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INDUSTRIES FOR
OVER
65 YEARS**

**Industrial
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**Industrial
Drives and
Automation**



**Auto
Aftermarket**



**Advanced
Technology**




**Automotive OE
Solutions**



**Electric
Vehicles**




Defence



Railways



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BOARD OF **DIRECTORS**

Dr. Raghupati Singhania
Chairman

H.V. Lodha

Harsh Pati Singhania

Rahul Chandrakant Kirloskar

Bakul Jain

Mamta Singhania

Surendra Malhotra

Vikrampati Singhania
Managing Director

Nagaraju Srirama
President & Director

Registered Office



3, Madurai - Melakkal Road,
Madurai - 625 016

Corporate Office



Khivraj Complex - II, 5th Floor
480, Anna Salai, Nandanam,
Chennai - 600 035

Bankers

State Bank of India
HDFC Bank
Standard Chartered Bank
Axis Bank
ICICI Bank



Auditors



Lodha & Co.
Chartered Accountants

Plants

Madurai
Sriperumbudur
Nilakottai
Patancheru
Pashamailaram





Chairman's Message

It is heartening that this year too J.K. Fenner performed well to cross ₹ 1200 Crores in sales and an all-time high profit.

The continued disruptions increased energy costs, slowed down demand and significantly increased raw material, sea freight and other input costs which led to a rise in costs upto Q3 of FY2022-23. On the brighter side, the Indian Automotive industry saw a sharp growth across various vehicle segments. Overall, the business opportunities were bright in the domestic market, while it was not the case in many of the overseas markets.

The Government's effort to boost economic activity through investments in large scale infrastructure development, defence sector, PLI schemes, thrust on electric vehicles, Atmanirbhar Bharat initiatives, etc. went a long way in enabling India to ride the storm of sluggish global demand. As a consequence, India's GDP growth of 7.2% was one of the highest in the global large economies.

In this scenario, strong customer focus and agile responses to the emerging situations enabled JK Fenner to cater to market and customer requirements satisfactorily, including winning appreciation and awards from customers. Your Company also continued its focus on business growth across all its market segments, particularly by expanding its customer base in the domestic EV segment and new business wins in the global markets through a planned strategic approach. These initiatives will be the pivotal point of your Company's short to medium term growth.

JK Fenner continues to leverage its strong and committed domestic distribution channel by adding new products in the automotive aftermarket and industrial segments which will contribute to the growth in the coming years. This initiative is supported by enhancing our capabilities to manufacture and source new products, including R&D Capabilities through necessary investments in people and infrastructure.

The Company's management has enhanced its focus by a couple of notches on safety, health and employee wellbeing by embarking on an ESG roadmap.

I congratulate the Company Management team for their performance during the year and thank all our employees and their families for their commitment and efforts put in and look forward for their continued support in the attainment of the goals of the company.

Raghupati Singhania



Managing Directors' Message

Greetings to all!

In the year gone by, FY 2022-23, the Indian economy fared relatively well, with a GDP growth of 7.2% for the whole year, while the rest of the major economies of the world grew at a much slower rate. It is my pleasure to inform you that your Company continued its robust growth and ended the year with a revenue of ₹1261 Cr, a growth of approx. 16% over the previous year. All the verticals of your Company posted strong YoY growth with Auto OE business leading the way.

Raw material rates continued to surge during the year to record highs and sea freight rates remained high till Q3, before starting to soften in Q4. RM prices are expected to soften a bit during FY23-24 but the ongoing Russia – Ukraine war and its consequent global economic and financial impact will continue to keep the RM rate and availability uncertain.

J.K. Fenner continued its focus on cost efficiency, productivity and improved sales process. Your Company is investing in digitising processes across all the functions of the Company. It has started rolling out its digital programs on the sales side which will enhance customer experience and increase ease of doing business. All these actions contributed to your Company's record profit, during the year despite the cost challenges.

The coming year is expected to see headwinds in market demand in the Exports markets, due to the continuing geo-political disturbances resulting in rising inflation, economic and forex concerns across the world and particularly EMEA region. However, your Company is doing its best to effectively minimise and mitigate the impact and charter a course of profitable growth.

In summary, it was a memorable year for your Company with an all-time high revenue as well as profit.

I once again acknowledge and thank all the employees and their families as well as all the stakeholders for the continued efforts in contributing to the significant growth in sales revenue and profit of the Company, despite the challenging business environment. Without their dedication and commitment, the Company could not have performed and achieved these results.

Vikrampati Singhania

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31st March 2023.

FINANCIAL RESULTS

	In ₹ Crores
Sales & Other Income	1261.65
Profit Before Finance Cost & Depreciation (PBIDT)	228.27
Profit After Tax (PAT)	111.36

DIVIDEND

During the year under review, a Dividend of 1% on 45,00,000 Cumulative Redeemable Preference Shares (CRPS) of ₹100/- each was paid. The total Preference Shares Dividend outgo was ₹ 45 lacs.

Your Directors are pleased to recommend a final dividend of ₹ 25 per Equity share of ₹ 10/- each on the Equity Share Capital of ₹ 2.48 Crores, which together with the interim dividend of ₹ 40/- per Equity share aggregates to ₹ 65 per Equity share for the financial year ended 31st March 2023. The total dividend outgo will be ₹ 16.14 Crores.

BUSINESS OPERATIONS

During the year, your Company has achieved a Revenue of ₹1261.65 Crores, 16.25% higher than the previous year and achieved Profit After Tax of ₹111.36 Crores, a growth of 16.6%.

During the year, 2022-23 Indian economy witnessed robust GDP growth of 7.2%. While the automotive sector rebounded with a 16% Y-O-Y growth, services, industrial and agriculture added to the overall GDP.



**EXTRA MILER award by
Auto Zone - USA**



CII EXIM Bank Award for Business Excellence 2022

Despite the normalisation, post Covid, supply chain and logistics continue to be impacted causing a major concern on the availability of raw material along with significant price increases across the globe. While there was an improvement in the availability of containers, sea freight charges witnessed an all-time high of 3-3.5x over the earlier year, especially in the first half of the year. Shipments lead-times started stabilising after Q1 and freight rates started showing signs of softening from Q4 onwards. Many countries in the world continued to face severe inflationary trends coupled with currency devaluation. Developed markets like the USA and the EU also encountered high inflation pressure which led to increase in interest rates and slowdown of consumption. Many developing nations i.e. Africa and Latin America had difficulty with the availability of the US dollar which impacted their ability to pay. Overall global demand witnessed slowing down from Q3 onwards and the trend is expected to continue for some time. Start of supply to some new accounts got delayed due to the uncertain economic and financial situation in the respective

countries. Consequently, your Company saw muted export growth during the year. On the positive side, the reorientation of global supply chain offers Indian manufacturing companies the opportunity to step in. The coming year holds promise for growth based on the expectation of commencement of supply to these new customers.

On the manufacturing front, the Company expanded its capacities and capabilities in new products such as EV transmission systems, hoses - low and high pressure, automotive and industrial, fuel, brake etc. This was well supported by an integrated and focused approach in R&D activities i.e. appropriate product development and validation, new and alternate raw materials adoption to reduce cost as well as de-risk supply chain vulnerabilities.

During the year, your Company has made significant progress in technology for its core products as well as for the electric vehicle segment. In the EV segment, the Company continues to progress in belt drive solutions for mid motor



Visit to Madurai Plant : Mr R. Radhakrishna (CGM-SBI), Mr. G.N. Goyal (GM-SBI) & SBI Madurai team with CFO Mr. Amit Agrawal



E-axle

applications and commenced its supplies to leading OEMs. As a continuous process, the Company is progressing well in developing permanent magnet synchronous motors for two wheeler applications and E-axle for three and four wheelers for E-cargo and last mile delivery applications.

The Company is also developing lightweighting products and new technology products for mobility solutions. Your Company has invested in a hub motor assembly and testing capability and as also additional capacity for belts to cater to the rising demand of the segment. EV sector is expected to witness significant growth in the coming years and products from the Company are likely to add to the Company's 'profitable growth'.

Your Company continues to improve its productivity, efficiency and customer focus through several uses of digital platforms and apps that would enable ease of doing business for its customers, enhancing a possibility of additional business opportunities. Digitisation, coupled with AI and chat bots are expected to simplify the business process and add to greater agility.

Your Company continues its focus to capitalise on the automotive aftermarket in India by introducing new lines to its product offerings across segments. During the year, the Company has added filters and lube oil across all vehicle segments in the aftermarket.



Apex 2022-USA

ENGINEERING BUSINESS

During the year, the engineering business of your Company witnessed a growth of over 20% with significant improvement in the bottom line. The major challenge of both raw material availability and price increases was addressed to a large extent through proactive engagement with the suppliers and improvement in product mix. Connect with the industry through lead management programs helped in engaging with customers in anticipating demand cycles better and reducing lead times. Digital process of traceability from customer to supplier has helped in end-to-end product management.

Your Company has also established an integrated platform of operational control centre in the infrastructure segment, showcasing its capability in industrial automation, enabling customers to have real-time data collection and in turn improving the operations of their equipment.

The business also achieved the distinction of 'Gold Plus' category in the CII business excellence.

EXPORTS

Export sales registered a moderate growth during the financial year 2022-23. Our sales continued to grow well in the US, while in Africa and the EU there were strong headwinds in the form of high inflation, energy crisis and drop in demand primarily because of conflicts in the region. Additionally, there has been pressure on local currency availability and depreciation adding to the payments challenge. However, the thrust towards new customer additions were successful



JK Lubes

and some of these new accounts are likely to scale up in the coming year. Your Company continues to make an effort for exports to become a growth engine in the medium-term led by the automotive aftermarket segment and supported by general industries segments. Significant range extension, launch of a new brand – Top Drive in the US market, social media marketing, etc., were some of the initiatives undertaken by the Company to promote business development. Our time to market and service levels are the Unique Selling Points (USP), much appreciated by our customers.



JK Filters

ESG INITIATIVES

In today's rapidly changing world, the role of corporates in Environmental, Social, and Governance (ESG) issues, has become more crucial than ever. As responsible citizens, we have a collective responsibility to prioritise ESG principles and contribute to a sustainable future. Corporates play a pivotal role in driving positive change through their policies, practices and investments. By integrating ESG considerations into their decision-making processes, corporates can address environmental challenges, promote social equity and enhance governance transparency. As citizens, it is our duty proactively to support these commitments and actively engage in making conscious choices by which we can collectively shape a better world that balances economic growth with social and environmental well-being. Let us embrace our responsibility and work together to build a future that benefits both our society and the planet.

Towards this, JK Fenner has been conscious from the beginning and continues to try to optimise the

carbon footprint. 75% of the Company's power consumption comes from its own wind and solar farms. Your Company has committed itself on this journey and set a sustainability 2030 goal. It has built a plan to become net carbon footprint neutral and net water neutral by the year 2030.

Your Company has also partnered with some of its customers to be part of their ESG journey.

RESEARCH AND DEVELOPMENT

Your Company has drawn up plans to step up its R&D approach to facilitate its vision of becoming a Global player in its core businesses. Global scanning for changes in product technology, legislations, etc. provide the much-needed direction to R&D priorities. Key focus of our R&D is to become 'Proactive' in its approach in terms of raw material, manufacturing processes and product designs, to stay current and compete with Global leaders.

It is continuing to invest in people and R&D infrastructure to build capacity and capability. The teams are proactively developing and experimenting with new age raw materials not only as a de-risking strategy but also will help in contributing towards the ESG commitment of the Company.

This journey is a major shift in your Company's thinking and approach to the product and the market value. The coming years will be challenging but interesting for your Company in accelerating its efforts on the R&D front to carve out a name for itself in the international markets.



Incubation with IIT Madras

HUMAN RESOURCE

For JK Fenner, people are central to driving the Company's competitiveness as they are integral to our sustainable business growth. JK Fenner has consistently focused on recruiting and onboarding the best talent from industry with the objective to generate superior performance. In line with our core value, "Caring for People," the Company continued to nurture a supportive and a safe working environment. Resilience was the theme driving the initiatives this financial year. The focus is on building digital capability at every level for more and more digitised solutions. Digital interventions in sales, marketing, service and supply chain are helping our field force to minimise human exposures. Recruiting digitally skilled talent is our strategy in order to ensure less of human interventions and more automations in place of human efforts. The capability development has received a major thrust by moving to digital and virtual learning. Focus on developing and executing the best-in-class practices for all areas continued this year. A culture of "High Trust and High Performance" was proactively encouraged in the organisation, resulting in many accolades and industry wide appreciation.



Customer award from DANA for Customer Centricity.

ACHIEVEMENTS, AWARDS AND ACCOLADES

During the year 2022-23, your Company has been bestowed with the numerous awards and accolades. Some are:-

1. Customer award from DANA for Customer Centricity.
2. Award for excellence in Delivery by "Timken".
3. "Extra Miler Award" from AutoZone for Auto After Market US.
4. Best CSR Practices & Best Sustainability Practices by Government of Telangana.



Award for excellence in Delivery by "Timken"

CORPORATE SOCIAL RESPONSIBILITY

The Company's Corporate Social Responsibility (CSR) endeavors are towards bringing sustainable change in the quality of life to neighbourhood community through innovative solutions in Education, Skills Development, Water & Sanitation, Livelihood Promotion and Rural Development.

The CSR programmes of the Company are aimed at inclusive development and welfare of the community by providing livelihood opportunities through skill development viz., by conducting a course on automobile service technician, driving skills, JCB driving for youth, tailoring, beautician course and computer skill training for women. As a part of health care, your Company conducted free eye screening, general and menstrual health camps. Your Company has provided RO plants to schools and villages to improve hygienic conditions. Your Company has also provided better facilities to school children by constructing new school building and empowered women through adult literacy.



Best CSR Practices & Best Sustainability Practices by Government of Telangana

The Company has framed Corporate Social Responsibility Policy in accordance with the provisions of the Companies Act, 2013 ('Act') and Rules made there under, as amended. The contents of the CSR policy are disclosed on the website of the Company at www.jkfenner.com.

The Annual Report on the CSR activities undertaken by the Company during the Financial Year under review, in the prescribed format, is annexed to this Report as Annexure 'C'.

ANNUAL RETURN

The Annual Return referred to in Section 134(3)(a) of the Companies Act, 2013 is available on the website of the Company at www.jkfenner.com.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees, securities and investments covered under the provision of Section 186 of the Companies Act, 2013, are furnished in the financial statements.

RELATED PARTY TRANSACTIONS

During the financial year ended 31st March 2023, all contracts or arrangements or transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013.

Further, the Company did not enter into any contract or arrangement or transaction with

related parties that could be considered material. In view of the above, disclosure in Form AOC-2 is not applicable.

CONSERVATION OF ENERGY, ETC.

The details, as required under Section 134(3)(m) read with the Companies (Accounts) Rules, 2014 are annexed to this Report as Annexure 'A' and forms a part of it.



School Building Construction

DEPOSITS

The particulars with respect to the deposits covered under Chapter V of the said Act, for the financial year ended 31st March 2023 are

- (a) accepted during the year: ₹ 6,04,70,000
- (b) remained unclaimed as at the end of the year: ₹ 50,000
- (c) defaulted in repayment of deposits or payment of interest thereon at the beginning of the year and at the end of the year: Nil and
- (d) details of deposits which are not in compliance with the requirements of Chapter V of the said Act: Nil.



Collaboration with NABARD Skill Training

CONSOLIDATION OF FINANCIAL STATEMENTS

Pursuant to Section 129 of the Companies Act, 2013 and Rules thereunder, the Company is eligible to avail exemption from presenting consolidated financial statements, since the Company complies with the conditions specified in the said Section and Rules thereto.

Accordingly, your Company has availed the exemption from preparation and presentation of its Consolidated Financial Statements for the year ended 31st March 2023, being an unlisted Company coupled with the fact that its Holding Company consolidated the financial statements for the year ended 31st March 2023 in compliance with the applicable Accounting Standards.

During the financial year under review, JKF Evolve Limited, has been formed as a wholly-owned subsidiary and Gram Power Infrastructure Private Limited has ceased to be associate Company.

SCHEME OF AMALGAMATION

The Scheme of Amalgamation between Acorn Engineering Limited and J.K. Fenner (India) Limited and their respective shareholders and Creditors is pending before the National Company Law Tribunal, Chennai for its final approval.

AUDITORS

(a) Statutory Auditors and their Report

M/s. Lodha & Co., Chartered Accountants were re-appointed by the members of the Company as Statutory Auditors of the Company at their 29th Annual General Meeting (AGM) held on August 3, 2022 for a second consecutive term of 5 (five) years commencing from the conclusion of 29th AGM till the conclusion of 34th AGM to be held in the year 2027. The said Auditors have carried out the Statutory Audit of Books of the Company for the financial year 2022-23. The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self-explanatory. The Audit Report does not



Solar Street Lamp installation

contain any qualification, reservation, adverse remark or disclaimer.

(b) Secretarial Auditors and Secretarial Audit Report

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed M/s. Sridharan & Sridharan Associates, Company Secretaries in Practice, as Secretarial Auditors to carry out the secretarial audit of the Company for the financial year 2022-23. The Report, given by them for the said financial year in the prescribed format, is annexed to this Report as Annexure 'B'. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

(c) Cost Auditors and Cost Audit Report

The Company maintains cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. The Cost Audit for the financial year ended 31st March 2022 was conducted by M/s. Ramachandran and Associates, Cost Accountants, Chennai, and as required, the Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Audit of the cost records of the Company for the financial year ended 31st March 2023 is also being conducted by the said Cost Auditors. The Board of Directors at its meeting held on 15th May 2023 appointed M/s. Ramachandran and Associates, Cost Accountants to audit cost records of the Company for the financial year 2023-24.

INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

The Company has laid down Internal Financial Control system, policies and procedures with reference to financial statements. These systems, policies and procedures are reviewed from time to time and are updated. This ensures accuracy and completeness of the accounting records, safeguarding of the assets and resources of the Company and helps in prevention and detection of frauds and errors. The policies and procedures are also adequate for orderly and efficient conduct of business of the Company. The Company also has a robust management information system commensurate with the size and nature of its operations, which not only facilitates speedy business decisions but also helps in timely preparation and sharing of reliable financial information across various levels in the Company. No reportable material weakness was observed in the system during the previous fiscal.

The Company has an elaborate risk management system to inform Board Members about risk assessment and minimisation procedures. The Risk Management framework formalises the Company's approach to overview and manage overall risks. Board Members are accordingly informed.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the financial year under review, there were no significant and material orders passed by the Regulators, Courts or Tribunals or any proceedings/pending proceedings under laws of the land including Insolvency and Bankruptcy Code that could impact the going concern status of the Company and its future operations.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of this report.



AC Technician Training

CHANGE IN THE NATURE OF BUSINESS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Smt. Mamta Singhania retires by rotation and being eligible, offers herself for re-appointment at the ensuing AGM.

During the year, the Members at their meeting held on 3rd August 2022 have approved re-appointment of Shri Nagaraju Srirama (DIN:02473218) as Whole-time Director of the Company with the designation 'President & Director' for a term of 3 years commencing 28th May 2022.

Except this, there was no other change in the Directors/ KMP of the Company during the year under review.

All the Independent Directors of the Company have given requisite declarations that they meet the criteria of independence as provided in Section 149(6) of the Act and have also complied with Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

MEETINGS OF THE BOARD

Four Board Meetings were held during the twelve months period from 1st April 2022 to 31st March 2023 i.e., on 28th April 2022, 28th July 2022, 21st



Excavator Training

October 2022 and 23rd January 2023. A separate meeting of Independent Directors was held on 23rd January 2023.

AUDIT COMMITTEE

The Audit Committee of Directors comprises of Shri Bakul Jain, Chairman of the Committee, Shri Rahul C Kirloskar, Shri Surendra Malhotra, Independent Directors and Shri Nagaraju Srirama, President & Director. The composition and the 'Terms of Reference' of the Committee are in conformity with the provision of Section 177 of the Companies Act, 2013.

VIGIL MECHANISM

Pursuant to Section 177 of the Companies Act, 2013 and the Rules thereto, your Company has established a vigil mechanism for the directors and employees to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics policy, and any other event which would adversely affect the interests of the business of the Company. The details of establishment of such mechanism have been disclosed on the website of the Company. It is affirmed that no personnel have been denied access to the Audit Committee.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace

(Prevention, Prohibition & Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up Internal Complaints Committee (ICC) at its workplaces to redress the complaints of women employees.

During the financial year ended 31st March 2023, no complaint has been filed with ICC with allegation of Sexual Harassment. Further, there were no complaints pending as on the end of the financial year 31st March 2023.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee has formulated a Nomination and Remuneration Policy pursuant to the provisions of Section 178 of the Companies Act, 2013. The policy is available at the website of the Company and the web link is https://www.jkfenner.com/investors/company_policy.pdf.

The salient features of the Policy are as follows:
(i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment as a Director of the Company:

(a) Qualifications & experience; (b) Positive attributes like-respect for Company's core values, professional integrity, strategic capability with business vision, etc.; (c) In case, the proposed appointee is an Independent Director, he/she should fulfill the criteria for appointment as Independent Director as per the provisions of the



Automobile Lab Training

Act and other applicable laws & regulations;
 (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.

(ii) The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.

(iii) The evaluation of performance of the Board, its committees and the individual directors will be carried out by the Board, on an annual basis, in the manner specified by the Nomination and Remuneration Committee of Directors for such evaluation and in accordance with the other applicable provisions of the Companies Act, 2013.

(iv) The Committee will review from time to time, the Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind while recommending any new name of Director for appointment to the Board.

(v) The eligibility criteria for appointment of Key Managerial Personnel (KMP) and other senior management personnel shall vary for different

positions depending upon the job description of the relevant position. In particular, the position of KMP shall be filled by senior personnel having relevant qualifications and experience. The compensation structure for KMP and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

PERFORMANCE EVALUATION

As required, the Nomination and Remuneration Committee of Directors specified the manner for effective evaluation of performance of the Board, its committees and individual Directors in accordance with the provisions of the Companies Act, 2013.

Accordingly, the Board of Directors made formal annual evaluation of its own performance and that of its committees and individual Directors in accordance with the manner specified by the Nomination and Remuneration Committee of Directors.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from



Eye Screening camp

the committee members on the basis of criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of the members of the committee in the meetings, etc.

The Board also carried out evaluation of the performance of individual directors based on criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees, exercise of his/ her duties with due & reasonable care, skill and diligence, etc. In a separate meeting of the Independent Directors of the Company, performance of the non-independent Directors, performance of the Board as a whole and performance of the Chairman were evaluated, taking into account the views of Executive and Non-executive Directors of the Company. The Chairman of the Meeting of the Independent Directors apprised the Board about the evaluation carried by it and that the Independent Directors were fully satisfied in this regard.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:

- a) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- b) the accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the annual accounts have been prepared on a going concern basis.
- e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- f) the proper systems to ensure compliance with the provisions of all applicable laws have been

devised and that such systems were adequate and operating effectively.

Your Directors further state that applicable Secretarial Standards issued under Section 118 of the Companies Act, 2013 have been complied with.

ACKNOWLEDGEMENTS

Your Directors wish to acknowledge and place on record their appreciation for the commitment and dedication of the employees of your Company.

Your Directors also wish to record their appreciation on the continued support and assistance received by the Company from its various stakeholders including valued Customers, Dealers, Suppliers, Shareholders, Bankers, and various Government authorities.

On behalf of the Board

Place :New Delhi
Date:15.05.2023

Dr. Raghupati Singhania
Chairman

ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

(A) CONSERVATION OF ENERGY

(i) the steps taken or impact on conservation of energy:

The Company has worked on some good initiatives to reduce power and fuel consumption, such as:

- a) Installed energy efficient pumps for chilled water circulation to process and cooling tower water circulation to chiller.
- b) Reduction of steam pressure.
- c) Elimination of compressed air usage.
- d) Batch weight optimization in mixer.
- e) Conducting energy audits and working on areas that have the potential to save energy through process parameter optimization.
- f) Periodic audit to arrest steam leak and radiation loss in the distribution lines.

With the above steps, the Company could reduce the per kg energy & fuel consumption.

(ii) the steps taken by the Company for utilizing alternate sources of energy:

The Company meets 75% of its energy requirement through owned renewable energy farms of wind and solar. The Company generated 54.91 lakhs units of power from solar and 113.35 lakhs units of power from its wind farms.

(iii) the capital investment on energy conservation equipments: Nil

(B) TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption:

Your Company has developed various innovative technologies to upgrade products and processes.

These technologies are being implemented which will improve global customer experience.

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

- Implementation of automation in Oil Seals spring assembly process to enable mistake proofing & deskilling for high volume SKU's.
- Establishment of Oil Seals trimming process with auto feed mechanism for high volume SKU's.
- Establishment of new Railway Seal with the best lip type and close clearance sealing to improve business.
- Digitalized the design technologies to fastrack business models.
- Substituted with alternate rubber material to reduce the high RM and reaping the cost saving.
- Developed wide range of Automotive Belts and hoses for USA market to stretch our R&D capability globally and improve business.
- Implemented semi automated wrapping process to improve the productivity and deskilling.

Green Initiatives

1. Packing design is revised to reduce the packaging material consumption for export stuffing.
2. Energy efficient additives are added in the compound to reduce the cycle time and, in turn, energy.
3. Developing raw materials originated from natural resource instead of petroleum based.

(iii) in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) – Nil

(iv) the expenditure incurred on Research & Development:

The capital expenditure incurred on R&D during the year was ₹ 0.66 crores and recurring expenditure amounted to ₹ 13.00 crores, with the total expenditure of ₹ 13.66 crores, 1.12 % of the turnover.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

₹ in Crores

	2022-23	2021-22
Earnings in Foreign Exchange	264.54	255.01
Foreign Exchange Outgo	191.57	141.34

On behalf of the Board

Dr. Raghupati Singhania
Chairman

Place :New Delhi
Date:15.05.2023

ANNEXURE 'B' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

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

The Members,
J.K. Fenner (India) Limited
CIN: U24231TN1992PLC062306
3, MADURAI-MELAKKAL ROAD,
MADURAI – 625016.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by J.K. Fenner (India) Limited (CIN: U24231TN1992PLC062306) (hereinafter called "the Company") having its Registered Office at 3, Madurai-Melakkal Road, Madurai – 625 016 for the financial year ended 31st March, 2023. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (Not applicable as the Company is an Unlisted Public Company);

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. There was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the year under review;

(v) Since the Company is an unlisted Public Company, the provisions of the following Regulations (a to i) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable:-

a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

(vi) As per the information furnished to us by the Company, no specific laws/ acts are applicable to

the company. Based on the information furnished to us and explanation provided to us, we have examined the adequacy of systems and processes in place to monitor and ensure compliance with Labour laws, Economic laws, etc.

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) (revised effective from October 1, 2017) and Guidance Note on Meetings of the Board of Directors and General Meetings (revised) issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered with Stock Exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Not applicable as the Securities of the Company are not listed on any Stock Exchange).

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board/ Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Directors/ Members have participated in the Board/ Committees meetings through video conferencing or other audio visual means during the period under review, the necessary compliances of Rule 3 of the Companies (Meetings of Board and its powers) Rules, 2014

have been complied with. Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs and other relevant regulatory authorities pertaining to Board/ Committee meetings, General Meetings and other provisions of the Act, Rules and Regulations have been complied with by the Company.

Based on the verification of the records and minutes, the decisions were carried out with the consent of majority of the Board of Directors/ Committee Members and there were no dissenting Director(s)/ member(s) views recorded in the minutes. Further in the case of minutes of the proceedings of the general meetings held during the year under review, there were no dissenting members recorded in the minutes.

We further report that based on review of compliance mechanism established by the Company and on basis of the Compliance certificate(s) placed before the Board and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the company has Incorporated a wholly owned subsidiary viz., JKF Evolve Limited on 3rd October, 2022.

for R.Sridharan & Associates
Company Secretaries

CS R. Sridharan
CP No. 3239
FCS No. 4775
PR No. 657/2020

Place : Chennai
Date : 15th May, 2023

UIN: S2003TN063400
UDIN: F004775E000289576

Note: This Report is to be read with letter of even date, which is annexed as "Annexure A" and Forms an integral part of this report.

The Members,
J.K. Fenner (India) Limited
3, MADURAI-MELAKKAL ROAD,
MADURAI – 625016.

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records as per the Auditing Standards (CSAS-1 to CSAS-4) and Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be filed by the company under the specified laws.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for R.Sridharan & Associates
Company Secretaries

CS R. Sridharan
CP No. 3239
FCS No. 4775
PR No. 657/2020

Place : Chennai
Date : 15th May, 2023

UIN: S2003TN063400
UDIN: F004775E000289576

ANNEXURE 'C' TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR 2022-23

1. Brief outline on CSR Policy of the Company:

The Company has been one of the foremost proponents of inclusive growth and since inception, has been continuing to undertake projects for overall development and welfare of the society in areas pertaining to health care, education, livelihood intervention and rural development etc. This CSR Policy has been framed in accordance with Section 135 of the Companies Act, 2014 (the Act) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules) as amended from time to time. The Policy applies to all CSR projects and activities to be undertaken by the Company. The Policy contains the approach and direction given by the Board of Directors, taking into account the recommendations of the CSR Committee. The CSR Policy also lays down the guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan to carry out CSR Projects by the Company.

2. Composition of CSR Committee:

S.No	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Vikrampati Singhanian	Managing Director (Chairman of the Committee), Non-Independent Director	2	2
2	Shri Surendra Malhotra	Independent Director	2	2
3	Shri Nagaraju Srirama	President & Director, Non-Independent Director	2	2

3. Web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company: www.jkfenner.com.

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable.

5.	(a) Average net profit of the Company as per sub-section (5) of section 135	:	₹ 1,20,96,05,692
	(b) Two percent of average net profit of the Company as per sub-section (5) of section 135.	:	₹ 2,41,92,114
	(c) Surplus arising out of the CSR Projects or Programmes or Activities of the previous financial years.	:	Nil
	(d) Amount required to be set off for the financial year, if any.	:	Nil
	(e) Total CSR obligation for the financial year [(b)+(c)-(d)].	:	₹ 2,41,92,114

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Projects) : ₹ 2,38,22,161
- (b) Amount spent in Administrative Overheads. : ₹ 4,22,010
- (c) Amount spent on Impact Assessment, if applicable. : NA
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 2,42,44,171
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
2,42,44,171	Nil	NA	NA	NA	NA

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	2,41,92,114
(ii)	Total amount spent for the Financial Year	2,42,44,171
(iii)	Excess amount spent for the financial year [(ii)-(i)]	52,057
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	52,057

7. Details of Unspent CSR amount for the preceding three financial years

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY-1							
2	FY-2							
3	FY-3							
					Nil			

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes

No

If Yes, enter the number of Capital assets created/ acquired.

NIL

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

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

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

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

Place : New Delhi
Date: 15th May 2023

(Vikrampati Singhania)
Chairman, CSR Committee

(Nagaraju Srirama)
President & Director

INDEPENDENT AUDITOR'S REPORT

To the Members of
J.K. FENNER (INDIA) LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of J.K. FENNER (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the 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 the significant accounting policies and other explanatory information (herein after referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, its Profit (including Other comprehensive income), 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the

ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position/ state of affairs, financial performance, changes in equity and 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. This responsibility

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

In preparing the financial statements, Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 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

Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 38 to the financial statements;

ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, during the year ended 31st March, 2023.

iv. (a) The management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or

invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented that, no funds (which are material either individually or in aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above as required by Rule 11(e) of Companies (Audit & Auditors) Rules, 2014, as amended, contains any material mis-statement.

v. (a) The interim dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013 (Note No. 49).

(b) The final dividend proposed in the previous financial year, declared and paid by the Company during the year, is in compliance with section 123 of the Companies Act, 2013 (Note No. 49).

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members in the ensuing General meeting. The amount of dividend proposed is in accordance with section 123 of the Companies Act, 2013.

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

h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.

For **LODHA & CO.**
Chartered Accountants
Firm's Registration No. 301051E

(Shyamal Kumar)
Partner
Membership No. 509325
UDIN: 23509325BGXJFF4588
Place: New Delhi
Date: 15th May 2023

ANNEXURE “A” REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF J.K. FENNER (INDIA) LIMITED FOR THE YEAR ENDED MARCH 31, 2023.

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

i. (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) As per the physical verification program, Property, Plant and Equipment were physically verified during the year by the Management according to the phased program designed to cover all the items over a period of three years (accordingly during the year, few items have been physically verified) which, in our opinion, provides for physical verification at reasonable intervals. Based on information and records provided, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the property tax receipts/registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties (including those pledged as securities against borrowings, which were examined based on relevant documents), (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements and included in property, plant and equipment and investment property and capital work-in progress are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment (including Right of

Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including right-of-use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated during the year or are pending against the Company as at 31 March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) As per the physical verification program, the inventories of the Company (except stock lying with the third parties and in transit, for which confirmations have been received/material received) were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. Discrepancies noticed were not of 10% or more in the aggregate for each class of inventories on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us and as per the records verified, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns / statements filed by the Company with such banks or financial institutions are generally in agreement with the unaudited books of account of the Company of the respective quarters.

iii. The Company has made investments in one company during the year and granted loans or advances in nature of loans, secured or unsecured to one company during the year. The Company has not provided guarantee or security, to companies, firms, Limited Liability Partnerships or any other parties during the year.

(a) The Company has provided loans during the year, in respect of which details are as below:

₹ in Lacs

Particulars	Amount
Aggregate amount granted/ provided during the year: - Subsidiary	50.00
Balance outstanding as at balance sheet date in respect of above: - Subsidiary	50.00

(b) The investments made during the year and conditions of the grant of loans or advances in the nature of loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3 (iii)(f) is not applicable.

iv. According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans granted,

investments made and guarantees and securities provided, the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013.

v. In our opinion the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted and amounts deemed to be deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

vi. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of the Company's products and services to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii. (a) According to the records of the Company, the Company is generally been regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues with the appropriate authorities to the extent applicable.

There were no undisputed statutory dues payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31st March 2023 for a period of more than six months from the date they become payable except the VAT/CST of ₹ 4.48 Lacs as explained by the management the amounts were remitted to the department but not yet presented for bank clearing, Goods & Services Tax of ₹ 79.61 Lacs (including interest on GST of ₹ 77.71 Lacs), Provident Fund of ₹ 2.54 Lacs on account of non-linking of employee Aadhar no. & UAN and Employees' state insurance of ₹ 0.24 Lacs.

(b) According to the records and information & explanations given to us, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2023 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	58.88	1996-97, 1998-99 to 2001-02, April to December 2002, 2003-04 & 2005-06	Commissioner Appeals, Meerut, Uttar Pradesh
Central Excise Act, 1944	Excise Duty	18.17	2010-11 to 2015-16	CESTAT, Chennai
Finance Act, 1994	Service Tax	21.92	April'16 to June '17	Assistant/Dy. Commissioner (Madurai)
Finance Act, 1994	Service Tax	8.51	July'15 to March '16	Commissioner (Appeals) Madurai
Central Sales Tax Act and Sales Tax Act of Various States	Sales Tax	32.96	1993-94 to 1996-97 & 1999-00 to 2001-02	Assistant/ Dy. Commissioner (Madurai)
Central Sales Tax Act and Sales Tax Act of Various States (UP)	Sales Tax	126.98	1991-92 to 2004-05	Sales Tax Committee, (Tribunal), Moradabad, U.P.
Rajasthan Value Added Tax 2003	Sales Tax	487.09	2012-13 & 2013-14	Rajasthan Tax Board Ajmer
Haryana VAT Act, 2003	Sales Tax	5.49	2014-15	Assessing officer, Gurugram
The West Bengal Tax on Entry of Goods into Local Areas Act	Entry Tax	69.00	2013-14 to 2016-17	High Court, Calcutta
The Income Tax Act, 1961	Income Tax	151.22	2018-19	CIT (Appeals), Madurai
The Income Tax Act, 1961	Income Tax	754.31	2009-10, 2013-14, 2019-20, 2020-21 & 2021-22	CIT (Appeals), Delhi
CGST Act, 2017	Goods & Services Tax	0.77	2017-18 & 2018-19	Superintendent of CGST, Kolkata

viii. According to the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), that has not been recorded in the books of account.

ix. (a) On the basis of audit procedures and according to the information and explanations given to us, in our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained. There were no unutilized term loans at the beginning of the year.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company and based on the representations of the Company, we report that the Company has neither taken any funds from any entity or person during the year nor it has raised funds through issue of shares or borrowings on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its Subsidiaries or joint ventures or associate companies.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) 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, a report under section 143(12) of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. According to the information and explanations and records made available by the management of the Company and audit procedures performed, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedures.

xv. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, reporting under clause 3(xvi)(a) of the Order is not applicable.

(b) The Company has not conducted non-banking financial/ housing finance activities during the year. Accordingly, reporting under clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable.

(d) Based on the information and explanations provided by the management of the Company, there are two CIC within the group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016). We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the

assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company and/ or certificate with respect to meeting financial obligations by the Company as and when they fall due. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

xxi. The Company has not prepared the Consolidated Financial Statements by availing the exemption mentioned in the Notification 742(E) dated 27th July 2016 issued by Ministry of Corporate Affairs and paragraph 4(a) of Ind AS 110 "Consolidated Financial Statements" and accordingly reporting under clause 3(xxi) of the Order is not applicable.

For **LODHA & CO.**
Chartered Accountants
Firm Registration No. 301051E

(Shyamal Kumar)
Partner
Membership No. 509325
Place: New Delhi
Date: 15th May 2023

ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF J.K. FENNER (INDIA) LIMITED FOR THE YEAR ENDED MARCH 31, 2023

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **J.K. FENNER (INDIA) LIMITED** (“the Company”) as of 31st March, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the

“Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **LODHA & CO.**
Chartered Accountants
Firm Registration No. 301051E

(Shyamal Kumar)
Partner
Membership No. 509325
Place: New Delhi
Date: 15th May 2023

JK FENNER (INDIA) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2023

₹ in Lacs

	Note No.	As at 31.03.2023	As at 31.03.2022
ASSETS			
(1) Non-current Assets			
(a) Property, plant and equipment	2	33,650.73	29,010.25
(b) Right to use assets	3	1,107.32	1,240.75
(c) Capital work-in-progress	4	2,432.75	2,889.64
(d) Investment property	5	28.12	28.68
(e) Intangible assets	6	113.78	127.84
(f) Intangible assets under development	6A	254.51	-
(g) Financial assets			
(i) Investments	7	17,366.22	17,694.76
(ii) Loans	8	6,550.00	11,500.00
(iii) Other financial assets	9	7,357.52	4,941.34
(h) Other non-current assets	10	579.15	998.14
		69,440.10	68,431.40
(2) Current Assets			
(a) Inventories	11	14,577.87	17,529.19
(b) Financial assets			
(i) Investments	12	18,888.72	604.82
(ii) Trade receivables	13	29,621.48	22,284.50
(iii) Cash and cash equivalents	14	294.60	6,183.61
(iv) Other bank balances	15	1,080.63	4,933.42
(v) Other financial assets	16	1,085.84	967.63
(c) Current tax assets (net)	17	3,849.39	4,268.43
(d) Other current assets	18	5,646.36	4,814.75
		75,044.89	61,586.35
TOTAL ASSETS		1,44,484.99	1,30,017.75
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	248.31	248.31
(b) Other equity		88,491.03	77,241.89
		88,739.34	77,490.20
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	14,970.45	14,600.08
(ia) Lease liabilities	50	1,026.88	1,142.47
(ii) Other financial liabilities	21	3,899.17	4,231.87
(b) Provisions	22	690.54	518.14
(c) Deferred tax liabilities (Net)	23	2,063.48	1,846.80
(d) Other non-current liabilities	24	676.05	677.04
		23,326.57	23,016.40
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	9,895.31	7,786.99
(ia) Lease liabilities	50	229.39	209.44
(ii) Trade payables	26	-	-
- Micro and small enterprises	-	2,977.07	3,079.10
- Others	-	4,467.51	5,769.76
(iii) Other financial liabilities	27	5,902.33	5,492.53
(b) Other current liabilities	28	8,596.92	7,092.11
(c) Provisions	29	350.55	81.22
		32,419.08	29,511.15
TOTAL EQUITY AND LIABILITIES		1,44,484.99	1,30,017.75

Company overview, Basis of preparation and Significant Accounting Policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **LODHA & CO.**

Chartered Accountants

Firm's Registration No. 301051E

SHYAMAL KUMAR

Partner

Membership No. 509325

R.VIJAYARAGHAVAN

Company Secretary

RAGHUPATI SINGHANIA

Chairman

VIKRAMPATI SINGHANIA

Managing Director

AMIT AGARWAL

Chief Financial Officer

H.V. LODHA

HARSH PATI SINGHANIA

MAMTA SINGHANIA

SURENDRA MALHOTRA

NAGARAJU SRIRAMA

Directors

STATEMENTS OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023



₹ in Lacs

	Note No.	As at 31.03.2023	As at 31.03.2022
I. Income			
Revenue from Operations	30	1,21,961.36	1,04,887.21
Other Income	31	4,203.86	3,847.50
Total Income		1,26,165.22	1,08,734.71
II. Expenses			
Cost of materials consumed	-	52,629.87	46,436.67
Changes in inventory of finished goods, stock in trade and work-in-progress	32	1,257.90	(1,255.96)
Purchase of stock in trade	-	9,141.96	7,660.51
Employee benefits expense	33	16,050.45	14,443.33
Finance costs	34	1,719.30	1,476.95
Depreciation and amortisation expense	35	5,223.57	4,562.56
Other expenses	36	24,258.41	21,782.79
Total expenses		1,10,281.46	95,106.85
III. Profit / (Loss) before tax		15,883.76	13,627.86
IV. Tax expense			
Current tax		4,651.50	4,008.50
Income tax paid for earlier years		30.43	-
Deferred tax		65.93	56.75
V. Profit/(Loss) for the year		11,135.90	9,562.61
VI. Other Comprehensive Income			
Items that will not be subsequently reclassified to Statement of Profit and Loss			
Fair value (loss)/ Gain of Equity instruments		2,344.77	1,775.64
Remeasurement (loss) / gain of the net defined benefit plan		(466.78)	79.43
Income tax relating to items that will not be Reclassified to Statement of Profit and Loss		(150.75)	(413.77)
Total Other Comprehensive Income		1,727.24	1,441.30
VII. Total Comprehensive Income for the year		12,863.14	11,003.91
VIII. Earnings per equity share of ₹ 10 each			
Basic / Diluted	47	448.47	385.11

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **LODHA & CO.**

Chartered Accountants

Firm's Registration No. 301051E

SHYAMAL KUMAR

Partner

Membership No. 509325

R.VIJAYARAGHAVAN

Company Secretary

RAGHUPATI SINGHANIA

Chairman

VIKRAMPATI SINGHANIA

Managing Director

AMIT AGARWAL

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H.V. LODHA

HARSH PATI SINGHANIA

MAMTA SINGHANIA

SURENDRA MALHOTRA

NAGARAJU SRIRAMA

Directors

JK FENNER (INDIA) LIMITED

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH, 2023

I SHARE CAPITAL

₹ in Lacs

Particulars	As at 31.03.2023	As at 31.03.2022
Issued, Subscribed and Fully paid up:		
Equity Shares - 24,83,066 of ₹ 10 each		
Balance at the beginning of the year	248.31	248.31
Changes in equity share capital during the year	-	-
Balance at the end of the year	248.31	248.31

II OTHER EQUITY

Particulars	RESERVES AND SURPLUS								Total
	Securities Premium	Capital Reserve	Capital Redemption Reserve	Retained Earnings		Other Comprehensive Income			
				Retained Earnings	General Reserve	Fair value (Loss)/ Gain of Equity instruments	Remeasurement (loss) / gain of the net defined benefit plan	Income Tax relating to Items that will not be Reclassified to Statement of Profit and Loss	
As on 1st April, 2021	140.00	258.11	77.10	24,857.64	40,888.49	2,042.77	(760.37)	224.08	67,727.82
Profit for the year	-	-	-	9,562.61	-	-	-	-	9,562.61
Other comprehensive income	-	-	-	-	-	1,775.64	79.43	(413.77)	1,441.30
Dividend paid	-	-	-	(1,489.84)	-	-	-	-	(1,489.84)
Transfer to capital redemption reserve *	-	-	2,500.00	(2,500.00)	-	-	-	-	-
As on 31st March, 2022	140.00	258.11	2,577.10	30,430.41	40,888.49	3,818.41	(680.94)	(189.69)	77,241.89
Profit for the year	-	-	-	11,135.90	-	-	-	-	11,135.90
Other comprehensive income	-	-	-	-	-	2,344.77	(466.78)	(150.75)	1,727.24
Dividend paid	-	-	-	(1,614.00)	-	-	-	-	(1,614.00)
As on 31st March, 2023	140.00	258.11	2,577.10	39,952.31	40,888.49	6,163.18	(1,147.72)	(340.44)	88,491.03

* During the previous year, the Company has redeemed 25,00,000 cumulative redeemable preference shares of ₹ 100 each at 4% premium i.e., ₹ 2863.12 lacs and ₹ 2500 lacs (nominal amount) was transferred to capital redemption reserve.

As per our report of even date

For **LODHA & CO.**

Chartered Accountants
Firm's Registration No. 301051E

SHYAMAL KUMAR
Partner
Membership No. 509325

R.VIJAYARAGHAVAN
Company Secretary

RAGHUPATI SINGHANIA
Chairman

VIKRAMPATI SINGHANIA
Managing Director

AMIT AGARWAL
Chief Financial Officer

H.V. LODHA
HARSH PATI SINGHANIA
MAMTA SINGHANIA
SURENDRA MALHOTRA
NAGARAJU SRIRAMA
Directors

1.1 The Company overview

J.K. Fenner (India) Limited (the "Company") is a public limited company incorporated and domiciled in India. The registered office of the company is situated at 3, Madurai-Melakkal Road, Kochadai, Madurai - 625016, Tamilnadu, India. The Company is a subsidiary of Bengal & Assam Company Limited.

The Company develops, manufactures, trades, markets and distributes Belts, Oilseals, Engineering products and other auto component products. The Company markets its products for sale to industrial and vehicle manufacturers for fitment as original equipments and for sale in replacement markets worldwide. The Company has five manufacturing plants located in India at Madurai, Sriperumpudur, Nilakkottai, Patancheru and Pashamailaram.

These financial statements were approved and adopted by Board of Directors of the Company in the meeting held on 15th May, 2023.

1.2 Basis of preparation of financial statements

(i) Basis of preparation and Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Companies Act 2013. All accounting policies and applicable Ind AS have been applied consistently for all periods presented.

(ii) Basis of Measurement

The financial statements have been prepared under historical cost convention on accrual basis, except for the items that have been measured at fair value as required by relevant Ind AS. The financial statements correspond to the classification provisions contained in Ind AS-1 (Presentation of Financial Statements).

The preparation of these financial statements requires management judgments, estimates and assumptions that affect the application of accounting policies, the accounting disclosures made and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are made in the period, in which, the estimates are revised and in any future periods, effected pursuant to such revision.

1.3 Significant accounting policies

The accounting policies set out below have been applied consistently throughout the periods presented in these financial statements.

1.3.1 Property, Plant and Equipment

Recognition and measurement :

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Expenditure directly attributable in bringing the asset to the location during construction / erection period is included under 'Capital Work-in-Progress' and is allocated to the respective property, plant and equipment on completion of construction / erection.

The cost and related accumulated depreciation are eliminated from the financial statements, upon sale and disposition of the assets and the resultant gains or losses are recognised in the statement of profit and loss.

Assets subjected to operating leases are included in Property, Plant and Equipment.

NOTES TO THE FINANCIAL STATEMENTS

Depreciation:

Depreciation on property, plant and equipment has been provided using straight line method over their useful lives and in the manner prescribed under Schedule II of the Companies Act, 2013. However, in respect of certain assets including assets given on the operating lease, depreciation is provided as per the useful lives as assessed by the management supported by technical advice ranging from 9 to 24 years for plant and machinery and useful lives ranging from 3 to 5 years for certain vehicles and office equipments.

1.3.2 Investment property

Investment property is property held either to earn rentals or for capital appreciation or both, but not for sale in the ordinary course of the business. Investment properties are measured at cost less accumulated depreciation and impairment losses, if any. Depreciation on Investment property has been provided using straight line method over their useful lives and in the manner prescribed under Schedule II of the Companies Act, 2013.

The cost and related accumulated depreciation are eliminated from the financial statements, upon sale, disposition and withdrawal from permanent use of the assets and when no future economic benefits are expected from its disposal. The resultant gains or losses are recognised in the statement of profit and loss.

Assets are transferred from/ to Investment property to/ from property, plant & equipment when there is an evidence of change in use. Assets are transferred from/ to Investment property at carrying value.

1.3.3 Intangible Assets

Intangible assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the Company and cost of the asset can be measured reliably. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any. Cost includes expenses directly attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost and related accumulated amortisation are eliminated from the financial statements, upon sale, disposition and withdrawal from permanent use of the assets and when no future economic benefits are expected from its disposal. The resultant gains or losses are recognised in the Statement of Profit and Loss.

Specialised software is amortised over the period of five years from the year of installation.

Expenditure incurred on intangible assets which are under development is included under intangible assets under development.

1.3.4 Research and Development Cost

Revenue expenditure on research and development is charged to the Statement of Profit and Loss and capital expenditure on research and development is added to property, plant and equipment.

1.3.5 Lease

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1st April 2019.

Lessor accounting under Ind AS 116 is substantially unchanged in comparison with earlier under Ind AS 17. Lessors will continue to classify leases as either operating or finance lease using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the group is the lessor.

Right of Use Assets:

The Company recognises a right-of-use asset, on a lease-by-lease basis, to measure that right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet.

The cost of right-of-use assets includes the amount of lease liabilities recognised. Initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment test.

Lease Liabilities :

The Company recognises a lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on a lease by lease basis.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Short-term Leases and leases of low-value assets :

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options :

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

1.3.6 Foreign currency transactions and translation

The functional currency of the company is Indian rupee (₹). Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the balance sheet date are translated at exchange rate prevailing at the year end. Exchange differences arising on actual payments / realisations and year end translations including on forward contracts are recognised within Statement of Profit and Loss.

1.3.7 Inventories

Inventories are valued at lower of cost and net realisable value. However, materials and other supplies held for use in production of inventories are not written down below cost, if the finished goods are expected to be sold at or above cost. The cost is computed on weighted average basis. Finished Goods, Traded Goods and Process Stock include cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Slow-moving and obsolete items based upon technical evaluation are provided for.

1.3.8 Borrowing cost

Borrowing Cost is charged to statement of profit and loss except borrowing cost meant for acquisition of qualifying assets, which is capitalised, using the effective interest method till the date of commercial use.

NOTES TO THE FINANCIAL STATEMENTS

1.3.9 Employee benefits

Employee benefits include wages & salaries, provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences, etc.

(a) Defined contribution plans :

Contributions to the Employees' Regional Provident Fund, Superannuation Fund, Employees Pension Scheme and Employees' State Insurance are recognised as defined contribution plan and charged as expenses during the period in which the employees perform the services.

(b) Defined benefit plan :

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and determined on an actuarial valuation using the projected unit credit method at the Balance Sheet date. Actuarial gains or losses through remeasurement of the net obligation of a defined benefit liability or asset are recognised in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made to Trust administered by the trustees. The interest rate to the members of the Trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. The Employer shall make good deficiency, if any.

(c) Short term employee benefits :

Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

1.3.10 Income tax

Income tax comprises of current and deferred tax. Income tax expense is recognised in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in Equity or in Other Comprehensive Income.

a) Current tax: Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961.

b) Deferred tax: Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent, it is probable that taxable income will be available against which the same can be realised. Deferred tax assets are reviewed at the end of each subsequent reporting period.

1.3.11 Provisions and Contingencies

a) Provisions :

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the present value of best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

b) Contingencies :

A disclosure for contingent liability is made when there is possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are reviewed at each balance sheet date.

Contingent assets are neither recognised nor disclosed in the financial statements.

1.3.12 Financial instruments

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

(a) Financial assets :

Financial assets include cash and cash equivalents, trade and other receivables, loans, investments in securities and other eligible current and non-current assets.

At initial recognition, all financial assets are measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial asset, which are not fair value through profit and loss, are added to the fair value on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Such financial assets are subsequently classified under one of the following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

Financial assets at amortised cost:

At the date of initial recognition, these financial assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate ("EIR") method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the statement of profit or loss.

Financial assets at fair value through other comprehensive income:

At the date of initial recognition, these financial assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the EIR method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

Financial assets at fair value through profit or loss:

At the date of initial recognition, financial assets that are held for trading, or which are measured neither at amortised cost nor at fair value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Investment in equity shares of subsidiaries and associates are valued at cost.

NOTES TO THE FINANCIAL STATEMENTS

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109 'Financial Instruments'.

The Company assesses impairment based on the Expected Credit Losses ("ECL") model to all its financial assets except equity instruments measured at Fair value and financial assets measured on Fair Value Through Profit and Loss ("FVTPL") basis.

(b) Financial liabilities

Financial liabilities include long-term and short-term loans and borrowings, trade and other payables and other eligible current and non-current liabilities.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and other payables, net of directly attributable transaction costs. After initial recognition, financial liabilities are classified under one of the following two categories:

Financial liabilities at amortised cost:

After initial recognition, such financial liabilities are subsequently measured at amortised cost by applying the EIR method to the gross carrying amount of the financial liability. The EIR amortisation is included in finance expense in the Statement of Profit or Loss.

Financial liabilities at fair value through profit or loss:

Financial liabilities which are designated as such on initial recognition, or which are held for trading. Fair value gains / losses attributable to changes in own credit risk is recognised in OCI. These gains / losses are not subsequently transferred to Statement of Profit and Loss. All other changes in fair value of such liabilities are recognised in the Statement of Profit and Loss.

1.3.13 Derivative financial instruments

Derivative instruments such as forward currency contracts are used to hedge foreign currency risks. Premium in respect of forward contracts is recognised over the life of contract. Gain or loss arising on remeasuring derivative instruments identified as effective fair value hedges and ineffective cash flow hedges is accounted for in the statement of profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when fair value is negative.

1.3.14 Revenue

Revenue is recognised upon transfer of control of promised goods or services to customers at transaction price (net of taxes and duties), arrived at by determining the fair value of the consideration received or receivable after adjusting returns, allowances, trade discounts, volume discounts etc. in exchange of goods or services.

For applying above principle, the Company adopts five step model, which are: a) Identify the contract(s) with customer(s); b) Identify the performance obligations under the contract(s); c) Determine the transaction price; d) Allocate the transaction price to the performance obligations in the contract(s); e) recognise revenue.

Contract Liabilities are recognised when there is an entity's obligation to transfer goods or services to a customer for which, the entity has received consideration from the customer. Revenue in excess of invoicing are classified as contract assets.

Inter-unit transfer of goods for captive consumption are included in respective heads of accounts to reflect the true working. Any unrealised profits on unsold stock is not considered for valuing the inventory. This has no impact on the profitability.

Sale of Goods: Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the Contract.

Rental income from investment property is recognized as part of the other non operating income in the Statement of Profit and Loss on a straight line basis over the term of the lease except where the rentals are structured to increase in line with the expected general inflation.

Dividend income is recognized in the Statement of Profit and Loss on the date on which the Company's right to receive payment is established.

Interest income is recognized on time proportion basis using the effective interest rate method.

1.3.15 Government Grants

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with. Revenue grants are recognised in the Statement of Profit and Loss. Capital Grants relating to specific assets are recognised in the Balance Sheet as deferred income and credited in Statement of Profit and Loss on a systematic basis over the useful life of the related asset.

Export incentives are recognised in the Statement of Profit and Loss.

1.3.16 Impairment

The carrying amount of property, plant and equipments, intangible assets and investment property are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired, when the carrying cost of asset or cash generating unit exceeds its recoverable value, being higher of value in use and fair value less costs of disposal. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.

1.3.17 Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

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.

1.3.18 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, cheques on hand and remittances in transit for the purpose of meeting short-term cash commitments.

NOTES TO THE FINANCIAL STATEMENTS

NON CURRENT ASSETS

2. Property, Plant and Equipment

₹ in Lacs

Particulars	Gross Value					Depreciation						Net Value		
	As at 01-04-2022	Additions	Transfer from investment property	Sales / Adjustments	Transfer to investment property	As at 31-03-2023	As at 01-04-2022	Transfer from investment property	For the year	Sales / Adjustments	Transfer to investment property	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
Land - Freehold	2,680.74 (2,674.99)	-	- (5.75)	-	-	2,680.74 (2,680.74)	-	-	-	-	-	-	2,680.74 (2,680.74)	2,680.74 (2,674.99)
Land - Leasehold	331.37 (331.37)	-	-	-	-	331.37 (331.37)	36.07 (32.64)	-	3.51 (3.43)	-	-	39.58 (36.07)	291.79 (295.30)	295.30 (298.73)
Buildings	9,691.67 (9,272.82)	1,529.12 (429.62)	- (37.94)	8.22 -	- (48.71)	11,212.57 (9,691.67)	4,116.08 (3,710.42)	- (33.47)	538.07 (391.66)	7.81 -	- (19.47)	4,646.34 (4,116.08)	6,566.23 (5,575.59)	5,575.59 (5,562.40)
Plant and Equipment	56,486.27 (54,298.36)	7,620.36 (2,265.97)	-	459.04 (78.06)	-	63,647.59 (56,486.27)	37,315.68 (33,755.74)	-	4,025.95 (3,601.19)	436.53 (41.25)	-	40,905.10 (37,315.68)	22,742.49 (19,170.59)	19,170.59 (20,542.62)
Furniture and Fixtures	1,200.79 (1,181.76)	150.49 (19.03)	-	4.20 -	-	1,347.08 (1,200.79)	993.07 (941.21)	-	57.64 (51.86)	4.01 -	-	1,046.70 (993.07)	300.38 (207.72)	207.72 (240.55)
Vehicles	760.03 (680.92)	38.86 (121.11)	-	133.73 (42.00)	-	665.16 (760.03)	405.46 (358.73)	-	102.92 (88.73)	104.06 (42.00)	-	404.32 (405.46)	260.84 (354.57)	354.57 (322.19)
Office Equipments	2,408.37 (1,811.54)	289.33 (606.79)	-	13.84 (9.96)	-	2,683.86 (2,408.37)	1,682.63 (1,522.86)	-	203.59 (169.23)	10.62 (9.46)	-	1,875.60 (1,682.63)	808.26 (725.74)	725.74 (288.68)
Total	73,559.24 (70,251.76)	9,628.16 (3,442.52)	- (43.69)	619.03 (130.02)	- (48.71)	82,568.37 (73,559.24)	44,548.99 (40,321.60)	- (33.47)	4,931.68 (4,306.10)	563.03 (92.71)	- (19.47)	48,917.64 (44,548.99)	33,650.73 (29,010.25)	29,010.25 (29,930.16)

Figures in brackets represent amounts pertaining to previous year.

(a) Land, buildings and plant & equipment transferred under the Scheme of Amalgamation during the year 2006-07 were revalued as at 31st August 1985 and as at 31st March 1995. The revaluation in respect of factory, service buildings and plant and equipment was further updated as at 31st March 1998 based on current replacement cost by a valuer and as a result, book value of the said assets had been increased by ₹ 2990.53 lacs.

(b) Plant and equipment includes certain equipment ₹ 10,200 lacs (Previous year ₹ 10,200 lacs) given on lease (Refer Note No. 41).

3. Right to use assets

₹ in Lacs

Particulars	Gross Value				Depreciation				Net Value	
	As at 01-04-2022	Additions	Sales / Adjustments	As at 31-03-2023	As at 01-04-2022	For the year	Sales / Adjustments	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
Right to use assets	1,639.77 (801.97)	151.65 (1,064.52)	35.27 (226.72)	1,756.15 (1,639.77)	399.02 (406.39)	249.81 (218.67)	- (226.04)	648.83 (399.02)	1,107.32 (1,240.75)	1,240.75 (395.58)
Total	1,639.77 (801.97)	151.65 (1,064.52)	35.27 (226.72)	1,756.15 (1,639.77)	399.02 (406.39)	249.81 (218.67)	- (226.04)	648.83 (399.02)	1,107.32 (1,240.75)	1,240.75 (395.58)

Figures in brackets represent amounts pertaining to previous year.

	As at 31.03.2023	As at 31.03.2022
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4. Capital Work-In-Progress

Capital Work-In-Progress	2,432.75	2,889.64
	2,432.75	2,889.64

Capital Work-In-Progress ageing schedule

As at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	955.30	48.74	1.32	-	1,005.36
Projects temporarily suspended*	-	260.45	1,066.99	99.95	1,427.39

As at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	1,509.39	1,186.04	129.00	65.21	2,889.64
Projects temporarily suspended	-	-	-	-	-

* Amount disclosed represents amount/ project under dispute with one of the suppliers of machine to whom the Company has paid an advance of ₹ .558.40 lacs against bank guarantee. The Hon'ble High Court of Chennai had directed for the start of arbitration process for appointment of arbitrator for resolving the dispute. Earlier, the Company had approached bank for encashment of bank guarantee provided by the said supplier as machinery supplied were / are not giving the desired results / defective materials has been supplied. The Hon'ble High Court of Chennai has directed the supplier to extend the period of bank guarantee for a period of three months (till 30th June 2023) to secure above advance.

NOTES TO THE FINANCIAL STATEMENTS

NON CURRENT ASSETS

5. Investment Property

₹ in Lacs

Particulars	Gross Value					Depreciation						Net Value		
	As at 01-04-2022	Additions	Transfer from Property, plant and equipment	Sales / Adjustments	Transfer to Property, plant and equipment	As at 31-03-2023	As at 01-04-2022	Transfer from Property, plant and equipment	For the year	Sales / Adjustments	Transfer to Property, plant and equipment	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
Land - Freehold	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(5.75)	-	-	-	(5.75)	-	-	-	-	-	-	-	-	(5.75)
Buildings	48.71	-	-	-	-	48.71	20.03	-	0.56	-	-	20.59	28.12	28.68
	(37.94)	-	(48.71)	-	(37.94)	(48.71)	(33.41)	(19.47)	(0.62)	-	(33.47)	(20.03)	(28.68)	(4.53)
Total	48.71	-	-	-	-	48.71	20.03	-	0.56	-	-	20.59	28.12	28.68
	(43.69)	-	(48.71)	-	(43.69)	(48.71)	(33.41)	(19.47)	(0.62)	-	(33.47)	(20.03)	(28.68)	(10.28)

Figures in brackets represent amounts pertaining to previous year.

6. Intangible Assets

Particulars	Gross Value				Amortisation				Net Value	
	As at 01-04-2022	Additions	Sales / Adjustments	As at 31-03-2023	As at 01-04-2022	For the year	Sales / Adjustments	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
Software	876.21	27.45	-	903.66	748.83	41.51	-	790.34	113.32	127.38
	(833.29)	(49.99)	(7.07)	(876.21)	(718.38)	(37.17)	(6.72)	(748.83)	(127.38)	(114.91)
Trademark License	501.35	-	-	501.35	500.89	-	-	500.89	0.46	0.46
	(501.35)	-	-	(501.35)	(500.89)	-	-	(500.89)	(0.46)	(0.46)
Total	1,377.56	27.45	-	1,405.01	1,249.72	41.51	-	1,291.23	113.78	127.84
	(1,334.64)	(49.99)	(7.07)	(1,377.56)	(1,219.27)	(37.17)	(6.72)	(1,249.72)	(127.84)	(115.37)

Figures in brackets represent amounts pertaining to previous year.

6A. Intangible assets under development

Intangible assets under development	254.51	-
	<u>254.51</u>	<u>-</u>

Intangible assets under development ageing schedule

As at March 31, 2023

Particulars	Amount in intangible asset under development for a period of				Total
	Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress Projects temporarily suspended	254.51	-	-	-	254.51

As at March 31, 2022

Particulars	Amount in intangible asset under development for a period of				Total
	Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

7. Financial Assets - Investments [Non - Current (Other than trade)]

₹ in Lacs

Particulars	As at 31.03.2023		As at 31.03.2022	
	Numbers	Amount	Numbers	Amount
Investment in Equity shares				
Subsidiary companies (At cost)				
Southern Spinners and Processors Ltd. (₹10 each)	50,50,000	2,055.00	50,50,000	2,055.00
Modern Cotton Yarn Spinners Ltd. (₹10 each)	30,50,000	1,555.00	30,50,000	1,555.00
Acorn Engineering Ltd. (₹10 each)	50,500	5.05	50,500	5.05
Divyashree Company Private Ltd. (₹10 each)	7,123	8,016.70	7,123	8,016.70
JKF Americas, Inc.(US \$ 1 each)	1,000	0.73	1,000	0.73
JKF Evolve Limited (₹10 each)	10,00,000	100.00	-	-
Associate Company (At cost)				
Dwarkesh Energy Ltd. (₹10 each)	2,74,940	27.49	2,74,940	27.49
PSV Energy Pvt. Ltd. (₹10 each)	52,000	5.20	52,000	5.20
Gram Power Infrastructure Pvt Ltd (₹10 each)	-	-	2,600.00	0.14
Others (At fair value through OCI)				
CliniRx Research Pvt. Ltd. (₹10 each)	10,00,000	110.97	10,00,000	110.97
Others (At cost)*				
Madura Coats Workers' Co-operative Stores Ltd. (₹10 each)	15,790	0.16	15,790	0.16
Hari Shankar Singhania Elastomer and Tyre Research Institute (₹100 each)	10	0.01	10	0.01
The Madurai District Pandian Consumers' Co-operative Wholesale Stores Ltd. 'A' Class Share (₹50 each)	1	-	1	-
Investment in preference shares (At fair value through P & L)				
Dwarkesh Energy Ltd.(7% Optionally Convertible Cumulative Redeemable Preference Shares, fully paid up (₹100 each)	11,00,000	1,208.66	11,00,000	1,208.66
Investment in preference shares (At Cost)				
HSS Holdings Private Ltd (1% Cumulative Redeemable Preference Shares) (₹100 each)	36,00,000	3,600.00	45,00,000	4,500.00
CliniRx Research Pvt. Ltd (8% Optionally Convertible Cumulative Redeemable Preference Shares) (₹10 each)	15,00,000	150.00	15,00,000	150.00
Investment in Other funds (At fair value through P & L)				
Class A1-Regular units of UTI Structured Debt Opportunities Fund II	2,81,335	286.80	-	-
Class A1-T units of UTI Structured Debt Opportunities Fund II	14,36,447	14.89	57,70,052	59.65
ICICI Prudential Corporate Credit Opportunities Fund AIF - I	2,16,182	229.56	-	-
		17,366.22		17,694.76

Aggregate amount of quoted investments	-	-
Market value of quoted investments	-	-
Aggregate market value of unquoted investments	17,366.22	17,694.76
Aggregate book value of unquoted investments	17,359.51	17,695.11
Aggregate provision for impairment in value of investments	-	-

Pursuant to the Scheme of Amalgamation, 180589 (Previous year 180589) Shares of Bengal & Assam Company Ltd (BACL) are held in the name of a Trustee on behalf of the Company, being Subsidiary of BACL against their holding in Netflir Finco Ltd. Accordingly, the amount against the said shares is shown under Other Financial Asset (Non Current) ₹ 6601.16 lacs. (Previous year ₹ 4256.39 lacs)

* Refer Note No. 61.

NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2023	As at 31.03.2022
₹ in Lacs		
8. Loans (Non-Current) (Unsecured, considered good)		
Loans to related parties (Refer Note No. 63)	6,550.00	11,500.00
	6,550.00	11,500.00
9. Other Financial Assets (Non- Current)		
Security deposits	376.36	400.38
Margin money deposit against bank guarantee	337.28	284.57
Other receivables	6,643.88	4,256.39
	7,357.52	4,941.34
10. Other Non - Current Assets		
Capital advances	371.76	784.87
Balances with Government Authorities	11.62	11.62
Others	195.77	201.65
	579.15	998.14
11. Inventories (Valued at lower of cost or net realisable value)		
Raw materials*	5,947.47	7,669.86
Work-in-progress	1,052.79	1,192.79
Finished goods **	4,628.64	5,651.68
Stock - in - trade	2,052.58	2,147.45
Stores and spares	896.39	867.41
	14,577.87	17,529.19
*Includes raw materials in transit ₹ 382.73 lacs (Previous year: ₹ 315.01 lacs)		
**Includes finished goods in transit ₹ Nil lacs (Previous year: ₹ 231.03 lacs).		
12. Current Investments		
Investment in preference shares (Unquoted) (At Cost)		
HSS Holdings Private Ltd (1% Cumulative Redeemable Preference Shares)	900.00	-
Investments in Mutual Funds (Quoted) (At fair value through Profit and Loss)		
Investments in Mutual Fund	17,988.72	604.82
	18,888.72	604.82
Aggregate book value of quoted investments	17,988.72	604.82
Aggregate cost of quoted investments	17,770.92	599.97
Aggregate book value of unquoted investments	900.00	-
Aggregate cost of unquoted investments	900.00	-

₹ in Lacs

	As at 31.03.2023	As at 31.03.2022
13. Trade Receivables		
Considered good - Undisputed		
Secured	2,011.34	1,537.52
Unsecured	27,610.14	20,746.98
Unsecured which have significant increase in credit risk	-	-
Credit impaired	-	-
Total	29,621.48	22,284.50
Less : Allowance for expected credit loss	-	-
	29,621.48	22,284.50

Trade receivables ageing schedule

As at March 31, 2023

Particulars	Not due	Outstanding for the following period from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Considered good - Undisputed							
Secured	1,673.85	302.68	19.88	12.79	2.14	-	2,011.34
Unsecured	24,329.05	3,029.78	153.02	69.03	29.26	-	27,610.14
Unsecured which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	26,002.90	3,332.46	172.90	81.82	31.40	-	29,621.48

As at March 31, 2022

Particulars	Not due	Outstanding for the following period from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Considered good - Undisputed							
Secured	1,226.33	292.53	15.92	2.68	0.06	-	1,537.52
Unsecured	18,248.63	2,351.37	109.57	28.62	8.79	-	20,746.98
Unsecured which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	19,474.96	2,643.90	125.49	31.30	8.85	-	22,284.50

₹ in Lacs

	As at 31.03.2023	As at 31.03.2022
14. Cash and cash equivalents		
Balances with banks		
Current accounts	293.02	576.05
Fixed Deposits with original maturity of 3 months or less	-	5,600.00
Cash on hand	1.58	7.56
	294.60	6,183.61

NOTES TO THE FINANCIAL STATEMENTS

	₹ in Lacs	
	As at 31.03.2023	As at 31.03.2022
15. Other bank balances		
Fixed Deposits (Deposit repayment reserve)	280.00	331.42
Fixed Deposits with original maturity of more than 3 months but maturing within 12 months	800.00	4,602.00
Earmarked balance for unpaid dividend	0.63	-
	1,080.63	4,933.42
16. Other financial assets		
Security Deposits	51.52	18.81
Advance to Employees	286.61	46.47
Other receivables	747.71	902.35
	1,085.84	967.63
17. Current tax assets (Net)		
Advance income-tax (Net of Provision ₹ 4239.23 lacs (Previous year: ₹ 9206.86 lacs))	3,849.39	4,268.43
	3,849.39	4,268.43
18. Other Current Assets		
Balances with Government Authorities	3,880.60	3,507.38
Export benefit receivable	364.49	465.07
Other advances	1,401.27	842.30
	5,646.36	4,814.75
19. Share capital		
a) Authorised:		
Equity Shares - 1,00,00,000 (Previous year 1,00,00,000) equity shares of (₹ 10 each)	1,000.00	1,000.00
Preference Shares - 80,00,000 (Previous year 80,00,000) preference shares of (₹100 each)	8,000.00	8,000.00
	9,000.00	9,000.00
b) Issued, Subscribed and fully paid up:		
Equity Shares - 24,83,066 of (₹ 10 each)		
Balance at the beginning of the year	248.31	248.31
Changes in equity share capital during the year	-	-
Balance at the end of the year	248.31	248.31
Aggregate number of equity shares allotted to shareholders as fully paid up pursuant to Scheme of amalgamation on 7th November 2007 without payment being received in cash (Nos)	23,13,000	23,13,000
Above includes shares allotted to holding company (Nos)	20,97,522	20,97,522
c) Reconciliation of the number of equity shares outstanding:		
Shares outstanding as at the beginning of the year	24,83,066	24,83,066
Add : Issued during the year	-	-
Less : Redeemed during the year	-	-
Shares outstanding as at the end of the year	24,83,066	24,83,066

d) Details of each shareholder holding more than 5% equity shares	As at 31.03.2023		As at 31.03.2022		
	Name of the shareholder	No. of shares held	% holding in the class	No. of shares held	% holding in the class
Equity shares of Rs. 10 each fully paid					
Bengal & Assam Company Limited - Holding Company	21,89,580	88.18%	21,89,580	88.18%	
Henry F. Cockill & Sons Ltd, U.K.	1,54,200	6.21%	1,54,200	6.21%	

e) Shareholding of promoters

Promoter Name	No of Shares	% of Total Shares held	% change during the period
Bengal & Assam Company Limited - March 31, 2023	21,89,580	88.18%	-
- March 31, 2022	21,89,580	88.18%	-

f) Rights and preferences attached to the equity shares

- The Company has only one class of Equity Shares having face value of Rs.10 each and each shareholder is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

g) Reconciliation of the number of preference shares outstanding:

Shares outstanding as at the beginning of the year	45,00,000	70,00,000
Add : Issued during the year	-	-
Less : Redeemed during the year	-	25,00,000
Shares outstanding as at the end of the year	45,00,000	45,00,000

h) Details of each shareholder holding more than 5% preference shares

Name of the shareholder	As at 31.03.2023		As at 31.03.2022	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
Preference shares of Rs. 100 each fully paid JK Tyre and Industries Ltd.	45,00,000	100%	45,00,000	100%

- Preference share holders have priority over equity shares in payment of Dividend and in repayment of capital.
 - Preference share shall be redeemed at premium of 4%.
 - Each holder of preference share is entitled to one vote per share, in proportion to the amount paid on preference share held, only on resolutions placed before the company which directly affects the rights attached to preference shares.
- i) Aggregate number of share issued for consideration other than cash, bonus shares issued and share bought back during the period of five years immediately preceding the reporting date. - NIL.

NON-CURRENT LIABILITIES

20. Financial Liabilities - Borrowings

Particulars	₹ in Lacs			
	Non - Current		Current *	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Secured Loans				
Term loans				
Banks	10,778.45	9,536.68	2,079.38	1,914.32
Unsecured				
Banks	-	-	-	427.38
Fixed Deposits	592.00	563.40	555.00	1,398.40
1% Cumulative Redeemable Preference Shares	3,600.00	4,500.00	900.00	-
	14,970.45	14,600.08	3,534.38	3,740.10

* Payable during next 12 months

- Term loan of ₹ 4595.32 lacs (Previous year ₹ 6097.22 lacs) from a bank is secured by way of first charge on certain specified movable and immovable fixed assets of the company, balance amount repayable in 6 Half yearly equal instalments.
- Term loan of ₹ 905.16 lacs (Previous year ₹ 1260.25) from a bank is secured by way of 50% of first charge on certain specified movable fixed assets of the company, balance amount repayable in 10 equal quarterly instalments.
- Term loan of ₹ 834.38 lacs (Previous year ₹ 4093.53 lacs) from a bank is secured by way of first charge on certain specified movable assets of the company, balance amount repayable (after moratorium period of 12 months) in two half yearly unequal installments starting from September 2028.
- Term loan of ₹ 5461.19 lacs (Previous year ₹ Nil) from a bank is secured by way of first charge on certain specified movable and immovable fixed assets of the company, balance amount repayable (after moratorium period of 12 months) in 14 half yearly unequal instalments.

NOTES TO THE FINANCIAL STATEMENTS

(v) Term loan of ₹ 1061.78 lacs (Previous year ₹ Nil) from a bank is secured by way of first charge on certain specified movable and immovable fixed assets of the company, balance amount repayable (after moratorium period of 6 months) in 12 half yearly unequal instalments. The registration of charge is under process.

(vi) Unsecured loans from banks include Buyer's Credit of ₹ Nil. (Previous year ₹ 427.38 lacs).

(vii) Fixed Deposit of ₹ 555 lacs, ₹ 97 lacs and ₹ 495 lacs aggregating ₹ 1147 lacs are due for repayment in 2023-24, 2024-25 and 2025-26 respectively.

	As at 31.03.2023	As at 31.03.2022
₹ in Lacs		
21. Other financial liabilities		
Trade deposits	2,850.82	2,348.30
Deferred payment liabilities	1,046.90	1,790.43
Others	1.45	93.14
	3,899.17	4,231.87
22. Non-Current Provisions		
Provision for employee benefits		
Leave Encashment	690.54	518.14
	690.54	518.14
23. Deferred tax liabilities (Net)		
Deferred tax liabilities:		
Property, Plant and Equipment and Others	2,664.20	2,453.54
Deferred tax assets:		
Expenses / Provision Allowable	(600.72)	(606.74)
	2,063.48	1,846.80
24. Other Non - Current liabilities		
Other liabilities	676.05	677.04
	676.05	677.04
25. Financial Liabilities - Borrowings		
i) Short term borrowings		
Secured		
Working capital borrowings from banks	6,126.43	4,046.89
Unsecured		
Fixed deposits	234.50	-
ii) Current maturities of long term debt		
Secured		
Term loans - Banks	2,079.38	1,914.32
Unsecured		
Banks	-	427.38
Fixed deposits	555.00	1,398.40
1% Cumulative Redeemable Preference Shares	900.00	-
	9,895.31	7,786.99

a) Working Capital borrowings from banks is secured by hypothecation and by first charge on stocks and book debts, etc., both present & future and by second charge on the immovable assets of the Company, on pari passu basis with other banks. Buyer's credit ₹ Nil (Previous year ₹ 2909.98 lacs) is secured by subservient charge on current assets.

b) The periodical returns/ statement filed by the Company with respect to working capital taken from banks on the basis of security of current assets, are in agreement with books of accounts.

		₹ in Lacs	
		As at 31.03.2023	As at 31.03.2022
26. Financial Liabilities - Trade payables	(Refer Note No. 42)		
Micro and small enterprises		2,977.07	3,079.10
Others		4,467.51	5,769.76
		7,444.58	8,848.86

Trade payables ageing schedule

As at March 31, 2023

Particulars	Outstanding for the following period from due date of payment					Total
	Not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
MSME	3,401.43	-	-	-	-	3,401.43
Others	2,870.20	931.71	125.09	21.03	95.12	4,043.15
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	6,271.63	931.71	125.09	21.03	95.12	7,444.58

As at March 31, 2022

Particulars	Outstanding for the following period from due date of payment					Total
	Not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
MSME	3,249.52	-	-	-	-	3,249.52
Others	4,155.82	1,312.97	24.93	47.81	57.81	5,599.34
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	7,405.34	1,312.97	24.93	47.81	57.81	8,848.86

		₹ in Lacs	
		As at 31.03.2023	As at 31.03.2022
27. Financial Liabilities - Others			
Others			
Deferred payment liabilities		743.53	820.00
Employee payables		3,738.29	3,525.08
Capital payables		1,198.07	1,033.43
Unclaimed dividend*		0.63	-
Unclaimed fixed deposits and interest accrued thereon*		1.01	3.79
Interest accrued and due on deposits		21.35	20.47
Interest accrued but not due on borrowings		199.45	89.76
		5,902.33	5,492.53

*Investor education & protection fund will be credited as and when due

NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2023	As at 31.03.2022
₹ in Lacs		
28. Other Current liabilities		
Government and other statutory dues	2,571.20	1,566.95
Advance from customers	311.31	337.78
Other payables	5,714.41	5,187.38
	8,596.92	7,092.11
29. Current Provisions		
Provision for employee benefits		
Gratuity	251.87	-
Leave encashment	98.68	81.22
	350.55	81.22
30. Revenue from Operations		
Sale of products	1,21,986.13	1,04,936.24
Less : Inter division transfer	(892.06)	(775.07)
Other operating revenues	1,21,094.07	1,04,161.17
	867.29	726.04
	1,21,961.36	1,04,887.21
31. Other Income		
Interest income from short-term deposits and loans	974.70	1,563.45
Dividend income from long term investments	27.09	13.54
Profit on sale of short term investments	141.65	21.66
Fair Value gain on mutual and other fund investments	220.02	4.85
Profit on sale of Property Plant & Equipment	55.48	-
Exchange difference (Net)	472.81	95.59
Other non operating income		
Lease rent	1,644.56	1,656.13
Others	667.55	492.28
	4,203.86	3,847.50
32. Changes in inventory of finished goods and work-in-progress		
Opening stock		
Finished goods	5,651.67	5,778.59
Work in progress	1,192.79	939.67
Stock-in-trade (Engineering and other Miscellaneous products)	2,147.45	1,017.69
	8,991.91	7,735.95
Closing stock		
Finished goods	4,628.64	5,651.67
Work in progress	1,052.79	1,192.79
Stock-in-trade (Engineering and other miscellaneous products)	2,052.58	2,147.45
	7,734.01	8,991.91
Net (Increase)/Decrease in Stocks	1,257.90	(1,255.96)
33. Employee benefit expenses		
Salaries and Wages	14,580.71	13,102.54
Employees' Welfare & Other Benefits	792.92	713.44
Contribution to Provident and other Funds	676.82	627.35
	16,050.45	14,443.33

	₹ in Lacs	
	As at 31.03.2023	As at 31.03.2022
34. Finance costs		
Interest Expenses		
Borrowings	1,539.53	1,330.79
Lease Liabilities	117.25	119.97
Premium paid on redemption of preference share capital	-	363.12
Less: Premium received on redemption of Investment in Preference Shares	-	(359.62)
Other Borrowing Costs	35.27	87.82
Net (Gain) / Loss on Foreign Currency transactions	27.25	(65.13)
	1,719.30	1,476.95
35. Depreciation and amortization expenses		
Depreciation on Tangible Assets	4,932.25	4,306.72
Depreciation on Right to use asset	249.81	218.67
Amortization of Intangible assets	41.51	37.17
	5,223.57	4,562.56
36. Other expenses		
Power & Fuel	4,748.28	4,055.98
Less : Inter division transfer	(892.06)	(775.07)
	3,856.22	3,280.91
Consumption of stores and Spares	4,513.26	4,365.63
Repairs to Machinery	1,441.63	1,426.05
Repairs to Buildings	308.94	567.04
Rent	129.64	127.89
Rates & taxes	121.49	134.60
Freight & Transportation	3,521.06	3,591.43
Insurance	328.02	256.16
Professional Charges	2,136.02	2,044.03
Corporate Social Responsibility Expenses	242.44	220.59
Warehouse Expenses	1,097.01	1,231.41
Reversal of fair value gain on mutual fund investments	-	14.52
Fair value loss on non current investment	-	0.35
Travelling expenses	2,106.17	1,160.83
Bad Debts written off	11.18	15.79
Loss on assets sold / scrapped (Net)	-	1.44
Miscellaneous Expenses	4,445.33	3,344.12
	24,258.41	21,782.79

37. Capital commitments (Net of advances) ₹ 1124.24 lacs (Previous year ₹ 4682.08 lacs) and other commitments ₹ Nil (Previous year ₹ 240.00 lacs).

38. Contingent liabilities in respect of claims not accepted and not provided for is ₹ 1591.03 lacs (Previous year ₹ 880.41 lacs). Details thereof are, Excise duty matters in appeal ₹ 78.74 lacs, Service tax matters in appeal ₹ 31.13 lacs, Goods & Services tax ₹ 0.77 lacs, Income tax matters in appeal ₹ 943.34 lacs and other matters ₹ 537.05 lacs (Previous year: ₹ 79.25 lacs, ₹ 31.13 lacs, ₹ Nil, ₹ 189.03 lacs & ₹ 538.56 lacs respectively).

39. Expenditure on In-house Research and Development (R&D) activities during the year:

	2022-2023	2021-2022
Revenue expenditure (included in respective revenue accounts)	1,300.10	1,216.20
Capital expenditure (except land and building)	66.15	29.99
	1,366.25	1,246.19

NOTES TO THE FINANCIAL STATEMENTS

40. Forward contracts for hedging receivables ₹ Nil - USD Nil (Previous year ₹ 3314.40 lacs - USD 42.50 lacs), ₹ 550.12 lacs - EUR 6.00 lacs (Previous year ₹ 665.20 lacs - EUR 7.50 lacs) . Forward contracts for hedging payables ₹ 2352.56 lacs - USD 28.50 lacs (Previous year ₹ 819.25 lacs - USD 10.63 lacs). Options for hedging payables ₹ Nil - USD Nil (Previous year ₹ 218.55 lacs - USD 2.87 lacs) and hedging receivables ₹ 205.42 lacs - USD 2.50 lacs (Previous year ₹ Nil). Unhedged Foreign currency exposure: - (USD) Net receivable ₹ 14755.14 lacs - USD 179.57 lacs, (Previous year Net receivable ₹ 1315.83 lacs - USD 17.36 lacs), - (EURO) Net receivable ₹ 549.35 lacs - Euro 6.14 lacs (Previous Year Net receivable ₹ 627.71 lacs - Euro 7.45 lacs), - (GBP) Net payable ₹ 11.28 lacs - GBP 0.11 lacs (Previous year Net receivable ₹ 50.45 lacs - GBP 0.50 lacs).

41. The Company has given certain specified Property, plant and equipment on operating lease basis which is cancelable at the option of lessee.

42. The details of amounts outstanding under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Company are as under: (i) Principal & Interest amount due and remaining unpaid as at 31.03.2023: Nil (Previous year: Nil), (ii) Payment made beyond the appointed day during the year: Nil (Previous year: Nil) and (iii) Interest Accrued and unpaid as at 31.03.2023: Nil (Previous year: Nil).

43. Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act, 2013 read with Schedule III are as below

	₹ in Lacs	
	2022-2023	2021-2022
Gross amount required to be spent by the Company during the year	241.92	218.32
Promotion of Education	72.48	7.88
Health Care	36.09	63.29
Livelihood / Skill Development	124.27	132.36
Others	9.60	17.06
Total amount spent by the Company during the year	242.44	220.59
Excess amount spent during the year	0.52	2.27
Cumulative excess amount spent	3.33	2.81

44. Deferred payment liabilities includes ₹ 1790.43 lacs (Previous year ₹ 2610.43 lacs) payable to related party against certain Property, plant and equipment.

45. The Company has not provided diminution in the value of certain long term strategic investments, since in the opinion of the Board, such diminution in their value is temporary in nature, considering the inherent value, nature of investment, the investees assets and expected future cash flow from such investments.

46. Payment to auditors (exclusive of applicable taxes)

	2022-2023	2021-2022
i) Statutory Auditors		
a) Audit fee	12.50	9.00
b) Taxation	2.25	1.50
c) Certificates and other services	6.60	1.20
d) Reimbursement of expenses	-	0.48
	21.35	12.18

47. Earnings per share

	2022-2023	2021-2022
Profit for the year attributable to Equity Shareholders	11,135.90	9,562.61
Weighted average number of Equity Shares for Basic / Diluted EPS	24,83,066	24,83,066
Earnings per share of ₹ 10 each		
- Basic / Diluted	448.47	385.11

48. Operating Segments

(i) Information about Business Segment

Company operates in a Single Primary Segment (Business Segment) i.e. Polymer.

(ii) Secondary Segments (Geographical Segment)

Revenue	2022-2023	2021-2022
Within India*	95,507.81	79,558.61
Outside India	26,453.55	25,328.60
Total	1,21,961.36	1,04,887.21

All non current assets of the Company are located in India .

Revenue of ₹ 13545.95 lacs representing revenues exceeding 10% of total revenue was derived from one customer (subsidiary company) (previous year - No customer had revenue exceeding 10% of total revenue).

* Including Export benefits.

49. Dividends

The following dividends were declared and paid by the company during the year:

	₹ in Lacs	
	2022-2023	2021-2022
For the year ended March 31, 2023: ₹ 65 per share - ₹ 40 per share for FY 2022-23 as Interim dividend and ₹ 25 per share for FY 2021-22 (March 31, 2022: ₹ 60 per share(₹ 40 per share for FY 2021-22 as Interim dividend and ₹ 20 per share for FY 2020-21)	1,614.00	1,489.84
Total	1,614.00	1,489.84

The following dividends were proposed by the Board of Directors in their meeting subject to approval of shareholders at the Annual General Meeting and are not recognised as a Liability.

	2022-2023	2021-2022
For the year ended March 31, 2023: ₹25 per share (March 31, 2022: ₹ 25 per Share for FY 2021-22)	620.77	620.77
Total	620.77	620.77

50. The Company has adopted Ind AS 116 "Leases" effective 1st April 2019 as notified by the Ministry of Corporate Affairs (MCA) and applied the Standard to using the simplified approach. This has resulted in recognising right-of-use assets and corresponding lease liabilities.

1. Refer Note 3 for changes in the carrying value of right of use assets for the year ended March 31, 2023.

2. The following is the break-up of current and non-current lease liabilities.

	31.03.2023	31.03.2022
Current Lease liabilities	229.39	209.44
Non-current lease liabilities	1,026.88	1,142.47
Total	1,256.27	1,351.91

3. The following is the movement in lease liabilities.

	31.03.2023	31.03.2022
Balance at the beginning	1,351.91	433.60
Additions during the year	151.65	1,064.52
Deletions during the year	(35.27)	(0.69)
Finance cost accrued during the period	117.25	119.97
Payment of lease liabilities	(329.27)	(265.49)
Balance at the end	1,256.27	1,351.91

4. The below table provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	31.03.2023	31.03.2022
Not later than one year	329.46	317.09
Later than one year and not later than five years	854.72	907.06
Later than five years	506.52	640.86

5. The amount recognised in the profit and loss during the year:

	2022-2023	2021-2022
Depreciation on Right to use asset	249.81	218.67
Interest on Lease liabilities	117.25	119.97
Lease rent recognised as expenses for short term and low value leases	129.64	127.89
	496.70	466.53

51. Income Tax

(A) Amounts recognised in Statement of Profit and Loss account

	2022-2023	2021-2022
Current Tax	4,651.50	4,008.50
Income tax paid for earlier years	30.43	-
Deferred Tax	-	-
Relating to origination and reversal of temporary differences	65.93	56.75
Income tax expense reported in the Statement of Profit and Loss	4,747.86	4,065.25

NOTES TO THE FINANCIAL STATEMENTS

(B) Income Tax recognised in Other Comprehensive Income

₹ in Lacs

	2022-2023	2021-2022
Current Income tax on Re-measurement Losses on Defined Benefit Plans	(150.75)	(413.77)
Total	(150.75)	(413.77)
(C) Reconciliation of Effective Tax Rate		
Particulars	2022-2023	2021-2022
Accounting Profit before Income Tax	15,883.76	13,627.86
At applicable Statutory Income tax rate @ 25.168%	3,997.62	3,429.86
In House R&D Expenses Contribution u/s 35(1)(iv)	(16.65)	(7.55)
Deferred Tax related to Property, Plant & Equipment	327.41	337.54
Others	409.05	305.40
Reported Income Tax Expense	4,717.43	4,065.25
Effective Tax Rate	29.70%	29.83%

52. Employee Benefits

The disclosures required under Ind AS 19 "Employee Benefits" notified in the Companies (Indian Accounting Standards) Rules, 2015 are as given below:

Defined Benefit Plan

Particulars	Leave Encashment (Non Funded)		Gratuity (Funded)	
	2022-2023	2021-2022	2022-2023	2021-2022
I. Change in the Present Value of Obligation				
Present Value of Defined Benefit Obligation at the beginning of the year	599.36	613.28	1,273.41	1,429.27
Current Service Cost	62.56	51.41	162.04	135.15
Past Service Cost	-	-	-	-
Interest Expense or Cost	34.68	34.31	83.12	92.47
Actuarial (gains) / losses on obligation	312.90	120.62	124.63	(236.67)
Benefit Paid	(220.28)	(220.26)	(202.11)	(146.81)
Present Value of Obligation as at the end	789.22	599.36	1,441.09	1,273.41
II. Change in the Fair Value of Plan Asset				
Fair value of Plan Assets at the beginning of the year	-	-	1,331.23	1,173.23
Investment Income	-	-	89.35	85.40
Employer's Contribution	220.28	220.26	-	256.14
Benefits Paid	(220.28)	(220.26)	(202.11)	(146.81)
Return on Plan Asset, excluding amount recognised in net interest Expenses	-	-	(29.25)	(36.63)
Fair value of Plan Assets as at the end	-	-	1,189.22	1,331.23
III. Expenses recognised in the Statement of Profit & Loss Account *				
Current Service Cost	62.56	51.41	162.04	135.15
Past Service Cost	-	-	-	-
Net Interest Income / (Cost) on the Net Defined Benefit Liability (Asset)	34.68	34.31	(6.23)	7.08
Expenses recognised in the Income Statement	97.24	85.72	155.81	142.23
IV. Other Comprehensive income				
Actuarial (gain) / loss on defined benefit obligation	312.90	120.62	124.63	(236.67)
Return on Plan Asset, excluding amount recognised in net interest Expenses	-	-	(29.25)	(36.63)
Components of Defined Benefit Costs recognised in Other Comprehensive Income	312.90	120.62	153.88	(200.04)
V. Actuarial Assumptions				
Discount Rate	7.21%	7.09%	7.21%	7.09%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate			
Salary Escalation	5.50%	5%	5.50%	5%

*Included under the head Employee benefits expense-Refer Note No. 33.

Leave Encashment (Non Funded)

₹ in Lacs

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
Present Value of Defined Benefit Obligation	789.22	599.36	613.28	467.55	403.87
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(789.22)	(599.36)	(613.28)	(467.55)	(403.87)
Experience adjustment on Plan Liabilities (Gain) / Loss	295.05	131.66	240.58	62.23	136.80
Experience adjustment on Plan Assets (Gain) / Loss	-	-	-	-	-

Gratuity (Funded)

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
Present Value of Defined Benefit Obligation	1,441.09	1,273.41	1,429.27	1,133.42	1,132.84
Fair Value of Plan Assets	1,189.22	1,331.23	1,173.13	1,057.83	1,006.00
Surplus / (Deficit)	(251.87)	57.82	(256.14)	(75.59)	(126.84)
Experience adjustment on Plan Liabilities (Gain) / Loss	83.68	(208.38)	186.85	(121.04)	39.42
Experience adjustment on Plan Assets (Gain) / Loss	(29.24)	(36.63)	76.38	(16.32)	(3.18)

Sensitivity Analysis

Particulars	Leave Encashment (Non Funded)			
	March 31, 2023		March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	844.14	741.08	642.23	561.92
Salary Growth Rate (- / + 1%)	743.44	840.56	563.57	639.67
Attrition Rate (- / + 1% of attrition rates)	786.00	792.17	595.25	603.07

Particulars	Gratuity			
	March 31, 2023		March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1,577.02	1,323.35	1,388.99	1,173.19
Salary Growth Rate (- / + 1%)	1,330.59	1,565.51	1,177.93	1,381.11
Attrition Rate (- / + 1% of attrition rates)	1,428.80	1,452.64	1,259.41	1,286.37

Sensitivities due to mortality are not material & hence impact of change not calculated.

Maturity profile of Defined Benefit Obligation

Particulars	Leave Encashment		Gratuity	
	2022-23	2021-22	2022-23	2021-22
Within next 1 year	39.57	50.15	77.62	136.97
Between 2 - 5 years	475.92	327.10	510.06	441.08
More than 5 years	273.73	222.11	853.41	695.36

- (a) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of assets management, historical results of return on plan assets and the policy for plan assets management.
- (b) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (c) Contributions to Pension Fund (trust) during the 12 months ended 31st March, 2023 of ₹ 29.10 lacs (Previous Year: ₹ 35.93 lakhs) has been included under the head Employee Benefits Expense.

Defined Contribution Plans

Employer's Contributions to Provident and other Funds charged off during the 12 months ended 31st March, 2023 of ₹ 491.90 Lacs (Previous Year: ₹ 449.19 Lakhs) has been included under the head Employee Benefits Expense.

NOTES TO THE FINANCIAL STATEMENTS

53. Related Parties (as certified by the management)

(A) Related parties

(i) Holding company

Bengal & Assam Co. Ltd.

(ii) Subsidiary companies :

Southern Spinners and Processors Ltd. (SSPL)

Modern Cotton Yarn Spinners Ltd. (MCYSL)

Acorn Engineering Ltd. (AEL)

Divyashree Company Private Ltd (DCPL)

JKF Americas, Inc. (JKFA)

JKF Evolve Limited (JKFEL)

(w.e.f 3rd October 2022)

(iii) Associates :

PSV Energy Pvt. Ltd. (PSVEPL)

Dwarkesh Energy Ltd (DEL)

Gram Power Infrastructure Pvt Ltd (GPI)

(Till 27th December 2022)

(iv) Fellow subsidiary companies

(With whom Company have transactions during the year)

JK Tyre & Industries Limited (JKTIL)

JK Agri Genetics Limited (JKAGL)

\$Cavendish Industries Limited (CIL)

\$(step down fellow subsidiary)

(v) Key Management Personnel (KMP)

Dr. Raghupati Singhania - Chairman

Shri. Vikrampati Singhania - Managing Director

Shri. Nagaraju Srirama - President & Director

Shri. Harsh Pati Singhania - Non-Executive Non-Independent Director

Smt. Mamta Singhania - Non-Executive Non-Independent Director

Shri. Surendra Malhotra - Independent Director

Shri. H.V.Lodha - Non-Executive Non-Independent Director

Shri. Bakul Jain - Independent Director

Shri. Rahul Chandrakant Kirloskar - Independent Director

Shri. Amit Agarwal - Chief Financial Officer

Shri. R. Vijayaraghavan - Company Secretary

(vi) Post Employment Benefit Plan entities (Trust)

J.K. Fenner Executive Staff Provident Fund

J.K. Fenner (India) Ltd Gratuity Fund

J.K. Fenner Executive Staff Pension Fund

(vii) Other related parties with which Company has transactions

Hari Shankar Singhania Elastomer and Tyre

Research Institute (HASETRI)

JK Lakshmi Cement Limited (JKLC)

CliniRx Research Private Limited (Clinirx)

JK Paper Limited (JKPL)

(B) Transactions conducted with related parties in the ordinary course of business :

₹ in Lacs

Nature of transactions	2022-23	2021-22
Holding company		
Inter corporate deposit paid / (refund)	(5,000.00)	(6,150.00)
Interest received	728.15	1,060.04
Subsidiary companies		
Purchase of goods from MCYSL & SSPL	3,274.34	3,022.48
Sale of goods to MCYSL, SSPL & JKFA	13,669.79	10,994.90
Investments in Shares (JKFEL)	100.00	-
Inter corporate deposit paid / (refund) (JKFEL)	50.00	-
Expenses paid on behalf of - JKFA	844.06	-
Interest received (JKFEL)	0.34	-
Other expenses - MCYSL, SSPL, DCPL & JKFA	112.45	264.14
Fellow Subsidiary Companies		
Sale of goods to JKTIL & CIL	12.45	3.13
Rent received from JKTIL & JKAGL	1,581.61	1,653.61
Interest paid to JKTIL	218.86	294.38
Preference Share Dividend paid to JKTIL	45.00	59.58
Repayment of Deferred payment liabilities - JKTIL	820.00	780.00
Redemption of Preference Shares - JKTIL	-	2,500.00
Premium on redemption of preference shares - JKTIL	-	363.12
Other Expenses - JKTIL	95.14	103.89
Other Income - CIL & JKTIL	19.46	9.63

₹ in Lacs

Nature of transactions	2022-23	2021-22
Associates		
Purchase of wind power from PSVEPL (Net of expenses recovered)	61.56	56.49
Recovery of windpower generation expenses - PSVEPL	14.72	10.66
Expenses paid on behalf of - PSVEPL	1.56	-
Purchase / (Sale) of shares (GPI)	(0.14)	0.14
Other related parties :		
Purchases from Clinirx	-	80.55
Other Expenses - HASETRI, JKLC & JKPL	54.29	39.40
Rent and Sharing of expenses received from Clinirx	35.60	0.60
Expenses paid on behalf of and recovered - Clinirx	4.14	-
Contribution to Trusts	198.93	424.71
Remuneration paid to Key Managerial Personnel		
Short-term Employee Benefits	2,812.84	2,289.23
Post-employment Benefits*		
Other Payments	64.17	63.75

* As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included above.

(C) Outstanding balances	31.03.2023	31.03.2022
Amount receivable / (payable)		
From holding company	6,500.00	11,500.00
To subsidiary companies - SSPL & MCYSL	(178.21)	(175.45)
From subsidiary companies - DCPL, JKFA & JKFEL	11,038.64	5,979.29
To Fellow subsidiary companies - JKTIL	(1,790.42)	(2,608.62)
From Fellow subsidiary companies - CIL	0.71	-
To associates - PSVEPL	-	(1.76)
From associates - PSVEPL	2.10	-
To other related parties - JKLC, JKPL & Hasetri	(11.70)	(18.08)

54. Financial instruments - Fair values and risk management

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the company:

Particulars	As at 31.03.2023		As at 31.03.2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(i) Financial Assets				
At Amortised cost				
- Trade Receivables	29,621.48	29,621.48	22,284.50	22,284.50
- Loans	6,550.00	6,550.00	11,500.00	11,500.00
- Other financial assets	1,842.20	1,842.20	1,652.58	1,652.58
- Cash & Cash Equivalents	294.60	294.60	6,183.61	6,183.61
- Other Bank Balances	1,080.63	1,080.63	4,933.42	4,933.42
- Investments	16,415.17	16,415.17	16,315.17	16,315.17
At Fair value through Other Comprehensive Income				
- Other financial assets	6,601.16	6,601.16	4,256.39	4,256.39
- Investments *	111.14	111.14	111.28	111.28
At Fair value through Profit and Loss				
- Investments *	19,728.63	19,728.63	1,873.13	1,873.13
Total	82,245.01	82,245.01	69,110.08	69,110.08
(ii) Financial Liabilities				
At Amortised cost				
- Borrowings	24,865.76	24,865.76	22,387.07	22,387.07
- Trade Payables	7,444.58	7,444.58	8,848.86	8,848.86
- Others	11,057.77	11,057.77	11,076.31	11,076.31
Total	43,368.11	43,368.11	42,312.24	42,312.24

* Refer Note No. 61

The following methods and assumptions were used to estimate the fair values:

1. Cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2. Other non-current receivables are evaluated by the company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.

NOTES TO THE FINANCIAL STATEMENTS

3. Fair value of investments in quoted equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities. The fair value of unquoted investments in equity shares are estimated on net assets basis. (Refer Note 61).

4. Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.

5. Fair value of derivatives are calculated using the appropriate variable parameters.

Fair Value Hierarchy

All financial assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 - quoted prices in active markets.

Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Particulars	Level 1	Level 2	Level 3
March 31, 2023			
Financial Assets:			
- Quoted Equity Shares	6,601.16	-	-
- Unquoted Equity Shares	-	-	111.14
- Unquoted Preference Shares	-	-	5,858.66
- Other funds	-	531.25	-
- Mutual funds	17,988.72	-	-
March 31, 2022			
Financial Assets:			
- Quoted Equity Shares	4,256.39	-	-
- Unquoted Equity Shares	-	-	111.14
- Unquoted Preference Shares	-	-	5,858.66
- Other funds	-	59.65	-
- Mutual funds	604.82	-	-

There has been no transfer among levels 1, 2 and 3 during the year ended March 31, 2023 and March 31, 2022.

55. The fair value of Investment property as at 31st March, 2023 is ₹ 500.23 lacs (Previous year ₹ 447.48 lacs). The fair value is after considering the rental income from current leases and other assumptions that market participants would use while pricing investment property under current market conditions.

56. Financial Risk Management Objectives and Policies

The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

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 mainly three types of risk: interest rate risk, currency risk and other price risk such as commodity price risk.

Foreign Currency Risk: Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company has obtained foreign currency borrowings and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. After taking cognisance of the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

Foreign Currency Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rate with all other variables held constant. The impact on company's profit before tax due to changes in the currency exchange rate is as follows:

Particulars	Change in currency exchange ratio (bps)	Effect on Profit before tax for the year ended 31.03.2023	Rs. Lacs Effect on Profit before tax for the year ended 31.03.2022
USD	+25	44.89	4.34
	-25	(44.89)	(4.34)
EURO	+25	1.54	1.86
	-25	(1.54)	(1.86)
GBP	+25	(0.03)	0.13
	-25	0.03	(0.13)

Interest Rate Risk: Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost effective method of financing.

Interest Rate Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other variables held constant, the company's profit before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

Particulars	As at 31.03.2023	As at 31.03.2022
Change in Basis Points	+25	+25
Effect on Profit before Tax	(43.64)	(34.85)
Change in Basis Points	-25	-25
Effect on Profit before Tax	43.64	34.85

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Commodity Price Risk: The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of raw material and manufacturing of belts, oil seals and trading of engineering products including couplings and therefore, requires a continuous supply of certain raw materials such as natural rubber, synthetic rubber, carbon black, fabric, etc. To mitigate the commodity price risk, the Company has an approved supplier base to get best competitive prices for the commodities and to assess the market to manage the cost without any compromise on quality.

Credit Risk: Credit risk is the risk that counterparty might not honor 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).

Trade Receivables: Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. However a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Deposits with Bank: The deposits with banks constitute mostly the liquid investment of the company and are generally not exposed to credit risk.

Security Deposits: The security deposits constitute mostly rental deposits paid by the company and are generally not exposed to credit risk.

Liquidity Risk: Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

Particulars	Upto 3 years	> 3 years
As at 31st March 2023		
Borrowings	17,344.18	7,521.58
Trade Payables	7,444.58	-
Other Financial Liabilities	6,950.68	2,850.82
Total	31,739.44	10,372.40
As at 31st March 2022		
Borrowings	14,594.67	7,792.40
Trade Payables	8,848.86	-
Other Financial Liabilities	7,376.10	2,348.30
Total	30,819.63	10,140.70

57. Capital Management

The company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.

NOTES TO THE FINANCIAL STATEMENTS

The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net Debt is calculated as borrowings less cash and cash equivalents.

₹ in Lacs

Particulars	As at 31.03.2023	As at 31.03.2022
Borrowings	24,865.76	22,387.07
Less: Cash and cash Equivalents	(294.60)	(6,183.61)
FDR with original maturity of > 3 months but less than 12 months	(800.00)	(4,602.00)
Investments in Mutual Fund	(17,988.72)	(604.82)
Deposit repayment reserve	(280.00)	(331.42)
Net Debt	5,502.44	10,665.22
Equity Share capital	248.31	248.31
Other Equity	88,491.03	77,241.89
Total Capital	88,739.34	77,490.20
Capital and Net Debt	94,241.78	88,155.42
Gearing Ratio	5.84%	12.10%

58. Disclosure as per Ind AS 27 "Separate Financial Statements".

The Company has not prepared the Consolidated Financial Statements by availing the exemption by virtue of Notification 742 (E) dated 27th July 2016 issued by Ministry of Corporate Affairs and paragraph 4 (a) of Ind AS 110 "Consolidated Financial Statements" read with General instruction issued in Companies (Indian Accounting Standards) Rules, 2015. Further, Bengal and Assam Company Limited which has been incorporated in India (Holding company) will file Consolidated Financial Statements with the Registrar which are in compliance with the applicable Indian accounting standards.

A list of significant investments in Subsidiaries, Associates and Joint venture are as follows:

Sl. No	Name	Country of Incorporation	Principal Activities	As at 31.03.2023	As at 31.03.2022
1	Southern Spinners and Processors Ltd.	India	Fabric Manufacturing	100.00%	100.00%
2	Modern Cotton Yarn Spinners Ltd.	India	Fabric Manufacturing	100.00%	100.00%
3	Acorn Engineering Ltd.	India	Operating company	100.00%	100.00%
4	Divyashree Company Private Ltd.	India	Investment company	61.00%	61.00%
5	JKF Americas Inc.	USA	Trading	100.00%	100.00%
6	JKF Evolve Ltd	India	Manufacturing of automotive components	100.00%	-
7	Dwarkesh Energy Ltd.	India	Power generation	27.49%	27.49%
8	Gram Power Infrastructure Pvt Ltd.	India	Manufacturing of Power Metering Equipment and distribution		26.00%
9	PSV Energy Pvt. Ltd.	India	Wind Power generation	26.00%	26.00%

59. (a) Disclosure w.r.t analytical ratios

Sl. No.	Ratio	Numerator	Denominator		31.03.2023	31.3.2022	% variance	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	Times	2.31	2.09	11%	Majorly due to improvement in Profitability over previous year
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	Times	0.28	0.29	-3%	
3	Debt Service Coverage Ratio	PAT+Depreciation / Amortisation +Interest+Profit / (Loss) on sale of PPE+/- IndAS adjustments	Interest + Principal repayments of Current Maturity of Long term borrowings+ Lease payments (due over next one year)	Times	3.18	2.43	31%	
4	Return on Equity	Net Profit after tax	Average Shareholder's Equity	% age	13.4%	13.1%	2%	
5	Inventory Turnover	Net Sales	Average Inventory	Times	7.60	7.13	7%	
6	Trade receivables Turnover	Net Sales	Average trade receivables	Times	4.70	5.95	-21%	
7	Trade payables Turnover	Net purchases	Average Trade payables	Times	7.93	6.99	13%	
8	Net Capital Turnover	Net Sales	Working Capital	Times	2.86	3.27	-13%	
9	Net Profit ratio	Net Profit after tax	Net Sales	% age	9.1%	9.1%	0%	
10	Return on Capital Employed	EBIT	Capital employed (Tangible Networth+Total Debt+Deferred tax liability)	% age	15.3%	14.9%	3%	

(b) Other regulatory information

- a) The Company does not have any benami property, and no proceeding has been initiated or pending against the Company for holding any benami property.
- b) The Company does not have any transactions with companies struck off.
- c) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- d) The Company have not traded or invested in crypto currency or virtual currency during the financial year.
- e) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (ii) Provide any Guarantee, Security, or the like to or on behalf of the Ultimate Beneficiaries.
- f) The Company have not received any fund from any Person(s) or Entity(ies), including Foreign Entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - (ii) Provide any Guarantee, Security, or the like on behalf of the ultimate beneficiaries.
- g) The Company has been sanctioned working capital limit in excess of Rs. 5 crore, in aggregate, at points of time during the year, from bank on the basis of security of current assets. The quarterly return/statements filed by the company with the bank are generally in agreement with the books of account and difference, if any are not material.
- h) The Company has no such transaction which is not recorded in the Books of Accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- i) The Company have not been declared willful defaulter by any Banks or any other Financial Institution at any time during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

60. Revenue recognised under contracts

a) The disaggregation of revenue earned under contracts as per Ind AS-115 is as follows :		₹ in Lacs	
		2022-23	2021-22
Category-wise			
Revenue recognised at the point of time			
	Polymer Products	1,21,094.07	1,04,161.17
b) Revenue-related receivables at the year end:		As at 31.03.2023	As at 31.03.2022
	Trade receivables(Refer Note no.13)	29,621.48	22,284.50
c) Revenue-related payables at the year end:			
	Trade deposits(Refer Note no.21)	2,850.82	2,348.30
d) Reconciling the amount of revenue recognised during the year in the statement of profit and loss at the contracted price :		2022-23	2021-22
	Revenue as per contracted price (Net of discounts)	1,21,094.07	1,04,161.17
e) Impairment in Trade receivables are disclosed as 'Allowance for expected credit loss' amounting Nil (Previous year Nil)			

61. Fair value of investment in certain equity and preference shares are taken at cost since cost represents the best estimate of fair value.

62. The provision for current tax represents income tax payable computed under substantive provisions of the Income Tax Act, 1961.

63. The Company had given an unsecured loan to BMF Investment Limited, a erstwhile wholly owned subsidiary company, amalgamated with the Bengal & Assam Co Ltd.,(Holding company) for the purpose of carrying its business at interest of 9% (7% till 31st December 2022) p.a. payable quarterly. Loan outstanding as on 31st March 2023 ₹ 6500 lacs (Previous Year ₹ 11500 lacs).

64. Details of Loans given and investment made for general business purposes, covered u/s 186 (4) of the Companies Act, 2013, have been given under respective heads.

65. On 31st January 2022, the Board of Directors of the Company had approved the scheme of amalgamation ('the scheme') of Acorn Engineering Limited ('Acorn' a wholly owned subsidiary) with the Company w.e.f. 1st April 2022 (appointed date). Pending approval of scheme by NCLT-Chennai and other necessary regulatory approvals, no impact of the Scheme has been given in these financial statements.

66. During the FY 2019-20, raw material amounting to ₹ 825.63 lacs was damaged in fire incident at the custom bonded warehouse. The insurance claim for the said raw material was duly filed with the insurance Companies and amount of ₹ 262.49 lacs has been received from insurance companies during FY 2020-21. The management is confident for recovery of the balance claim amount and same has been shown as good and recoverable.

67. Certain balances of trade receivable, loan & advance, trade payable and other liabilities are subject to confirmation and/or reconciliation. In the opinion of the management, on confirmation / reconciliation, there will not be any material impact.

68. Previous year figures have been reclassified/regrouped/recast, wherever necessary.

As per our report of even date

For **LODHA & CO.**

Chartered Accountants

Firm's Registration No. 301051E

SHYAMAL KUMAR

Partner

Membership No. 509325

R.VIJAYARAGHAVAN

Company Secretary

RAGHUPATI SINGHANIA

Chairman

VIKRAMPATI SINGHANIA

Managing Director

AMIT AGARWAL

Chief Financial Officer

H.V. LODHA

HARSH PATI SINGHANIA

MAMTA SINGHANIA

SURENDRA MALHOTRA

NAGARAJU SRIRAMA

Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

₹ in Lacs

Particulars	2022-23	2021-22
A Cash flow from operating activities		
Net profit before tax	15,883.76	13,627.86
Adjustments for :		
Depreciation and amortization expenses	5,223.57	4,562.56
Finance cost	1,719.30	1,476.95
Interest income	(974.70)	(1,563.45)
Remeasurement on defined benefit plans charged to OCI	(466.78)	79.43
Fair value changes in non-current Investment	(7.06)	0.35
Unrealised Foreign Exchange Fluctuation	1.03	(87.94)
Provision no longer required written back	(492.50)	(358.02)
Bad debts written off	11.18	15.79
Profit on sale of short term investments	(141.65)	(21.66)
Fair Value (gain)/loss on mutual fund investments	(212.96)	9.67
(Profit) / Loss on sale of Property Plant & Equipment (Net)	(55.48)	1.44
Dividend received	(27.09)	(13.54)
Operating profit before working capital changes	20,460.62	17,729.44
(Increase)/decrease in inventories	2,951.32	(5,607.61)
(Increase)/decrease in trade and other receivables	(8,434.93)	(10,603.47)
Increase/(decrease) in trade and other payables	808.47	1,658.68
Cash generated from operations	15,785.48	3,177.04
Direct taxes (paid)	(4,262.89)	(4,094.66)
Net Cash flow from operating activities	11,522.59	(917.62)
B Cash flow from Investing Activities		
Purchase of Property, Plant and Equipment	(8,875.48)	(3,633.43)
Sale of Property, Plant and Equipment	111.48	36.22
(Purchase) / Sale of investment	(17,735.34)	161.64
Redemption of Cumulative redeemable pref. shares	-	2,500.00
Loan (given) / refund (Net)	4,950.00	6,150.00
Interest received (Net)	1,133.28	1,412.94
Deposit accounts with Banks	3,852.79	244.07
Profit on sale of short term investments	141.65	21.66
Dividend income	27.09	13.54
Net Cash flow from investing activities	(16,394.53)	6,906.64
C Cash flow from financing activities		
Redemption of Cumulative redeemable pref. shares	-	(2,500.00)
Proceeds of Long term borrowings	7,300.42	3,571.09
Repayment of Long term borrowings	(6,409.88)	(3,020.96)
Interest paid (Net)	(1,463.57)	(1,452.10)
Proceeds / (utilisation) from Short term borrowings (Net)	2,314.04	2,482.76
Receipts / (payments) of Fixed deposits	(814.80)	(1,449.85)
Payment of Lease liabilities	(329.28)	(265.49)
Dividend paid	(1,614.00)	(1,489.84)
Net cash flow in financing activities	(1,017.07)	(4,124.39)
Net increase / (decrease) in cash and cash equivalents	(5,889.01)	1,864.63
Cash and cash equivalents as at the beginning of the year	6,183.61	4,318.98
Cash and cash equivalents as at the end of the year	294.60	6,183.61

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

₹ in Lacs

Particulars	2022-23	2021-22
Note :		
1) Figures in brackets are outflows.		
2) Cash and cash equivalents comprise of :		
(a) Cash on hand	1.58	7.56
(b) Balances with banks		
i) Current accounts	293.02	576.05
ii) Deposits	-	5,600.00
Total cash and cash equivalents	294.60	6,183.61

3) Non Cash changes in liabilities arising from financing activities :

Particulars	Non- Cash Changes				
	As at 01.04.2022	Cash Flows	Foreign exchange movement	Others	As at 31.03.2023
Short-term Borrowings - Current year	4,046.89	2,314.04	-		6,360.93
- Previous year	1,570.90	2,482.76	(6.77)		4,046.89
Long-term Borrowings - Current year	18,340.18	75.74	60.12	28.79	18,504.83
- Previous year	21,707.78	(3,399.72)	27.76	4.36	18,340.18
Total liabilities from financing activities	22,387.07	2,389.78	60.12	28.79	24,865.76
Previous Year	23,278.68	(916.96)	20.99	4.36	22,387.07

As per our report of even date

For **LODHA & CO.**

Chartered Accountants
Firm's Registration No. 301051E

SHYAMAL KUMAR
Partner
Membership No. 509325

R.VIJAYARAGHAVAN
Company Secretary

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Chairman

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H.V. LODHA
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MAMTA SINGHANIA
SURENDRA MALHOTRA
NAGARAJU SRIRAMA
Directors

Around the **YEAR**

Bauma Conexpo 2023-Delhi NCR



Auto Expo 2023-New Delhi



Excon 2022-Bengaluru



Automechanika 2022-Frankfurt



MachAuto 2023-Ludhiana



Automechanika 2022-Jamea



For the **SOCIETY**

Tailoring Skill



Driving Skill Project



Mechanic Upskill Training



RO plant installation



Beautician Course



Automobile Practical Training





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