-	4,078.49	4,078.49
Dividends Paid	-	-	-	-
Transfer to retained earnings	-	-	-	-
Any other change	-	-	-	-
Balance as at 31 March 2020	2,523.56	7,827.80	(492,145.41)	(481,794.06)

As per our report of even date attached

For M/s P. G. Bhagwat

Chartered Accountants
FRN- 101118W

Akshay B. Kotkar

Partner
Membership No. 140581
UDIN: 20140581AAAAAB04581
Pune : 27th May 2020

For and on behalf of the Board of Directors

Ravindra Samant

Managing Director
DIN:07002226

Ananta Charan Das

Chief Finance Officer

C M Mate

Chairman
DIN:07399559

Siddhesh Mandke

Company Secretary

NOTES TO ACCOUNTS

Notes 3: Property, Plant and Equipment Right of Use and Intangible Assets

(Amounts in Thousand Rupees)

Particulars	Tangible Assets - Owned											Lease Assets Right of Use Assets	Intangible Assets Computer Software				
	Land (Freehold)	Buildings	Electrical Installation	Plant & Equip-ment	Computer	Furniture & Fixtures	Office Equip-ments	Vehicles	Pattern & Dies	Tools & Tackles	Total						
Gross Block																	
As at 31 March 2018	11,797.61	32,731.16	531.33	177,405.58	3,386.33	520.58	3,367.42	2,122.88	1,000.00	-	232,862.89	-	3,824.38				
Additions	-	-	-	7,696.22	24.80	10.00	112.96	-	-	-	7,843.98	-	-				
Disposals	-	(7.79)	(667.98)	(9,896.04)	(295.39)	(111.74)	(1,993.06)	-	-	-	(12,672.02)	-	(666.75)				
Impairment of asset	-	-	-	183.43	-	-	-	-	-	-	183.43	-	-				
As at 31 March 2019	11,797.61	32,723.37	163.35	175,389.19	3,115.74	418.84	1,487.32	2,122.88	1,000.00	-	228,218.28	-	3,158				
Additions	-	-	40.82	3,651.55	273.35	28.00	177.08	-	-	123.05	4,293.84	1,570.25	-				
Disposals	-	-	-	(433.81)	-	-	-	-	-	-	(433.81)	-	-				
Other Adjustments	-	-	-	(2,714.55)	-	-	-	-	-	-	(2,714.55)	-	-				
Impairment of asset	-	-	-	-	-	-	-	-	-	-	-	-	-				
As at 31 March 2020	11,797.61	32,723.37	204.17	175,892.39	3,389.09	446.84	1,664.39	2,122.88	1,000.00	123.05	229,363.77	1,570.25	3,157.63				
Depreciation/ Amortisation																	
As at 31 March 2018	-	16,279.03	471.65	107,056.55	2,566.48	375.80	2,898.17	1,770.67	278.84	-	131,697.19	-	3,784.65				
Charge for the year	-	895.04	9.60	11,673.14	205.14	24.09	160.77	126.96	98.20	-	13,192.94	-	16.03				
Depreciation on disposal	-	(7.80)	(667.98)	(9,800.23)	(295.39)	(111.74)	(1,993.05)	-	-	-	(12,576.18)	-	(666.75)				
As at 31 March 2019	-	17,166.27	113.27	108,929.45	2,476.23	288.15	1,065.89	1,897.63	377.05	-	132,313.93	-	3,133.93				
Charge for the year	-	895.03	10.15	11,295.19	226.61	24.53	176.56	34.69	98.20	36.78	12,797.73	523.42	16.02				
Depreciation on disposal	-	-	-	433.81	-	-	-	-	-	-	433.81	-	-				
Other Adjustments	-	-	-	(2,714.55)	-	-	-	-	-	-	(2,714.55)	-	-				
As at 31 March 2020	-	18,061.30	123.41	117,076.29	2,702.85	312.68	1,242.44	1,932.32	475.25	36.78	141,963.31	523.42	3,149.95				
Net block																	
At 31 March 2020	11,797.61	14,662.08	80.75	58,816.10	686.24	134.16	421.95	190.56	524.75	86.28	87,400.48	1,046.83	7.68				
At 31 March 2019	11,797.61	15,557.11	50.08	66,459.74	639.51	130.69	421.43	225.25	622.95	-	95,904.36	-	23.70				

Notes:

1) Property, plant and equipment pledged as security

Company has mortgaged its property, Plant and Equipment against borrowing from ICICI Bank- refer note no 13

2) Impairment loss

No additional provision made for impairment loss during the year.

3) Contractual obligations

Refer note no 29 for estimated amount of contract remaining to be executed on capital account

4) Capital work-in-progress

Capital work-in-progress mainly comprises Radiographic Testing plant building and Control Panel Board in electrical installation.

NOTES TO ACCOUNTS (contd...)

Notes 4 : Investment Property

(Amounts in Thousand Rupees)

Particulars	Building
Gross Block	
As at 31 March 2018	2,780.29
Additions	-
Disposals	-
As at 31 March 2019	2,780.29
Additions	-
Disposals	-
As at 31 March 2020	2,780.29
Depreciation and Impairment	
As at 31 March 2018	318.31
Charge for the year	106.11
Depreciation on disposals -	
As at 31 March 2019	424.42
Charge for the year	106.11
Depreciation on disposals	
As at 31 March 2020	530.53
Net block	
At 31 March 2020	2,249.76
At 31 March 2019	2,355.87

Fair Value Table

Particulars	Building
Opening balance as at 01 April 2018	4,420.00
Fair value difference	892.50
Purchases	
Closing balance as at 31 March 2019	5,312.50
Fair value difference	1,875.38
Purchases/transfer from PPE	-
Closing balance as at 31 March 2020	7,187.88

Information regarding income and expenditure of investment property

(Amounts in Thousand Rupees)

Particulars	31 March 2020	31 March 2019
Rental Income derived from investment property	35.41	153.25
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation	35.41	153.25
Less - Depreciation	106.11	106.11
Profit arising from investment properties After depreciation	(70.70)	47.14

NOTES TO ACCOUNTS (contd...)**Notes 5 : Financial Assets : Trade receivables**

(Amounts in Thousand Rupees)

Particulars	31 March 2020	31 March 2019
Non-current		
Trade Receivable- Others	-	-
Trade Receivable from Related Party (Ref: Note 33)	-	-
Less: Loss Allowance	-	-
Total	-	-
Break-up of Security Details		
Trade Receivable Considered Good- Secured	-	-
Trade Receivable Considered Good- Unsecured	-	-
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable- Credit Impaired	-	-
Less: Loss Allowance	-	-
Total	-	-
Current		
Trade Receivable- Others	21,133.98	16,693.10
Trade Receivable from Related Party (Ref: Note 33)	6,778.36	33,343.65
Less: Loss Allowance	336.82	-
Total	27,575.53	50,036.74
Break-up of Security Details		
Trade Receivable Considered Good- Secured	-	-
Trade Receivable Considered Good- Unsecured	27,575.53	50,036.74
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable- Credit Impaired	336.82	-
Less: Loss Allowance	27,912.34	50,036.74
Total	336.82	-
Total trade receivables	27,575.53	50,036.74

Notes 6 : Financial Assets: Loans

Particulars	31 March 2020	31 March 2019
Non-current		
(a) Security deposits	3.50	45.28
Break-up of Security Details		
Loans Considered Good- Secured	-	-
Loans Considered Good- Unsecured	3.50	45.28
Loans which have significant increase in credit risk	-	-
Loans- Credit Impaired	-	-
Less: Loss Allowance	3.50	45.28
Total	3.50	45.28
Current		
(a) Security deposits	75.00	-
(b) Retention money deposits	62.00	-
Break-up of Security Details		
Loans Considered Good- Secured	-	-
Loans Considered Good- Unsecured	137.00	-
Loans which have significant increase in credit risk	-	-
Loans- Credit Impaired	-	-
Less: Loss Allowance	137.00	-
Total	-	-
Total loans	140.50	45.28

NOTES TO ACCOUNTS (contd...)

Notes 7 : Other non-current assets

(Amounts in Thousand Rupees)

Particulars	31 March 2020	31 March 2019
(a) Capital advances	22.50	-
	22.50	-
(b) Advances to supplier and others		
Unsecured, considered good		
Doubtful	-	-
	-	-
Less: Provision for doubtful advances	-	-
	-	-
(c) Prepaid expenses	156.48	78.88
(d) Gross amount due from customer	-	-
(e) Retention	-	-
(f) Advance income tax (net of provision)	887.95	809.21
Total other Non current asset	1,066.93	888.09

Notes 8 : Other current assets

Particulars	31 March 2020	31 March 2019
(a) Advances to supplier and others		
Unsecured, considered good		
Advances to related parties	-	-
Others	332.24	240.08
	332.24	240.08
(b) Prepaid expenses	1,940.86	2,887.39
(c) Gross amount due from customer	-	-
(d) Claims receivable		
Deposits and receivables from Excise , Service Tax	542.21	542.21
GST Receivable	8,766.03	1,504.83
Sales Tax Receivable	1,614.98	1,614.98
Insurance	36.58	55.02
	12,900.66	6,604.43
(e) Employee advances	-	-
	-	-
Total other current asset	13,232.90	6,844.51

Note 9 : Inventories

Particulars	31 March 2020	31 March 2019
(a) Raw Materials	22,302.67	16,670.51
(b) Work-in-progress	20,519.68	52,244.55
(c) Finished goods	5,491.88	2,993.64
(d) Stock-in-trade	980.00	3,055.00
(e) Stores and spares	13,681.21	15,839.13
(Mode of valuation refer note 2.5 of Notes to Accounts)	62,975.44	90,802.83

NOTES TO ACCOUNTS (contd...)

(Amounts in Thousand Rupees)

Amounts recognised in profit or loss

Write-down of inventories to net realisable value amounted to (net of reversal) Rs. (1079.94) on Finished Goods and Rs (1539.04) on Stores and Spares, (31 March 2019: Rs.(2,074.03) on Finished Goods and Rs. (991.18) on Stores and Spares).These were recognised as an expenses during the year and included in 'material consumption'

Refer note 13 for details of inventory pledged as security

Note 10 a : Cash and cash equivalents

Particulars	31 March 2020	31 March 2019
(a) Balances with bank		
In current account	105.71	104.02
Other bank deposits	-	-
(b) Cash on hand	63.13	70.34
(c) Cheques on hand	-	-
	168.84	174.36

Note 10 b : Other bank balances

Particulars	31 March 2020	31 March 2019
(a) Fixed Deposit with banks having original maturity more than 3 months but less than 12 months	492.38	492.38
(b) Earmarked balances with bank		
Unpaid dividend accounts	79.23	155.61
	571.60	647.99

Note 11 : Equity share capital

Particulars	31 March 2020	31 March 2019
Authorised		
55,00,00,000 (55,00,00,000) equity shares of Re 1/- each (Re 1/-) each	550,000.00	550,000.00
Issued, subscribed & fully paid up		
26,70,00,000 (26,70,00,000) equity shares of Re 1/- each (Re 1/-) each	267,000.00	267,000.00
Forfeited Shares	1.56	1.56
	267,001.56	267,001.56

a) Terms/rights attached to equity shares

The company has only one class of equity shares, having par value of Re. 1/- per share. Each holder of equity share is entitled to one vote per share and has a right to receive dividend as recommended by the board of directors subject to the necessary approval from the shareholders. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of share capital

Particulars	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	267,000,000	267,000.00	267,000,000	267,000.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	267,000,000	267,000.00	267,000,000	267,000.00

NOTES TO ACCOUNTS (contd...)

(Amounts in Thousand Rupees)

c) Details of shareholder holding more than 5% shares

Particulars	31 March 2020		31 March 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kirloskar Brothers Ltd.	266,315,115	99.74	266,315,115	99.74

d) Shares Held by Holding Company

Particulars	31 March 2020		31 March 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Kirloskar Brothers Ltd.	266,315,115	99.74	266,315,115	99.74

In last five years the Company has neither issued any bonus shares nor share issued for consideration other than cash. Further the Company has not bought back any shares in last five years.

As per share holders approval the Company has submitted the application to consolidate the Issued, Subscribed and Paid up equity shares in the share capital of the Company by increasing the face value of the equity shares from Re. 1/- (Rupee One Only) each to Rs 10,000/- (Rupees Ten Thousand Only) each by consolidating existing 10000 equity shares of Re.1/- each into new 1 equity share of Rs 10,000/- (Rupees Ten Thousand only) each at National Company Law Tribunal (NLCT) Mumbai

Note 12 : Other equity

Particulars	31 March 2020	31 March 2019
(a) Securities premium		
Opening balance	2,523.56	2,523.56
Add: Securities premium credited on shares issue	-	-
	2,523.56	2,523.56
(b) General reserves		
Opening balance	7,827.80	7,827.80
Add: Transfer from any surplus	-	-
	7,827.80	7,827.80
(c) Retained Earning		
Opening balance	(380,525.91)	(303,531.93)
Add: Total comprehensive income for the year	(111,619.50)	(76,993.98)
Balance available for appropriation	(492,145.41)	(380,525.91)
Less: Appropriations :		
Final dividend paid including tax	-	-
Interim dividend including tax	-	-
Transfer to general reserve	-	-
Sub total	-	-
Sub total	(492,145.41)	(380,525.91)
Closing balance	(481,794.05)	(370,174.56)

Nature and purpose of Other Reserves:

- 1) Securities Premium: Securities premium is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.
- 2) General Reserves: General Reserves are the retained earnings of the Company which are kept aside out of company's profits to meet future (known/unknown) obligations. The reserve is utilised in accordance with the provisions of the Act.

NOTES TO ACCOUNTS (contd...)

(Amounts in Thousand Rupees)

Note 13 : Financial Liabilities: Borrowings

Particulars	31 March 2020	31 March 2019
Non-current		
Secured		
Working capital Term loan from banks (Ref Note no 42)	28,125.00	37,500.00
Terms of Loan		
i) Secured against hypothecation of immovable property and corporate guarantee by Holding Company		
ii) Loan carries interest @ MCLR+2.30%		
iii) To be repaid in 16 quarterly installments of Rs 3,125 starting from June 2018.		
Less- Current maturities of non current borrowings disclosed under the head 'Other Current financial Liabilities (refer note 15)	12,500.00	12,500.00
	15,625.00	25,000.00
Unsecured		
1) Loan from Holding Company	150,000.00	-
i) Loan carries interest @ 8.50% and payment on quarterly basis		
ii) To be repaid after 3 years and repayment schedule will be mutually decided between lender and borrower. Lender has right to ask for repayment by giving 90 days prior notice to the borrower.		
Total Non current borrowings	165,625.00	25,000.00
Current		
Secured		
Loans repayable on demand from bank		
Working capital demand loans	11,531.85	44,345.79
"Terms of loans: "i) Loan carries interest @ BBR+ 200 bps."		
ii) Secured against hypothecation of stock & receivables and mortgage of plant & machinery		
Unsecured		
1) Interest Free Loan from Holding Company as per order of BIFR	10,414.02	11,214.02
Total current borrowings	21,945.87	55,559.81
Total borrowings	187,570.87	80,559.81

Note 14 : Financial Liabilities: Trade payables

Particulars	31 March 2020	31 March 2019
Non-current		
Total outstanding dues of creditors other than micro enterprises & small enterprises	-	-
	-	-
Current		
Dues of Micro and Small Enterprises (refer note 38)		
Related Parties	-	-
Others	1,007.93	12,631.24
	1,007.93	12,631.24
Dues of other than Micro and Small Enterprises		
Related Parties	53,863.86	753.50
Others	49,376.19	105,413.15
	103,240.04	106,166.65
Total trade payable	104,247.97	118,797.89

Terms and conditions of the above financial liabilities:

- 1) Trade payables are non-interest bearing and are normally settled on 60-day terms
- 2) For explanations on the Group's credit risk management processes. (refer note 36)

NOTES TO ACCOUNTS (contd...)

Note 15 : Other financial liabilities

(Amounts in Thousand Rupees)

Particulars	31 March 2020	31 March 2019
Non Current		
(a) Lease Liability	578.72	-
Total other financial liabilities - Non Current	578.72	-
Current		
(a) Current maturities of long term loan (refer note 13)	12,500.00	12,500.00
(b) Investor Education & Protection fund (will be credited as and when due). Unpaid dividends	79.23	155.61
(c) Lease Liability Payable within one year	521.53	-
(d) Others		
Trade deposits	408.26	317.72
Salary & Reimbursements	9,626.31	14,368.74
Payables on account of purchases of fixed assets	1,919.72	748.12
Provision for expenses	10,286.85	7,993.56
	22,241.14	23,428.14
Total other financial liabilities - Current	35,341.90	36,083.75
Total other financial liabilities	35,920.62	36,083.75

Terms and conditions of the above financial liabilities:

- 1) Other payables are non-interest bearing and have an average term of one month
- 2) For explanations on the Group's credit risk management processes. (refer note 36)

Note 16 : Provisions

Particulars	31 March 2020	31 March 2019
Non-current		
Provision for employee benefits		
Compensated absences (refer note 34)	4,596.42	5,105.26
Gratuity (refer note 32)	25,996.95	29,553.39
	30,593.36	34,658.65
	30,593.36	34,658.65
Current		
Provision for employee benefits		
Compensated absences (refer note 34)	5,640.86	5,921.91
Gratuity (refer note 32)	5,864.69	7,590.39
	11,505.55	13,512.29
Other provision (refer note 34)		
Provision for product warranty	1,453.92	2,269.28
	1,453.92	2,269.28
	12,959.48	15,781.57
Total provisions	43,552.84	50,440.22

NOTES TO ACCOUNTS (contd...)**Note 17 : Other current Liabilities**

(Amounts in Thousand Rupees)

Particulars	31 March 2020	31 March 2019
Non-current		
(a) Provision for income tax (net of advance tax)	-	-
	-	-
Current		
(a) Advance from customer		
- Related Parties	37,633.17	58,918.86
- Others	451.12	8,281.28
(b) Contribution to PF and others	1,253.72	1,213.31
(c) Statutory dues	7,386.39	4,014.52
	46,724.41	72,427.97
Total other current liabilities	46,724.41	72,427.97

Note 18 : Income tax

(1) The major components of income tax expense for the period ended 31 March 2020 and 31 March 2019 are:

(a) Profit or loss

Particulars	31 March 2020	31 March 2019
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	562.52	919.27
Income tax expense reported in the statement of profit or loss	562.52	919.27

(b) Other Comprehensive Income

Current tax related to items recognised in OCI during in the year:

Particulars	31 March 2020	31 March 2019
Income tax charged to OCI	(1,432.98)	261.64

(2) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:

Particulars	31 March 2020	31 March 2019
Accounting profit/(loss) before tax	(116,260.50)	(77,168.59)
At India's statutory income tax rate of 26% (P Y@26%) (a)	(30,227.73)	(20,063.83)
Adjustments		
Add: Exempt income		
Dividend	-	-
Subtotal (b)	-	-
Add: Accelerated deduction		
Allowance of TDS on payment basis	-	-
Subtotal (c)	-	-
Less : Non deductible expenses		
Penalties and fines	-	-
Provision for Advances	-	-
Donation	-	-
Subtotal (d)	-	-
Sub total (e) = (b+c-d)	-	-
Tax impact of above adjustments	-	-
Rate difference on opening DTA/ DTL	-	-
C/f losses on which DTA was not recognised	(29,357.27)	(18,882.93)
Total (f)	(29,357.27)	(18,882.93)
Tax expenses at effective rate (a-f)	(870.46)	(1,180.90)
Tax expenses recorded in books	(870.46)	1,180.90

NOTES TO ACCOUNTS (contd...)

(3) Movement in deferred tax

(Amounts in Thousand Rupees)

(a) Deferred tax relates to the following: (DTL)/DTA

	31 March 2020	31 March 2019
Property, plant and equipment, Right of use and Intangible Assets	(8,967.57)	(9,975.15)
Employee benefits - compensated absences	2,661.69	2,867.06
Provision for doubtful debts and advances	-	315.14
Employee benefits - Gratuity	8,284.03	9,657.38
Employee benefits - Bonus	735.81	991.73
Lease Liabilities	286.07	-
Expenses Disallowed	-	14.33
Net deferred tax (liabilities)/assets	3,000.03	3,870.49

Particulars	31 March 2020	31 March 2019
Property, plant and equipment (Depreciation)	1,007.58	405.19
Employee benefits - compensated absences	(205.37)	(87.73)
Provision for doubtful debts and advances	(315.14)	229.20
Employee benefits - Gratuity	(1,373.35)	634.23
Employee benefits - Bonus	(255.92)	0.01
Lease Liabilities	286.07	-
Expenses Disallowed	(14.33)	-
Deferred tax (expense)/income	(870.46)	1,180.90

(b) Reflected in balance sheet as	31 March 2020	31 March 2019
Net Deferred tax asset	3,000.03	3,870.49
Net Deferred tax asset	3,000.03	3,870.49

Note 19 : Revenue from Operations

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(a) Sale of products		
Castings	289,503.94	340,370.62
(b) Sale of services	4,740.49	6,261.96
(c) Sales of Patterns	5,111.76	5,638.35
(d) Other operating revenues		
Sales of Scrap	2,546.98	3,064.71
Others	6,994.05	4,501.92
Export Incentive	93.41	198.15
	9,634.44	7,764.77
Total Revenue from Operations	308,990.63	360,035.71

NOTES TO ACCOUNTS (contd...)**Note 20 : Other Income**

(Amounts in Thousand Rupees)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(a) Interest Income on financial assets at amortised cost		
From Bank	24.20	37.23
From Others	-	-
	24.20	37.23
(b) Foreign exchange difference (net)	-	80.60
(c) Other non-operating income		
Excess provision written back	4,269.43	115.60
Hall booking receipt	35.41	153.25
Miscellaneous receipt	250.40	1,123.95
Profit on Sale of Assets	194.12	1,779.88
Weighing scale receipts	370.87	1,121.36
	5,120.24	4,294.03
Total Other Income	5,144.43	4,411.86

Note 21: Cost of materials consumed

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(a) Raw materials consumed	125,035.66	179,820.29
(b) Purchases of Stock-in-Trade	6,284.30	4,781.00

Note 22 : Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening Stock		
Finished goods	2,993.64	2,721.44
Work-in- progress	52,244.55	44,294.01
Stock in trade	3,055.00	2,861.50
	58,293.19	49,876.95
Closing Stock		
Finished goods	5,491.88	2,993.64
Work-in- progress	20,519.68	52,244.55
Stock in trade	980.00	3,055.00
	26,991.56	58,293.19
Total Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	31,301.63	(8,416.24)

NOTES TO ACCOUNTS (contd...)

Note 23 : Employee benefits expense

(Amounts in Thousand Rupees)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(a) Salaries, wages and bonus	82,465.74	79,125.45
(b) Defined contribution plans		
Contribution to provident fund and E.S.I	5,819.82	5,229.49
(c) Defined benefit plans		
Gratuity	2,199.62	2,121.75
(d) Welfare expenses	3,467.04	5,611.61
Total Employee benefits expense	93,952.22	92,088.30

Note 24 : Finance costs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(a) Interest expense (calculated using effective rate of interest)	12,543.00	8,747.28
(b) Other borrowing costs (includes bank guarantee commission, LC charges, loan processing charges)	998.63	775.08
(c) Interest Exp-Lease Liability	142.00	-
(d) Net interest expenses on defined benefit obligation	2,647.45	2,547.64
Total Finance costs	16,331.08	12,070.00

Note 25 : Depreciation and amortization expense

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(a) Depreciation on property, plant and equipment	12,797.73	13,192.94
(b) Amortization of intangible assets	16.02	16.03
(c) Depreciation on investment property	106.11	106.11
(d) Depreciation on Right of Use assets	523.42	-
Total Depreciation and amortization expense	13,443.28	13,315.08

NOTES TO ACCOUNTS (contd...)**Note 26 : Other expenses**

(Amounts in Thousand Rupees)

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Stores and spares consumed	30,023.36	35,322.05
Processing charges	33,900.01	30,829.39
Power & fuel	48,334.06	57,270.88
Repairs and maintenance		
Plant and machinery	4,007.01	5,186.51
Buildings	253.27	255.87
Other	83.50	142.75
Rent	-	656.00
Rates and taxes	2,030.84	3,848.25
Travel and conveyance	1,233.18	722.80
Insurance	456.47	272.74
Directors' sitting fees	140.00	67.50
Freight and forwarding charges	495.04	655.14
Brokerage and commission	394.52	231.43
Provision for product warranty	1,453.92	1,712.48
Provision for doubtful debts, advances and claims	336.82	97.74
Bad debts written off	30.51	1.13
Auditor's remuneration (refer note 30)	789.00	760.14
Professional, consultancy and legal expenses	2,829.70	2,545.88
Security services	3,434.63	3,398.02
Foreign exchange difference (net)	79.99	-
Management Consultants Expenses	10,377.95	-
Other miscellaneous expenses	3,363.61	3,981.03
Total Other expenses	144,047.39	147,957.73

Note 27 : Other Comprehensive Income

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Items that will not be reclassified to profit or loss		
Remeasurements gains and losses on post employments benefits	5,511.47	(1,006.29)
Tax on remeasurements gains and losses	(1,432.98)	261.64
Net Other Comprehensive Income	4,078.49	(744.66)

NOTES TO ACCOUNTS (contd...)

(Amounts in Thousand Rupees)

Particulars	2019-20	2018-19
28 Contingent liabilities		
(a) Claims against the company not acknowledged as debt		
i) Disputed excise duty dues (Matter Subjudice) (Against these demands, an amount of Rs. 542.21 (Previous year Rs.542.21) has been paid under protest.) The Company has filed Appeal in Tribunal Mumbai for CENVAT credit on scrap sales	1,092.47	1,092.47
(b) Other money for which the company is contingently liable		
Disputed matters under labour law	9,428.25	4,966.74
(Seven labour cases pending in district court of Kolhapur)	10,520.72	6,059.21

Particulars	2019-20	2018-19
29 Commitments		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	117.50	835.00

Particulars	2019-20	2018-19
30 Remuneration to Auditors		
Statutory Auditors :		
a) Audit Fees	550.00	550.00
b) Tax Audit Fees	150.00	150.00
c) Other services (Certification and GST Audit)	64.00	50.00
d) Expenses reimbursed	29.00	10.14
	793.00	760.14

Particulars	2019-20	2018-19
31 Earning per Share (Basic and diluted)		
I - Basic and Diluted		
a) Profit for the year before tax	(116,260.50)	(77,168.59)
Less : Attributable Tax thereto	562.52	919.27
Profit after Tax	(115,697.99)	(76,249.32)
b) Weighted average number of equity shares used as denominator	267,000,000	267,000,000
c) Basic and diluted earning per share of nominal value of Re 1/- each in Re.	(0.43)	(0.29)

NOTES TO ACCOUNTS (contd...)**32 Employee Benefits :** (Amounts in Thousand Rupees)**i Defined Contribution Plans:**

Amount of Rs. 5,819.82 (Rs.5,229.49) is recognised as an expense and included in "Employees benefits expense" (Note-23) in the Profit and Loss Statement.

ii Defined Benefit Plans:**a) The amounts recognised in Balance Sheet are as follows:**

Particulars	As at 31 March 2020 Gratuity Plan (Non Funded)	As at 31 March 2019 Gratuity Plan (Non Funded)
A. Amount to be recognised in Balance Sheet		
Present Value of Defined Benefit Obligation	31,861.64	37,143.78
Less: Fair Value of Plan Assets	-	-
Amount to be recognised as liability or (asset)	31,861.64	37,143.78
B. Amounts reflected in the Balance Sheet		
Liabilities	31,861.64	37,143.78
Assets		
Net Liability/(Assets)	31,861.64	37,143.78

b) The amounts recognised in the Profit and Loss Statement are as follows:

Particulars	2019-20 Gratuity Plan (Non Funded)	2018-19 Gratuity Plan (Non Funded)
1 Current Service Cost	2,199.62	2,121.75
2 Acquisition (gain)/ loss	-	-
3 Past Service Cost	-	-
4 Net Interest (income)/expenses	2,647.45	2,547.64
5 Actuarial Losses/(Gains)	-	-
6 Curtailment (Gain)/ loss	-	-
7 Settlement (Gain)/loss	-	-
Net periodic benefit cost recognised in the statement of profit & loss- Employee benefit expenses - Note -23)	4,847.07	4,669.39

c) The amounts recognised in the statement of other comprehensive income (OCI)

Particulars	2019-20 Gratuity Plan (Non Funded)	2018-19 Gratuity Plan (Non Funded)
1 Opening amount recognised in OCI outside profit and loss account	-	-
2 Remeasurements for the year - Obligation (Gain)/loss	(5,511.47)	1,006.29
3 Remeasurement for the year - Plan assets (Gain) / Loss	-	-
4 Total Remeasurements Cost / (Credit) for the year recognised in OCI	(5,511.47)	1,006.29
5 Less: Accumulated balances transferred to retained earnings	(5,511.47)	1,006.29
Closing balances (remeasurement (gain)/loss recognised OCI	-	-

NOTES TO ACCOUNTS (contd...)

(Amounts in Thousand Rupees)

d) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
	Gratuity Plan (Non Funded)	Gratuity Plan (Non Funded)
1 Balance of the present value of obligation as at beginning of the period	37,143.78	34,704.42
2 Acquisition adjustment	-	-
3 Transfer in/ (out)	-	-
4 Interest expenses	2,647.45	2,547.64
5 Past Service Cost	-	-
6 Current Service Cost	2,199.62	2,121.75
7 Curtailment Cost / (credit)	-	-
8 Settlement Cost/ (credit)	-	-
9 Benefits paid	(4,617.74)	(3,236.33)
10 Remeasurements on obligation - (Gain) / Loss	(5,511.47)	1,006.29
Present value of obligation as at the end of the period	31,861.64	37,143.78

e) Net interest (Income) /expenses

Particulars	Gratuity Plan (Non Funded)	Gratuity Plan (Non Funded)
	As at 31 March 2020	As at 31 March 2019
1 Interest (Income) / Expense – Obligation	2,647.45	2,547.64
2 Interest (Income) / Expense – Plan assets	-	-
3 Net Interest (Income) / Expense for the year	2,647.45	2,547.64

f) Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

- 1 Discount rate as at 31-03-2020 - 6.70%
- 2 Salary growth rate : For Gratuity Scheme - Workers @5% and staff @8%
- 3 Attrition rate: For gratuity scheme the attrition rate is taken at 6%
- 4 The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO ACCOUNTS (contd...)

(Amounts in Thousand Rupees)

Particulars	As at 31 March 2020 Gratuity Plan (Non Funded)	As at 31 March 2019 Gratuity Plan (Non Funded)
Defined Benefit Obligation	31,861.64	37,143.78
Plan Assets	-	-
Surplus/(Deficit)	(31,861.64)	(37,143.78)

h) General descriptions of defined plans:**Gratuity Plan:**

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

i) Sensitivity analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation (PVO). Sensitivity analysis is done by varying (increasing/ decreasing) one parameter by 100 basis points (1%)

Change in assumption	Effect on gratuity obligation		As at 31 March 2019
	As at 31 March 2020	Change in assumption	
1 Discount rate (6.7%)		Discount rate (7.6%)	
Increase by 1%	30,180.69	Increase by 1%	34,953.43
Decrease by 1%	33,731.39	Decrease by 1%	39,607.45
2 Salary increase rate (staff-8% and Workers-5%)		Salary increase rate (staff and Workers 10%)	
Increase by 1%	33,445.63	Increase by 1%	39,198.65
Decrease by 1%	30,407.87	Decrease by 1%	35,273.15
3 Withdrawal rate (6%)		Withdrawal rate (6%)	
Increase by 1%	31,976.39	Increase by 1%	36,876.26
Decrease by 1%	31,737.87	Decrease by 1%	37,438.49

NOTES TO ACCOUNTS (contd...)

(Amounts in Thousand Rupees)

33 Related Party Disclosures

(A) Names of the related party and nature of relationship where control (including common control) exists and transactions entered into:

Sr. No.	Name of the related party	Nature of relationship
1	Kirloskar Brothers Limited	Holding Company
2	Karad Projects and Motors Limited	Fellow Subsidiary
3	Kirloskar Corrocoat Private Limited	Fellow Subsidiary
4	Kirloskar Brothers International B V	Fellow Subsidiary
5	SPP Pumps Limited U.K.	Subsidiary of Fellow Subsidiary
6	Kirloskar Brothers(Thailand) Limited	Subsidiary of Fellow Subsidiary
7	SPP Pumps (MENA) L.L.C.	Subsidiary of Fellow Subsidiary
8	Kirloskar Pompen B.V	Subsidiary of Fellow Subsidiary
9	Micawber 784 Proprietary Limited	Subsidiary of Fellow Subsidiary
10	SPP Pumps International Proprietary Limited, South Africa (formerly a.k.a. Kirloskar Brothers International Pty. Ltd (South Africa)	Subsidiary of Fellow Subsidiary
11	SPP Pumps S A S	Subsidiary of Fellow Subsidiary
12	SPP Pumps Inc	Subsidiary of Fellow Subsidiary
13	SPP Pumps South Africa Proprietary Limited	Subsidiary of Fellow Subsidiary
14	Braybar Pumps (Proprietary)Ltd.	Subsidiary of Fellow Subsidiary
15	Rodelta Pumps International BV	Subsidiary of Fellow Subsidiary
16	Rotaserve B.V. – Netherlands	Subsidiary of Fellow Subsidiary
17	SPP Pumps Real Estate LLC	Subsidiary of Fellow Subsidiary
18	SyncroFlo Inc.	Subsidiary of Fellow Subsidiary
19	SPP Pumps (Asia)Ltd.(Thailand)	Subsidiary of Fellow Subsidiary
20	SPP Pumps (Singapore) Ltd	Subsidiary of Fellow Subsidiary
21	Rotaserve Limited	Subsidiary of Fellow Subsidiary
22	Rotaserve Mozambique	Subsidiary of Fellow Subsidiary
23	Kirloskar Ebara Pumps Limited	Joint venture of Kirloskar Brothers Ltd.

(B) Names of Key Management Personnel

1	Chhittaranjan Mate	Chairman
2	Ravindra Samant	Managing Director
3	Ravi Sinha	Director
4	Sandeep Phadnis	Director
5	Achyut Dhadphale	Independent Director
6	K.Taranath	Independent Director

NOTES TO ACCOUNTS (contd...)

(Amounts in Thousand Rupees)

(C) Disclosure of related parties transactions

Sr No	Nature of transaction/relationship/major parties	2019-20		2018-19	
		Amount	Amount for Major parties *	Amount	Amount for Major parties
1	Purchase of goods & services	72,780.53		15,293.91	
	Holding company - Kirloskar Brothers Limited capital goods		-		-
	Holding company - Kirloskar Brothers Limited others		65,426.78		11,841.45
	Fellow subsidiary - Karad Projects and Motors Ltd. Others		247.69		1,585.59
	Fellow subsidiary - Karad Projects and Motors Ltd. Capital goods		-		10.00
	Holding company - Kirloskar Brothers Limited Services		7,106.07		1,539.68
	Joint Venture of Holding Company- Kirloskar Ebara Pumps Limited- others		-		317.19
2	Sale of goods/contract revenue & services	186,645.47		250,603.58	
	Holding company - Kirloskar Brothers Limited - Goods		158,258.73		230,498.57
	Holding company - Kirloskar Brothers Limited - Services		1,434.52		2,075.18
	Joint Venture of Holding Company- Kirloskar Ebara Pumps Limited		26,952.22		16,572.72
	Joint Venture of Holding Company- Kirloskar Ebara Pumps Limited Services				1,457.11
3	Finance Cost	5,546.90		197.26	
	Holding company - Kirloskar Brothers Limited Interest		5546.904		197.26
4	Reimbursement of expenses	45.98		445.36	
	Holding company - Kirloskar Brothers Limited		45.98		445.36
5	Remuneration Paid	140.00		67.50	
	Key Management Personnel				
	Directors Sitting fees				
	Mr. Achyut Gokhale		-		27.50
	Mr. Achyut Dhaphale		70.00		20.00
	Mr. K.Taranath		70.00		20.00

* Major parties denote entities who account for 10% or more of the aggregate for that category of transaction

Terms and conditions of transactions with related parties - The sales to and purchase from related parties are made on terms equivalent to those that prevail in arms length transaction. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash.

(D) Amount due to/from related parties

Sr No	Nature of transaction/relationship/major parties	31 March 2020		31 March 2019	
		Amount	Amount for Major parties	Amount	Amount for Major parties
1	Unsecured Loan payable				
	Holding company (Interest Free)	10,414.02	10,414.02	11,214.02	11,214.02
	Holding company	150,000.00	150,000.00	-	-
2	Trade Receivable				
	Holding company	2,591.21	2,591.21	30,345.19	30,345.19
	Joint Venture	4,187.15	4,187.15	2,998.46	2,998.46
3	Advance Received				
	Holding company	37,633.17	37,633.17	58,918.86	58,918.86
	Fellow Subsidiary Company	-	-	-	-
4	Trade Payable				
	Holding company	53,850.36	53,850.36	-	-
	Key Management Personnel	13.50	13.50	-	-
	Fellow Subsidiary Company	-	-	753.50	753.50

NOTES TO ACCOUNTS (contd...)

34 Details of provisions and movements in each class of provisions.

(Amounts in Thousand Rupees)

Particulars	Product Warranty
Carrying amount as at 1 April 2018	2,126.07
Add: Provision during the year 2018-19	1,712.48
Add: Unwinding of discounts	-
Less: Amount utilised during the year 2018-19	1,569.27
Less: Amount reversed during the year 2018-19	-
Carrying amount as at 31 March 2019	2,269.28
Add: Provision during the year 2019-20	1,453.92
Add: Unwinding of discounts	-
Less: Amount utilised during the year 2019-20	2,269.28
Less: Amount reversed during the year 2019-20	-
Carrying amount as at 31 March 2020	1,453.92

35 Fair Value of financial assets and liabilities

Set out below, is a comparison by class of the carrying amounts and fair value of the company's financial instruments that are recognised in the financial statements

Sr No	Particulars	Carrying Value		Fair Value	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
a)	Financial Assets				
	Carried at amortised cost				
	Trade receivable *	27,575.53	50,036.74	-	-
	Security deposits	140.50	45.28	140.50	45.28
	Other financial assets	-	-	-	-
	Cash and cash equivalent *	168.84	174.36	-	-
	Other bank balances *	571.60	647.99	-	-
		28,456.47	50,904.38	140.50	45.28
b)	Financial Liabilities				
	Carried at amortised cost				
	Non-current borrowings	165,625.00	25,000.00	165,625.00	25,000.00
	Current borrowings	11,531.85	44,345.79	11,531.85	44,345.79
	Current borrowings - Interest free Loan from Holding Company	10,414.02	11,214.02	10,414.02	11,214.02
	Current Maturities of Non-current borrowings	12,500.00	12,500.00	12,500.00	12,500.00
	Trade payable *	104,247.97	118,797.89	-	-
	Total other financial liabilities	23,420.62	23,583.75	23,420.62	23,583.75
		327,739.46	235,441.45	223,491.49	116,643.56

* The company has calculated fair value of financial assets and liabilities except for trade payables, trade receivables, cash and cash equivalents and other bank balances using discounted cash flow model. The company has not disclosed the fair values of trade payables, trade receivables, cash and cash equivalents and other bank balances, since their carrying amounts are reasonable approximation of fair value.

36 Financial risk management policy and objectives

Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance company's operations and to provide guarantees to support its operations. Company's principal financial assets comprises trade and other receivables, security deposits and cash and cash equivalents, that derive directly from its operations.

Company is exposed to certain risks which includes market risk, credit risk and liquidity risk.

Risk Management committee of the company oversees the management of these risks. This committee is accountable to audit committee of the board. This process provides assurance to the company's senior management that company's financial risk-

NOTES TO ACCOUNTS (contd...)**(Amounts in Thousand Rupees)**

taking activities are governed by the appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company's policies and risk appetite.

The policies for managing these risks are summarised below.

1) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Company uses expected credit loss model for assessing and providing for credit risk. Refer note 36a for expected credit loss model analysis.

a) Trade receivable

Customer credit risk is managed through the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit, Bill discounting (without recourse) or other forms of credit insurance. Trade receivables are non interest bearing and are generally on, 30 days to 90. days credit term. The company has no concentration of risk as customer base in widely distributed both economically and geographically. The ageing analysis of trade receivable as on reporting date is as follows

	Neither past due nor impaired	Past due but not impaired			Total
		Less than 180 days	181 to 365 days	above 366 days	
31 March 2020	12,183.20	13,210.25	1,172.60	1,009.48	27,575.53
31 March 2019	33,440.33	12,968.53	3,607.08	20.80	50,036.74

b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the company's treasury department in accordance with company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Company monitors ratings, credit spread and financial strength of its counter parties. Based on ongoing assessment company adjust its exposure to various counterparties. Company's maximum exposure to credit risk for the components of statement of financial position is the carrying amount as disclosed in Note 6, 10a and 10b.

2) Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash flow and collateral obligations without incurring unacceptable losses. Company's objective is to, at all time maintain optimum levels of liquidity to meet its cash and collateral requirements. Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from domestic and international banks at optimised cost.

The table summarizes the maturity profile of company's financial liabilities based on contractual undiscounted payments

As of 31 March 2020						
	Carrying amount	On demand	Less than 180 days	181 to 365 days	above 366 days	Total
Interest bearing borrowings	189,656.85	11,531.85	6,250.00	6,250.00	165,625.00	189,656.85
Non Interest bearing borrowings	10,414.02	10,414.02	-	-	-	10,414.02
Other liabilities	23,420.62	-	22,581.13	260.77	578.72	23,420.62
Trade and other payable	104,247.97	-	73,231.97	26,680.80	4,335.20	104,247.97

As of 31 March 2019						
	Carrying amount	On demand	Less than 180 days	181 to 365 days	above 366 days	Total
Interest bearing borrowings	81,845.79	44,345.79	6,250.00	6,250.00	25,000.00	81,845.79
Non Interest bearing borrowings	11,214.02	11,214.02	-	-	-	11,214.02
Other liabilities	23,583.75	-	23,583.75	-	-	23,583.75
Trade and other payable	118,797.89	-	118,222.40	98.97	476.51	118,797.88

NOTES TO ACCOUNTS (contd...)

(Amounts in Thousand Rupees)

3) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments.

Company's activities expose it to variety of financial risks, including effect of changes in foreign currency exchange rate and interest rate.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

36 a Impairment of financial assets: Expected credit loss

Provision for expected credit loss

Internal rating	Category	Description of category	Basis of recording expected credit loss	
			Loans and deposits	Trade receivables
A	High quality asset, negligible credit risk	Assets where the counter party has strong capacity to meet obligations and where risk is negligible or nil.	12 months expected credit losses	
B	Standard asset, moderate credit risk	Assets where there is moderate risk of default and where there has been low frequency of defaults in past.		
C	Low quality asset, High credit risk	Assets where there is high probability of default. In general, assets where contractual payments are more than year past due are categorised as low quality asset. Also includes where credit risk of counter party has increased significantly through payments may not be more than a year past due.	Life- time expected credit losses	Life- time expected credit losses - simplified approach
D	Doubtful asset- credit impaired	Assets are written off, when there is no reasonable expectations of recovery. Where loans and receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.	Asset is written off	

NOTES TO ACCOUNTS (contd...)

(Amounts in Thousand Rupees)

As at 31 March 2020**1) Expected credit loss for loans and security deposits**

Particulars	Asset group	Internal rating	Estimated gross carrying amount of default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 months expected credit losses	Deposit	A	-	0%	-	140.50
Loss allowance measured at life time expected credit losses	Financial assets for which credit risk has increased significantly and not credit impaired	Nil	-	-	-	-
	Financial assets for which credit risk has increased significantly and credit impaired	Nil	-	-	-	-

2) Expected credit loss for trade receivables under simplified approach

Particulars	Not due	Past due but not impaired			Total
		Less than 180 days	181 to 365 days	above 366 days	
Gross carrying amount	12,183.20	13,210.25	1,172.60	1,346.30	27,912.34
Expected loss rate	-	-	-	25.02	
Expected credit losses (Loss allowance provision)	-	-	-	336.82	336.82
Carrying amount of trade receivable (Net of impairment)	12,183.20	13,210.25	1,172.60	1,009.48	27,575.53

As at 31 March 2019**1) Expected credit loss for loans and security deposits**

Particulars	Asset group	Internal rating	Estimated gross carrying amount of default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 months expected credit losses	Deposit	A	-	0%	-	45.28
Loss allowance measured at life time expected credit losses	Financial assets for which credit risk has increased significantly and not credit impaired	NIL				
	Financial assets for which credit risk has increased significantly and credit impaired	NIL				

NOTES TO ACCOUNTS (contd...)

(Amounts in Thousand Rupees)

2) Expected credit loss for trade receivables under simplified approach

Particulars	Not due	Past due but not impaired			Total
		Less than 180 days	181 to 365 days	above 366 days	
Gross carrying amount	33,440.33	12,968.53	3,607.08	357.62	50,373.56
Expected loss rate	-	-	-	25.02	
Expected credit losses (Loss allowance provision)				-	-
Carrying amount of trade receivable (Net of impairment)	33,440.33	12,968.53	3,607.08	357.62	50,373.56

Reconciliation of loss provision

	Trade receivables
Loss allowance as at 31 March 2018	-
Changes in loss allowance	-
Loss allowance as at 31 March 2019	-
Changes in loss allowance	336.82
Loss allowance as at 31 March 2020	336.82

37 Capital management

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Company's policy is to keep the gearing ratio between 20% and 40%. However, due to adverse scenario in the industry, company is not able to achieve this percentage. Further, company wishes to bring the range between 20% to 40% in the near future. The company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	31 March 2020	31 March 2019
Loans and borrowings	200,070.87	93,059.81
Less: Cash and Bank Balance	740.44	822.35
Net debt	199,330.43	92,237.47
Equity	(214,792.49)	(103,173.00)
Capital and net debt	(15,462.06)	(10,935.54)
Gearing %	-1289.16%	-843.47%

NOTES TO ACCOUNTS (contd...)**(Amounts in Thousand Rupees)**

- 38 The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2020 are as under:

Particulars	2019-20	2018-19
Principal amount due and remaining unpaid	-	-
Interest due on above and unpaid interest	7,193.60	5,847.56
Interest paid	-	568.00
Payment made beyond appointment day	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	1,346.04	2,466.39
Amount of further interest remaining due and payable in succeeding years	-	-

39 Segment reporting

Company operates in single segment as business of Steel and Alloy casting. The Executive Management Committee monitors the operating results of entire company as whole for the purpose of making decisions about resource allocation and performance assessment.

40 Going Concern

The Company's net worth is completely eroded and its current liabilities are more than current assets due to continuous operational losses during Financial Year 2013-14 to 2018-19. The losses are mainly due to prolonged recessionary conditions in all the industrial sectors, increase in prices of power & input materials cost and internal rejections during development of new grade. In the financial year 2017-18 Company turned around and had made a marginal profit.

But at the beginning of FY 2020-21, Company has good orders in hand & Company has prepared annual operating plan for next 3 years. But the Company also suffered business due to National and international lockdown for COVID 19.

The Company has initiated following activities to come out of the situation:

- i) The Company has appointed Price Waterhouse Coopers (PwC) as Management consultant in the Financial Year 2019-20 for a period of 3 years. PwC has prepared the roadmap for 3 years including cost saving and reduction initiatives, implementing "Go to Market" strategy by developing new customers, bringing new orders and changing in Standard Operating Procedure which will start giving results in the near future.
- ii) The Company is in a process of appointing U.S. based consultant for foundry quality issue.
- iii) The Company is in the process of hiring top level employees for all the departments.
- iv) The Board of Directors of the Company has given its approval to borrow funds from bank/s in the next Financial Year for building and installation of radiography testing facility and machinery. This facility will save cost of the Company and also become additional source of income for the Company.
- v) The Holding Company is arranging Working Capital funding from time to time against orders apart from giving Inter-corporate loan as well.

Apart from above, there is no continuing default in repayment of loans by the Company till date and generally, the Company is regularly making payment of statutory dues and pay rolls of the employees of the Company as well.

In view of above, the Company is running on Going Concern assumptions and has prepared the financials on going concern basis.

Holding Company Kirloskar Brothers Limited is providing good support by providing working capital against their orders.

41 Estimation uncertainty relating to the global health pandemic on COVID-19

The 'severe acute respiratory syndrome corona virus 2' (SARS-CoV-2) virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian economy. On March 11, 2020 the COVID-19 outbreak was declared as a global pandemic by the World Health Organization. The Government of India declared a lock down effective from March 23, 2020 which was initially till April 14, 2020 and is now extended till May 31, 2020. Accordingly Manufacturing facilities of the Company were closed on March 23, 2020. The Company has since obtained required permissions and restarted its places of business, albeit, partially since May 05, 2020.

NOTES TO ACCOUNTS (contd...)**(Amounts in Thousand Rupees)**

The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company. The company has made Initial assessment of recoverability of its assets like trade receivables, Inventories and other asset based on internal as well as external information up to the date, conducted sensitivity analysis of the assumptions used and is reasonably certain that these need not be impaired. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration which may be different from that estimated as at the date of approval of these financial results, and the Board will continue to closely monitor the developments.

42 Event occurring after balance sheet

In accordance with the COVID-19- Regulatory package notification dated 27th March 2020, issued by the Reserve Bank of India and as may be updated from time to time to ease financial stress caused by COVID -19, the Company opted for moratorium period of three months for the principal amount due between 1st March 2020 to 31st May 2020. ICICI Bank has allowed three months moratorium period for the quarterly instalment of WCTL which was due on 30th March 2020 Rs. 3125 Thousand. However, the Bank recovered the amount from OD account by automatic debit through it's system on 30th March 2020 and reversed it on 17th April 2020 and credit to the OD account. The said amount of Rs 3125 Thousand was treated in financial as unpaid as on 31st March 2020 and adjusted accordingly in Financial Liabilities- Borrowings.

43 Previous Years figures are rearranged and regrouped wherever necessary

As per our report of even date attached

For and on behalf of the Board of Directors

For M/s P. G. Bhagwat
Chartered Accountants
FRN- 101118W

Ravindra Samant
Managing Director
DIN:07002226

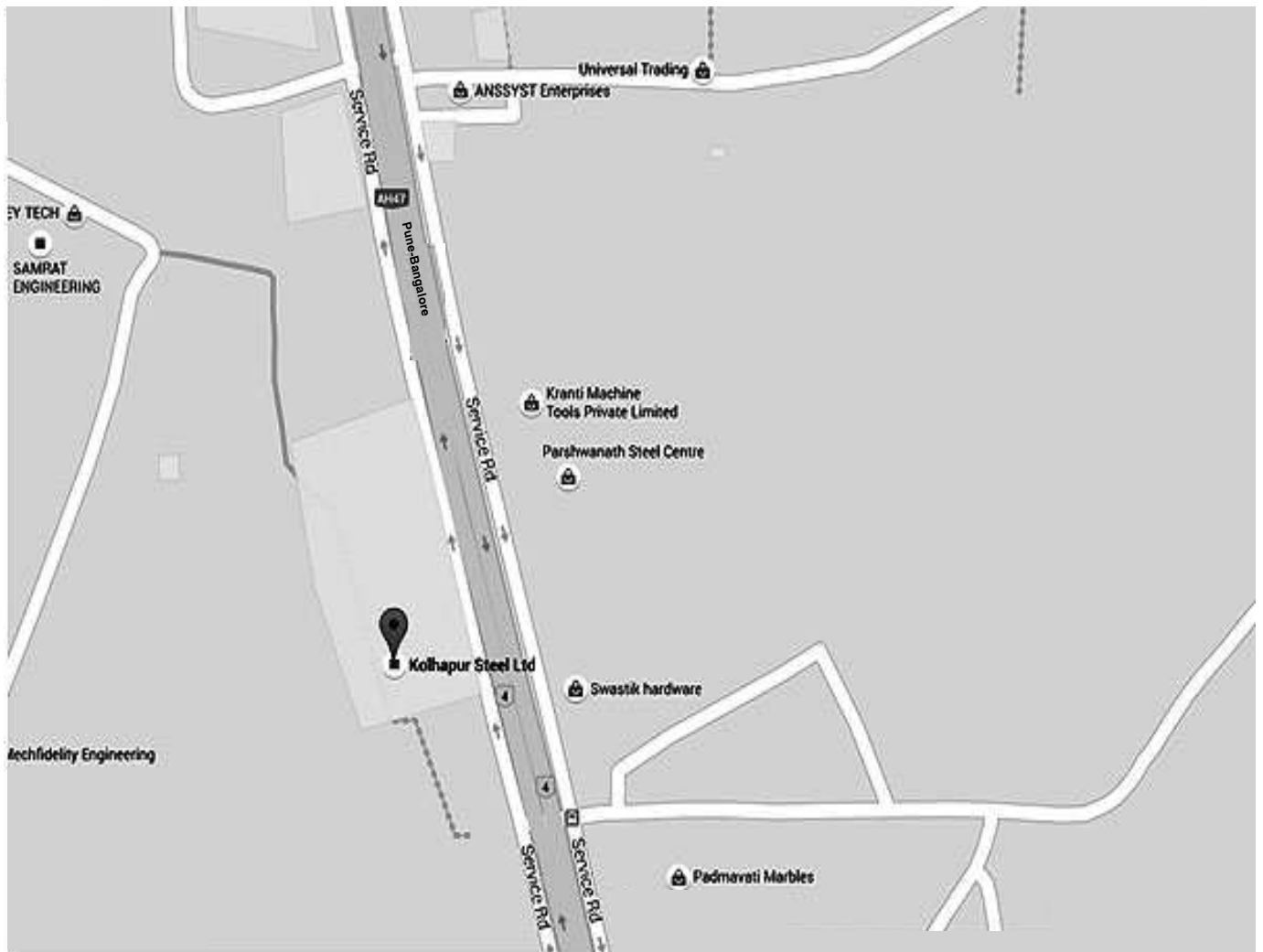
C M Mate
Chairman
DIN:07399559

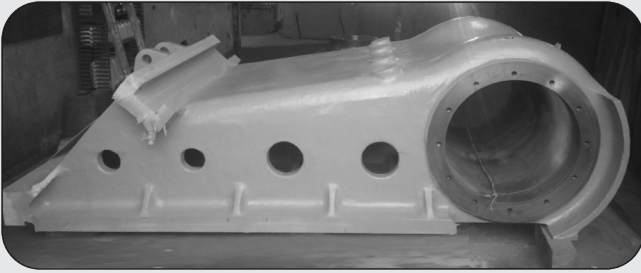
Akshay B. Kotkar
Partner
Membership No. 140581
UIDN: 20140581AAAAB04581
Pune : 27th May 2020

Ananta Charan Das
Chief Finance Officer

Siddhesh Mandke
Company Secretary

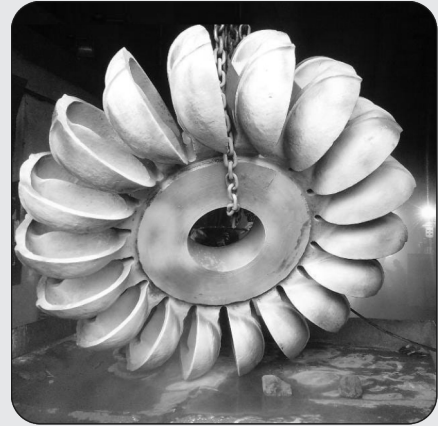
Route Map for Venue of 55th Annual General Meeting of The Kolhapur Steel Limited
Pune-Bangalore Highway, Shirol (Pulachi), Taluka-Hatkanangale, Dist. Kolhapur - 416 122





6MT Swing Jaw

2.5MT Pelton Runner
Grade CA6NM



6.5MT Enclosed Impeller

Lower Half Casing





Enriching Lives

THE KOLHAPUR STEEL LIMITED

A Kirloskar Group Company

(Subsidiary company of Kirloskar Brothers Limited)

Pune - Bangalore Highway, Shirol (Pulachi), Taluka - Hatkanangale,
District-Kolhapur - 416 122, Maharashtra, INDIA.

Tel: +91 (230) 2468 061/2/3, E-mail: info@kolhapursteel.com

Website: www.kolhapursteel.com CIN- U27106MH1965PLC013212

GROUP COMPANIES



United Kingdom



U.S.A.



South Africa



India



The Netherlands