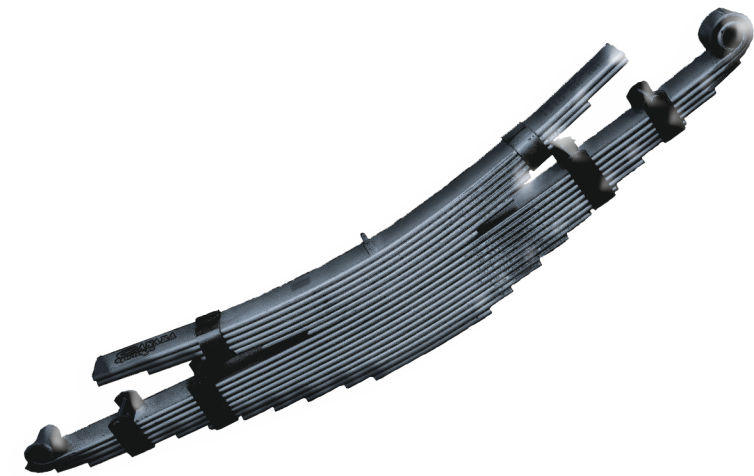


**CANARA**  
**Springs**



**77<sup>th</sup>**

**ANNUAL REPORT**  
**2019-20**



ESTD. 1943



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**BOARD OF DIRECTORS** : Srinivas Vaman Kudva, Chairman & Managing Director  
Premnath Srinivas Kudva, Whole-Time Director  
Venkatesh Pai Mangalore  
Voderbet Mahesh Kamath  
Vasant Srinivas Kudva

**AUDITORS** : A. Umanath Rao & Co.

**Company Secretaries** : Chethan Nayak & Associates

**Registrar & Share Transfer Agent** : BgSE Financials Ltd.,  
51, Stock Exchange Towers, 1st Cross, J. C. Road  
Bangalore - 560 027.  
Phone : 080 - 41405259, 41329661  
E-mail : cs\_rta@bfsi.co.in / avp\_rta@bfsi.co.in

**BANKERS** : State Bank of India  
Syndicate Bank

**REGISTERED OFFICE** : V. S. Kudva Road,  
Maroli, Mangalore - 575 005.  
Phone : 0824-2211649  
0824-2213402  
E-mail : investor@canarasprings.com  
canarasprings@gmail.com  
Web : www.canarasprings.in

**CIN** : U51909KA1943PLC001075

## NOTICE TO THE ANNUAL GENERAL MEETING

Notice is hereby given that the 77<sup>th</sup> Annual General Meeting of The Canara Workshops Limited will be held on Wednesday, the 30<sup>th</sup> day of September 2020 at 10:00 a.m. through video conferencing ("VC") to transact the following business.

### ORDINARY BUSINESS:

1. To receive and adopt the Audited Financial Statement of accounts for the year ended 31<sup>st</sup> March 2020 together with the Reports of Board of Directors & Auditor's.
2. To appoint a Director in place of Sri Premnath Srinivas Kudva (DIN:00126024) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri Vasant Srinivas Kudva (DIN:00668434) who retires by rotation and being eligible, offers himself for re-appointment.
4. Ratification of Auditor's Appointment

(By Order of the Board of Directors)

Place: Mangaluru  
Date: 24-08-2020

Sd/-  
**Srinivas Vaman Kudva**  
Chairman & Managing Director  
DIN: 00125821

### NOTES:-

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as venue voting system on the date of the AGM will be provided by CDSL.
2. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 (collectively referred to as "said Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Shareholders at a common venue. Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 ("Act") read with the said Circulars, the Company has decided to convene its ensuing 77<sup>th</sup> AGM through VC/OAVM and the Shareholders can attend and participate in the ensuing AGM through VC/OAVM.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporate's are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the 77<sup>th</sup> AGM is being held through VC as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 77<sup>th</sup> AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.



6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Shareholders are required to intimate changes in their addresses, if any.
8. Shareholders are requested to register their E mail ID with the company to enable the company to send all communications including notice of the meetings electronically.
9. The members, holding shares in physical form, are requested to intimate any change in their addresses or bank details to the Company's Registrar and transfer agent - BgSE Financials Limited, Stock Exchange Towers, No.51, 1st Cross, J.C.Road, Bangalore- 560027. Ph. No. 080 41329661. E-mail: cs\_rta@bfsi.co.in or avp\_rta@bfsi.co.in. Those holding shares in dematerialized form may intimate any change in their addresses or bank details/mandates to the concerned Depository Participants.
10. As per Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the shares of the company should be held in DEMAT form. The ISIN of the company is INE02U501015 Share holders are requested to DEMAT the shares held by them.
11. On account of threat posed by COVID-19 pandemic situation, the company is sending AGM Notice in electronic form also in terms of the General Circular No. 17/2020 issued by Ministry of Corporate Affairs dated April 13, 2020. The Process for those shareholders whose email IDs are not registered:
  - (i) The shareholders who have not registered their email address and in consequence the e-voting notice could not be serviced may get their email address registered with the Company by sending an email to the company- [canarasprings@gmail.com](mailto:canarasprings@gmail.com) / [investor@canarasprings.com](mailto:investor@canarasprings.com). In case of any queries, shareholder may write to - BgSE Financials Limited, Stock Exchange Towers, No.51, 1st Cross, J.C.Road, Bangalore- 560027. Ph. No. 080 41329661, E-mail : [cs\\_rta@bfsi.co.in](mailto:cs_rta@bfsi.co.in) or [avp\\_rta@bfsi.co.in](mailto:avp_rta@bfsi.co.in)
  - (ii) It is clarified that for permanent registration of email address, shareholders are requested to register their email addresses, in respect of electronic holdings with their concerned Depository Participants and in respect of physical holdings, with the Company / Registrar and Share Transfer Agent, BgSE Financials Limited.
  - (iii) Those shareholders who have already registered their email addresses are requested to keep their email addresses validated with their Depository Participants / the Company and company's Registrar and Share Transfer Agent, BgSE Financials Limited to enable servicing of notices / documents / Annual Reports electronically to their email address
12. The Board has appointed Mr. Chethan Nayak K, Practicing Company Secretary, (Membership No. 4736, Certificate No. 3140) to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.
13. In terms of Section 110 and other applicable provisions of the Companies Act, 2013, as amended, read together with the Companies (Management and Administration) Rules, 2014 as amended from time to time, the company is pleased to offer remote e-voting facility to all the members of the company. The company has engaged services of M/s Central Depository Services (India) limited as its agency for providing or facilitated e-voting through CDSL to enable the members to cast their votes electronically (hereinafter referred to as the "Remote e-voting").
14. E-voting cutoff date: The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9:00 a.m. on Wednesday, 23<sup>rd</sup> September 2020 and will end at 5.00 p.m. on Tuesday, 29<sup>th</sup> September 2020. The e-voting module shall be disabled by CDSL for voting thereafter.
15. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Saturday, 19<sup>th</sup> September 2020 are entitled to vote on the Resolution, set forth in this notice.
16. Members joining the meeting through VC, who have not already cast their vote by means of remote Evoting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again
17. The Members desiring to vote through electronic mode/ remote e-voting may refer to the detailed procedure on Evoting given hereinafter.

#### **PROCEDURE FOR E-VOTING:-**

- I. The Company has entered into agreement with Central Depository Services Limited (CDSL) for facilitating e-voting for EGM.
  - (i) The voting period begins on Wednesday 23<sup>rd</sup> September 2020 at 9:00 a.m. and ends on Tuesday 29<sup>th</sup> September 2020 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday 19<sup>th</sup> September 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker /mail) in the PAN field.</li> <li>• In case the Folio Number is less than 8 digits enter the applicable number of leading Zeroes (0's) before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 001 then enter RA00000001 in the PAN field</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password also is to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant THE CANARA WORKSHOPS LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile
18. THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ON THE DAY OF THE AGM ON e-VOTING SYSTEM ARE AS UNDER: -
- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
  - (ii) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.
  - (iii) If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
  - (iv) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
19. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:
- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
  - ii. Members are encouraged to join the Meeting through Laptops for better experience.
  - iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id).
  - vi. Shareholders who would like to express their views/have questions may send their questions in advance 10 days prior to meeting mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
  - vii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
20. Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.  
The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
21. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
22. The following person shall be responsible to address grievances concerned with facility for remote e-voting: Contact Name - Mr. Rakesh Dalvi, Designation - Manager, Address - 25th Floor, Marathon Futurex, N.M. Joshi Marg, Lower Parel East, Mumbai - 400013. Contact No. 1800225533. Email id - [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

23. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date.
24. Any person, who acquires shares of the Company and becomes the member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., Saturday 19<sup>th</sup> September 2020 may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
25. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting. A person who is not a member as on the cut-off date should take this notice for information purpose only.
26. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.canarasprings.in](http://www.canarasprings.in) and on the website of CDSL immediately after the declaration of result by the Chairman/any of the directors of the company or a person authorized by him in writing.

(By Order of the Board of Directors)

Place: Mangaluru  
Date: 24-08-2020

**Srinivas Vaman Kudva**  
Chairman & Managing Director  
DIN: 00125821

## **Pre-Requisites for Stakeholders/Panellists/Speakers:**

- Participant to join using his/her own laptop on software provided (laptop to have good quality camera and microphone and internet connectivity we strictly recommend dedicated 1-2mbps lease line connection)
- Laptop with Standard configuration. Recommended configuration is: Windows 10 ProOS, i3 processor, 4 GB Ram, Built Camera or USB Web camera for all Speakers.
- Any Desk software installed for remote access for the Technical team on the host side.
- Good Internet connectivity without proxy & firewall. Recommended speed is 2 mbps (1:1) for all speakers/ stakeholders.
- We will share one link to join the meeting, Customer should accept the meeting invite and join the meeting by accepting the meeting Link.
- Recommended to assign 1 moderator from your side also to handle your all users. We will provide training to your moderator in advance as well as our technical team will also be in support at the time of video conferencing.
- Company panelist members/speakers/viewer to download the respective software/app of respective platform provider for eg: cisco WebEx, webinar or any other platform in advance & ready to connect fast for meeting.

## **Pre-Requisites for Shareholders/Viewers/Attendees:**

- Any internet enabled device - Laptop/Desktop/Smartphone/Tablet
- Latest internet browser
- Laptop/desktop with at least Core2duo processor, 1GB RAM, good quality multimedia kit, Internet connectivity good quality without proxy & firewall -ideally broadband connectivity- 512 kbps or 2 mbps and above dedicated bandwidth
- Ports 1935, 443 and 80 should be opened to allow streaming content
- iPad viewers to have good internet connection of at least 1 Mbps bandwidth to view the webcast
- Access of Webcast url.
- Shareholders/viewers/Attendee to download the respective software/app of respective platform provider for eg: cisco WebEx, webinar or any other platform in advance & ready to connect fast for meeting.



## DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their 77<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31<sup>st</sup>, 2020.

### 1. A. Performance and Operations of the Company

The market demand has not been showing any further improvement as expected but it further worsened during the first half of the financial year due to heavy rains in Kerala, Karnataka and Maharashtra in the months of August and September 2019.

Though the market started showing slight improvement in the beginning of October 2019, it started declining further in the subsequent period of third quarter as the automobile industry showed a steep decline in sales (owing to Supreme Court order on implementing BS VI emission norms), which in turn affected our market.

In-spite of this setback, we stepped up our efforts to increase the volume of sales in the fourth quarter. But as the apprehension of a probable closure of Industries and restrictions on commercial vehicular movement against pandemic concerns added to prevailing economic fall our sales took grievous beating.

As all of you are aware, we could not start normal operations till end of the financial year under report. Even during the current financial year 2020-21, we are slowly limping back to normalcy after the lockdown declared from March 24<sup>th</sup> to 30<sup>th</sup> June 2020.

The spread of COVID-19, a global pandemic has severely impacted our business for the quarter and consequent to lock down declared from March 24, 2020 by Government of India, we had to suspend all our manufacturing operations. Responding to various lock down instructions issued by Central and State Governments, we had to close down our Branches located in various states taking into account the supply chain disruption, travel bans and more importantly the safety of our personnel working at different levels.

We started our operations from 18<sup>th</sup> May 2020 in a phased manner and continuously monitoring the situation towards the path of recovery.

The impact on our business will depend on future developments and cannot be predicted as of now. The impact of the pandemic might be much different than is estimated at the time of approval of this financial results.

### b. Working of the Company during the year:

Our continued efforts to provide our customers with required materials at any point of time without any delay and also maintain a healthy cash flow throughout the year inspite of drop in sales. We continue to maintain a moderate inventory and well regulated procurement which has helped us to maintain our account with our Bankers within reasonable limit.

We are well organized to meet the market requirement as and when the situation eases, and normalcy prevails.

### c. Financial summary or highlights

#### Financial Results:

S. No.	Particulars	2019-2020	2018-19
1.	Gross Revenue	23,37,81,225	25,77,00,738
2.	Profit Before Finance costs and Depreciation	15,51,125	1,25,42,859
3.	Finance costs	1,53,28,163	1,49,90,826
4.	Gross Profit/ (loss)	(1,37,77,038)	(24,47,967)
5.	Provision for Depreciation	32,03,033	34,09,329
6.	Net profit / (loss) Before Tax	(1,69,80,071)	(58,57,296)
7.	Provision for Tax( Deferred Tax credit)	18,14,454	2,23,240
8.	Net Profit/ (loss) After Tax	(1,87,94,525)	(60,80,536)
9.	Reserve Balance including Surplus	97,83,502	2,85,78,028



## 2. Details Of Subsidiary, Joint Venture Or Associate Companies

The Company does not have any Subsidiary, Joint Venture or Associate Company.

## 3. Dividend

As your company has incurred loss during the year under review and due to the accumulated losses your directors regret their inability to declare any amount as dividend to be paid.

## 4. Reserves

For the financial year ended 31<sup>st</sup> March 2020, the Company has not transferred any sum to General Reserves.

## 5. Brief Description of the Company:

Widening of product mix, meeting new introductions in time, catering to specialty segment and keeping up the regular supplies on schedule. Inventory control both at input area and finished goods area ensured smooth supplies to customers.

## 6. Change in the nature of business, if any

No Change in the nature of business of the company during the period under review.

## 7. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

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 to which the financial statements relate and the date of the report.

## 8. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

## 9. Deposits

The details relating to deposits, covered under Chapter V of the Act, -

(a) Existing deposits at the beginning of the year- INR 1,99,24,000

(b) Accepted During the year- NIL

(c) Repaid During the year -INR 6,50,000

(d) Remained unpaid (Outstanding) as at the end of the year- INR 1,92,74,000

(e) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:

i. at the beginning of the year-Nil

ii. maximum during the year-Nil

iii. at the end of the year; - Nil

There are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act 2013.

Further the company has accepted Exempted Deposit of Rs 7,00,000 from Mr. Srinivas Vaman Kudva (DIN: 00125821) Chairman and Managing Director, Rs. 1,00,000 from Mr. Premnath Srinivas Kudva (DIN: 00126024) Wholetime Director, and Rs. 1,48,000 from Sri Venkatesh Pai Mangalore (DIN:00126551) Director, during the year under review.

## 10. Statutory Auditors

M/s. A. Umanath Rao & Co, Chartered Accountants, Mangalore (Firm Reg No: 004454S), who are the statutory auditors of the Company, hold office until the conclusion of the ensuing Annual general meeting and are eligible for ratification. Members appointed them in the Annual general meeting held on 21.09.2017 to hold office till the conclusion of the Seventy-Ninth Annual general meeting to be held in the year 2022. As required by the provisions of the Companies Act, 2013, their appointment should be ratified by members each year at the Annual general meeting.

## 11. Auditors' Report

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments. There is no major Qualified Opinion in the Auditor's Report which requires comments.



## 12. Extract of the annual return

The extract of the annual return in Form No MGT - 9 shall form part of the Board's report.

## 13. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

### i. Conservation of energy, technology absorption

As required in terms of Section 134 of the Companies Act, 2013, a statement showing the required particulars has been annexed hereto and forms part of this report.

### ii. Foreign exchange earnings and Outgo:

There has been no Foreign Exchange Earnings and expenditure during the current year

## 14. Board of Directors:

As on March 31<sup>st</sup> 2020, the strength of the Board of Directors was **FIVE**. The composition of the Board as on 31<sup>st</sup> March 2020 is as under:

Name of the director	Designation	Date of Appointment
Sri Srinivas Vaman Kudva	Chairman and Managing Director	27/02/1961
Sri Premnath Srinivas Kudva	Wholetime Director	09/06/1992
Sri Venkatesh Pai Mangalore	Director	30/07/2002
Sri Voderbet Mahesh Kamath	Director	30/07/2004
Sri Vasant Srinivas Kudva	Director	05/11/2016

### Proposed reappointment of Director by rotation:

Sri Premnath Srinivas Kudva (DIN:00126024) and Sri. Vasant Srinivas Kudva (DIN:00668434) Directors, retiring by rotation at the ensuing Annual General Meeting, being eligible, offer themselves for re-appointment. Your Board recommends their re-appointment.

### Changes in the board during the year 2019-2020

There were no changes in the composition of board of directors during the year.

## 15. Number of meetings of the Board of Directors

The Board of Directors met 4 times in the financial year 2019-2020 which is on 26.04.2019, 31.07.2019, 31.10.2019 and 30.01.2020. The maximum interval between any two meetings did not exceed 120 days as specified under sub-section (1) of section 173 of the Companies Act 2013.

## 16. Details of establishment of vigil mechanism for directors and employees

The establishment of vigil mechanism for directors and employees to report genuine concerns has been incorporated in company's vigil mechanism policy. The Company has designated Sri Srinivas Vaman Kudva as ombudsperson for receiving any complaints under the policy.

## 17. Particulars of loans, guarantees or investments under Section 186

No loans, guarantees or investments were extended by the company under Section 186 of the Companies Act, 2013 during the year under review.

## 18. Particulars of contracts or arrangements with related parties:

There are contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, however certain Arms-length transactions are disclosed in Form AOC-2 attached to this report.

## 19. Particulars Of Employee:

None of the employee has received remuneration exceeding the limit as stated in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 20. Risk management policy

Company is regularly reviewing the overall business conditions as well as industrial scenario to cover the risk pertaining to the current business of the company.

## 21. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, state that—

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 22. Compliance under Secretarial Standard

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

## 23. Cost Records

The company was not required to maintain the cost records as required under sub-section (1) of section 148 of the Companies Act, 2013.

## 24. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various interventions and practices. The Company endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contract/indirect employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

During the year ended 31<sup>st</sup> March, 2020 the Internal Complaints Committee have not received any complaints pertaining to sexual harassment.

## 25. Internal Financial Control over financial statements (IFCFR)

The company has adequate internal financial controls with reference to financial statements (IFCFR) that commensurate with the size and operations of the company.

## 26. Acknowledgements

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

For and on behalf of the Board of Directors

Place: Mangaluru

Date: 24.08.2020

Sd/-

Srinivas Vaman Kudva  
Chairman & Managing Director  
DIN: 00125821

Sd/-

Premnath Srinivas Kudva  
Wholetime Director  
DIN: 00126024

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## ANNEXURE TO DIRECTORS' REPORT

Statement containing particulars pursuant to Section 134 (3) (m) of the Companies Act 2013 and forming part of Directors Report

### A. CONSERVATION OF ENERGY

We had introduced the use of LPG in the year 2012 for heating as mentioned earlier the result of which is reflected in the figures below:

	2020	2019
<b>1. ELECTRICITY</b>		
(A) Purchased (KWH in Lakhs)	7.49	9.53
Total Amount (₹ in Lakhs)	72.49	89.86
Rate/KWH (in ₹)	9.67	9.43
(B) Own Generation		
i. Through Diesel Generator		
Units (in Lakhs)	0.02	0.07
Units/Ltr. of Diesel Oil	1.73	2.30
Cost/Unit	41.98	28.65
ii. Through Steam	-	-
Turbine/Generator	-	-
Units	-	-
Units/Ltr. of Fuel/Gas	-	-
Cost/Unit	-	-
<b>2. COAL</b>		
(Not used)	-	-
<b>3. FURNACE OIL/LDO</b>		
I. FURNACE OIL		
Quantity (In '000 Ltrs)	202.70	271.740
Total Amount (₹ in Lakhs)	63.69	92.91
Average Rate/Ltr. (in ₹)	31.42	34.18
II. L.D.O.		
(Not used)	-	-
<b>4. L P G</b>		
Quantity in (Kg.)	34425	41423
Total Amount (₹ in Lakhs)	19.27	24.30
Average Rate/Kg (in ₹)	55.60	58.66
<b>B. TECHNOLOGY ABSORPTION</b>		
<b>C. FOREIGN EXCHANGE EARNINGS AND OUTGO</b>		
1. Foreign Exchange Earnings	-	-
2. Foreign Exchange Outgo	-	-
i. CIF Value of Imports	-	-
Raw Materials, Components	-	-
And Spare Parts.(in ₹)	-	-
ii. Capital Goods	-	-
iii. Others	-	-

For and on behalf of the Board of Directors

Sd/-

Place: Mangaluru

Date: 24-08-2020

Srinivas Vaman Kudva  
Chairman & Managing Director  
DIN: 00125821

Sd/-

Premnath Srinivas Kudva  
Whole-time Director  
DIN: 00126024

## Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS :

i.	CIN	U51909KA1943PLC001075
ii.	Registration Date	27 01 1943 Date Month Year
iii.	Name of the Company	THE CANARA WORKSHOPS LIMITED
iv.	Category / Sub-Category of the Company	Company Limited By Shares/ Indian Non-Government Company
v.	Address of the Registered office and Contact details	V. S. Kudva Road, Maroli, Mangaluru-575005 Phone No: (0824)-2211649, 2213402 Email ID: canarasprings@gmail.com / investor@canarasprings.com WEBSITE : www.canarasprings.in
vi.	Whether listed company (Yes / No)	NO
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	BgSE Financials Limited No.51, "Stock Exchange Towers", 1st Cross, J.C.Road, Bangalore - 560 027. Phone :080- 41329661, 66673353 Email id: cs_rta@bfsi.co.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacture of diverse parts and accessories for motor vehicles	29301	92.53%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
NA					



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

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

##### A. PROMOTERS

<b>(1) Indian</b>									
a. Individual/HUF	-	69778	69778	4.75	51356	24016	75372	5.13	0.38
b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt (s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	-	69778	69778	4.75	51356	24016	75372	5.13	0.38
<b>(2) Foreign</b>									
a. NRIs - Individuals	-	-	-	-	-	-	-	-	-
b. Other-Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Banks / FI	-	-	-	-	-	-	-	-	-
e. Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL SHAREHOLDING OF PROMOTER (A) = (A) (1) + (A) (2)</b>	-	69778	69778	4.75	51356	24016	75372	5.13	0.38

##### B. PUBLIC SHAREHOLDING

<b>1. Institutions</b>									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks / FI	-	4598	4598	0.31	3938	660	4598	0.31	-
c. Central Govt -IEPF	-	115105	115105	7.83	-	115105	115105	7.83	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	92774	7874	100648	6.85	92774	7874	100648	6.85	-

# The CANARA Workshops Limited

g. Flls	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others	-	181694	181694	12.36	-	181694	181694	12.36	-
<b>Sub-total (B) (1):</b>	<b>92774</b>	<b>309271</b>	<b>402045</b>	<b>27.35</b>	<b>96,712</b>	<b>305,333</b>	<b>402045</b>	<b>27.35</b>	<b>-</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>	-								
i) Indian	2468	242251	244719	16.64	12814	235317	248131	16.88	0.24
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	43198	506865	550063	37.44	84,714	441933	526,647	35.83	(1.60)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	52486	145540	198026	13.47	66896	145540	212436	14.45	0.98
c) Others	-	5278	5278	0.35	-	5278	5278	0.35	-
<b>Sub-total (B) (2):-</b>	<b>98152</b>	<b>899934</b>	<b>998086</b>	<b>67.90</b>	<b>164424</b>	<b>828068</b>	<b>992492</b>	<b>67.52</b>	<b>(0.38)</b>
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>190926</b>	<b>1209205</b>	<b>1400131</b>	<b>95.25</b>	<b>261136</b>	<b>1133401</b>	<b>1394537</b>	<b>94.87</b>	<b>(0.38)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Sub-total(C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>190926</b>	<b>1278983</b>	<b>1469909</b>	<b>100</b>	<b>312492</b>	<b>1157417</b>	<b>1469909</b>	<b>100</b>	

## ii. SHAREHOLDING OF PROMOTERS

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Srinivas Vaman Kudva	24016	1.63	-	24016	1.63	-	-
2.	Premnath Srinivas Kudva	45762	3.12	-	51356	3.50	-	0.38
	<b>Total</b>	<b>69778</b>	<b>4.75</b>		<b>75372</b>	<b>5.13</b>		<b>0.38</b>



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

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>	<b>69778</b>	<b>4.75</b>	-	-
1.	Srinivas Vaman Kudva	24016	1.63	-	-
2.	Premnath Srinivas Kudva	45762	3.12	-	-
	<b>Date wise Increase / Decrease in Promoters Share holding during the year</b>			<b>5594</b>	<b>0.38</b>
	<b>Increase in promoters shareholding due to change in the name of first holder of share on 25.06.2019</b>	-	-	<b>5594</b>	<b>0.38</b>
	Premnath Srinivas Kudva	-	-	5594	0.38
	<b>At the End of the year</b>	<b>75372</b>	<b>5.13</b>	-	-
1.	Srinivas Vaman Kudva	24016	1.63	-	-
2.	Premnath Srinivas Kudva	51356	3.50	-	-

iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs):

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
	<b>At the beginning of the year</b>	<b>614,749</b>	<b>41.82</b>		
1.	CPC Logistics Ltd	204750	13.93	-	-
2.	The Canara Foundation	134582	9.16	-	-
3.	Life Insurance Corporation of India	92774	6.31	-	-
4.	P.P. Zibi Jose	52564	3.58	-	-
5.	Sharada S. Kudva	33577	2.28	-	-
6.	Mangala Investment Ltd	29002	1.97	-	-
7.	The Academy of General Education	28634	1.95	-	-
8.	M. Seetharam	16658	1.13	-	-
9.	Shaila Kamath	16108	1.09	-	-
10.	Bhavna Govindbhai Desai	6100	0.41		



	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease				
	Increase in shareholding due to Transmission of shares on 30.05.2019			7510	0.51
	Bhavna Govindbhai Desai			7510	0.51
	Increase in shareholding due to transfer of shares on 09.11.2019			800	0.05
	P.P. Zibi Jose			800	0.05
	<b>At the End of the year</b>	<b>623059</b>	<b>42.39</b>	-	-
1.	CPC Logistics Ltd	204750	13.93	-	-
2.	The Canara Foundation	134582	9.16	-	-
3.	Life Insurance Corporation of India	92774	6.31	-	-
4.	P.P. Zibi Jose	53364	3.64	-	-
5.	Sharada S. Kudva	33577	2.28	-	-
6.	Mangala Investment Ltd	29002	1.97	-	-
7.	The Academy of General Education	28634	1.95	-	-
8.	M. Seetharam	16658	1.13	-	-
9.	Shaila Kamath	16108	1.09	-	-
10.	Bhavna Govindbhai Desai	13610	0.93	-	-

## v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>	<b>94,856</b>	<b>6.46</b>	-	-
1.	Srinivas Vaman Kudva	24016	1.63	-	-
2.	Premnath Srinivas Kudva	45762	3.12	-	-
3.	Vasant Srinivas Kudva	23178	1.58	-	-
4.	Voderbet Mahesh Kamath	1000	0.07	-	-
5.	Venkatesh Pai Mangalore	900	0.06	-	-
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/decrease			-	-
	Increase in shareholding due to change in the name of first holder of share on 25.06.2019	-	-	5594	0.38

	Premnath Srinivas Kudva	-	-	5594	0.38
	<b>At the End of the year</b>	<b>100450</b>	<b>6.84</b>	-	-
1.	Srinivas Vaman Kudva	24016	1.63	-	-
2.	Premnath Srinivas Kudva	51356	3.50	-	-
3.	Vasant Srinivas Kudva	23178	1.58	-	-
4.	Voderbet Mahesh Kamath	1000	0.07	-	-
5.	Venkatesh Pai Mangalore	900	0.06	-	-

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	7,84,32,101	3,40,16,000	1,99,24,000	13,23,72,101
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	30,11,524	30,11,524
<b>Total (i+ii+iii)</b>	<b>7,84,32,101</b>	<b>3,40,16,000</b>	<b>2,29,35,524</b>	<b>13,53,83,625</b>
<b>Change in Indebtedness during the financial year</b>				
Addition -	-	23,48,000	-	23,48,000
Reduction	79,44,844	5,50,000	650,000	91,44,844
<b>Net Change</b>	<b>(79,44,844)</b>	<b>17,98,000</b>	<b>(650,000)</b>	<b>(67,96,844)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	7,04,87,257	3,58,14,000	1,92,74,000	12,55,75,257
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	49,78,195	49,78,195
<b>Total (i+ii+iii)</b>	<b>7,04,87,257</b>	<b>3,58,14,000</b>	<b>2,42,52,195</b>	<b>13,05,53,452</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Srinivas Vaman Kudva	Premnath Srinivas Kudva	
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,24,000	11,52,000	23,76,000
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	78,322	1,83,593	2,61,915
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify...	-	-	-
5.	Others:	-	-	-
	<b>Total (A)</b>	13,02,322	13,35,593	26,37,915
	Ceiling as per the Act	84,00,000	84,00,000	-

### B. REMUNERATION TO OTHER DIRECTORS :

Sl.No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	<b>Independent Directors</b>	-	-	-	-
	· Fees for attending board/ committee meetings	-	-	-	-
	· Commission	-	-	-	-
	· Others, please specify	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
2.	<b>Other Non-Executive Directors</b>	Venkatesh Pai Mangalore	Voderbet Mahesh Kamath	Vasant Srinivas Kudva	-
	· Fees for attending board/ committee meetings (in ₹)	10,000	10,000	10,000	30,000
	· Commission	-	-	-	-
	· Others, please specify	-	-	-	-
	<b>Total (2)</b>	10,000	10,000	10,000	30,000
	<b>Total (B)=(1+2)</b>	10,000	10,000	10,000	30,000
	<b>Total Managerial Remuneration</b>	10,000	10,000	10,000	30,000
	<b>Overall Ceiling as per the Act for sitting fee per meeting</b>	1,00,000	1,00,000	1,00,000	-

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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	-	-	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	NIL				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL				
Punishment					
Compounding					

For and on behalf of the Board of Directors

Sd/-

Srinivas Vaman Kudva  
Chairman & Managing Director  
DIN: 00125821

Sd/-

Premnath Srinivas Kudva  
Whole-time Director  
DIN: 00126024

Place: Mangaluru

Date: 24-08-2020

## FORM NO. AOC -2

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

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

### 1. Details of contracts or arrangements or transactions not at Arm's length basis:

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	-
2.	Nature of contracts/arrangements/transaction	-
3.	Duration of the contracts/arrangements/transaction	-
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	-
5.	Justification for entering into such contracts or arrangements or transactions'	-
6.	Date of approval by the Board	-
7.	Amount paid as advances, if any	-
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

### 2. i. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
1.	Name (s) of the related party	CPC Logistics Ltd
2.	Nature of relationship	Common directors
3.	Nature of contracts/arrangements/transaction	Payment of Freight charges
4.	Duration of the contracts/arrangements/ transaction	-
5.	Salient terms of the contracts or arrangements or transaction including the value, if any	Freight charges paid amounting to Rs. 11,28,098/-
6.	Date of approval by the Board	Date of approval by the Board is not required as it is in the ordinary course of business
7.	Amount paid as advances, if any	-

### ii. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
1.	Name (s) of the related party	CPC Logistics Ltd
2.	Nature of relationship	Common directors
3.	Nature of contracts/arrangements/transaction	Godown rent
4.	Duration of the contracts/arrangements/ transaction	11 months
5.	Salient terms of the contracts or arrangements or transaction including the value, if any	Godown rent paid amounting to Rs. 6,08,880/-
6.	Date of approval by the Board	12.12.2018, 30.01.2020
7.	Amount paid as advances, if any	-

For and on behalf of the Board of Directors

Sd/-

Place: Mangaluru  
Date : 24-08-2020

Srinivas Vaman Kudva  
Chairman & Managing Director  
DIN: 00125821

Sd/-

Premnath Srinivas Kudva  
Wholesale Director  
DIN: 00126024

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**A.UMANATH RAO & CO.****Chartered Accountants**007, Ibrose, 7<sup>th</sup> Cross, M.G.Road,

Kodialbail, Mangalore - 575 003

Tel: 2494157

E-mail:aurao57@gmail.com

**INDEPENDENT AUDITORS' REPORT  
To the Members of The Canara Workshops Limited****Report on the audit of the financial statements****Opinion**

We have audited the accompanying financial statements of THE CANARA WORKSHOPS LIMITED, MANGALORE ("the Company"), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its Loss and cash flows for the year ended on that date.

**Basis for opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the 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.

**Key audit matters**

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

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

**Emphasis of Matter**

As more specifically explained in Note 2 to the financial statements, the Company has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of the financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Our opinion is not modified in respect of this matter.

## **Other Matters**

Further to the continuous spreading of COVID -19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till June 30, 2020 across the India to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire audit was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on “Specific Considerations while conducting Distance Audit/Remote Audit/Online Audit under current Covid-19 situation” issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

## **Information other than the financial statements and auditors’ report thereon**

The Company’s board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board’s Report including Annexures to Board’s Report, Business Responsibility Report but does not include the financial statements and our auditor’s report thereon.

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

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

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

## **Management’s responsibility for the financial statements**

The Company’s board of directors are 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, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company’s financial reporting process.



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## 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter



should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2020 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 the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
  - a. The Company does not have any pending litigations which would impact its financial position;
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **A. UMANATH RAO & CO.,**  
Chartered Accountants.  
FR No. 004454S

**(A. SURESH RAO)**  
Partner

Membership No. 19703  
UDIN : 20019703AAAAEN2512

Place: Mangaluru  
Date : 24-08-2020

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

(Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ section of our report to the members of The Canara Workshops Limited of even date)

1.	In respect of the Company’s fixed assets:
(a)	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b)	The fixed assets of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
(c)	According to the information and explanations given to us, the records examined by us, we report that the Company does not hold any freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
2.	The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
3.	According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
4.	In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.
5.	In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.
6.	The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.
7.	In respect of statutory dues:
(a)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.

# The CANARA Workshops Limited

	According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable
(b)	According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
8	In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
9.	The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
10.	In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
11.	The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
12.	According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
13.	According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
14.	According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
15.	According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **A. UMANATH RAO & CO.,**  
Chartered Accountants.  
FR No. 004454S

Place: Mangaluru  
Date : 24-08-2020

**(A. SURESH RAO)**  
Partner  
Membership No. 19703  
UDIN : 20019703AAAAEN2512



## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of The Canara Workshops Ltd 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 Canara Workshops Limited (“the Company”) as at March 31, 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s responsibility for internal financial controls**

The 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ responsibility**

Our responsibility is to express an opinion on the 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 were 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 in 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 control system over financial reporting.

#### **Meaning of internal financial controls over financial reporting**

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

#### **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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A. UMANATH RAO & CO.,  
Chartered Accountants.  
FR No. 004454S  
(A. SURESH RAO)  
Partner  
Membership No. 19703  
UDIN : 20019703AAAAEN2512

Place: Mangaluru  
Date : 24-08-2020

## Balance Sheet as at 31st March, 2020

	Note No.	2020		2019	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUND :</b>					
Share Capital	1	1,46,99,090		1,46,99,090	
Reserves and Surplus	2	97,83,502		2,85,78,028	
			2,44,82,592		4,32,77,118
<b>NON-CURRENT LIABILITIES :</b>					
Long-term borrowings	3	3,05,79,735		2,99,55,122	
Long-term Provisions	4	2,56,02,847		2,26,82,119	
			5,61,82,582		5,26,37,241
<b>CURRENT LIABILITIES :</b>					
Short-term Borrowings	5	9,99,73,717		10,54,28,503	
Trade Payables	6	3,35,23,838		4,68,40,792	
Other Current Liabilities	7	91,90,401		75,36,514	
Short term Provisions	8	56,75,644		1,14,99,803	
			14,83,63,600		17,13,05,612
<b>TOTAL</b>			<b>22,90,28,774</b>		<b>26,72,19,971</b>
<b>ASSETS :</b>					
<b>NON-CURRENT ASSETS</b>					
Property, Plant and Equipment	9	1,65,90,333		1,81,48,977	
Non current Investments	10	4,59,327		4,59,327	
Deferred Tax Asset (Net)	11	61,47,447	2,31,97,107	79,61,901	2,65,70,205
<b>CURRENT ASSETS</b>					
Inventories	12	9,25,99,892		11,12,24,228	
Trade Receivables	13	8,83,31,750		9,48,01,582	
Cash and Bank Balances	14	75,70,435		1,20,13,023	
Short term Loans and Advances	15	1,73,29,590	20,58,31,666	2,26,10,933	24,06,49,766
<b>TOTAL</b>			<b>22,90,28,774</b>		<b>26,72,19,971</b>

The Notes are an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For A. UMANATH RAO & CO.,  
Chartered Accountants.  
F R No. 004454S  
(A. SURESH RAO-M.No. 19703)  
Partner

SRINIVAS VAMAN KUDVA  
Chairman & Managing Director  
(DIN : 00125821)

PREMNATH SRINIVAS KUDVA  
Whole Time Director  
(DIN : 00126024)

VASANT SRINIVAS KUDVA  
Director  
(DIN: 00668434)

VODERBET MAHESH KAMATH  
Director  
(DIN : 00192643)

VENKATESH PAI MANGALORE  
Director  
(DIN : 00126551)

CIN : U51909KA1943PLC001075  
Place: Mangaluru  
Date : 24-08-2020

## Statement of Profit and Loss for the year ended 31st March, 2020

	Note No.	2020 ₹                      ₹	2019 ₹                      ₹
<b>REVENUE :</b>			
Revenue from operations	22	<u>22,30,48,376</u>	25,60,32,821
		22,30,48,376	25,60,32,821
Other Income	16	<u>1,07,32,849</u>	16,67,917
<b>TOTAL REVENUE</b>		<u><b>23,37,81,225</b></u>	<u><b>25,77,00,738</b></u>
<b>EXPENSES :</b>			
Raw Materials Consumed	17	9,72,91,344	13,28,44,841
Change in Inventories	18	1,11,27,086	(1,85,47,752)
Employee Benefits	19	6,76,84,727	6,41,85,784
Finance Costs	20	1,53,28,163	1,49,90,826
Depreciation	9	32,03,033	34,09,329
Other Expenses	21	<u>5,61,26,943</u>	<u>6,66,75,005</u>
<b>TOTAL EXPENSES</b>		<u><b>25,07,61,296</b></u>	<u><b>26,35,58,034</b></u>
<b>PROFIT BEFORE TAX</b>		<u><b>(1,69,80,071)</b></u>	<u><b>(58,57,296)</b></u>
<b>TAX EXPENSES</b>			
Current Tax			
Deferred Tax		<u>18,14,454</u>	<u>2,23,240</u>
		18,14,454	2,23,240
<b>PROFIT FOR THE YEAR</b>		<u><b>(1,87,94,525)</b></u>	<u><b>(60,80,536)</b></u>

Basic and diluted earning per share (in Rupees) (12.79) (4.14)

Weighted average number of shares outstanding during the year 14,69,909 14,69,909

Nominal value of shares (in Rupees) 10 10

The Notes are an integral part of these financial statements

This is the Statement of Profit & Loss referred to in our report of even date.

For A. UMANATH RAO & CO.,  
Chartered Accountants.  
F R No. 004454S  
(A. SURESH RAO-M.No. 19703)  
Partner

SRINIVAS VAMAN KUDVA  
Chairman & Managing Director  
(DIN : 00125821)

PREMNATH SRINIVAS KUDVA  
Whole Time Director  
(DIN : 00126024)

VASANT SRINIVAS KUDVA  
Director  
(DIN : 00668434)

CIN : U51909KA1943PLC001075

Place: Mangaluru

Date : 24-08-2020

VODERBET MAHESH KAMATH  
Director  
(DIN : 00192643)

VENKATESH PAI MANGALORE  
Director  
(DIN : 00126551)

## CASH FLOW STATEMENT

FOR THE YEAR ENDED	31.03.2020 (₹)	31.03.2019 (₹)
<b>A. Cash flow from Operating Activities:</b>		
Net Profit before tax	(1,69,80,071)	(58,57,296)
Adjustments for:		
Depreciation	32,03,033	34,09,328
Interest/Dividend Income	(35)	(5,92,000)
Interest Charged	1,53,25,992	1,48,81,645
Rent and Other Income	(1,65,89,841)	(1,67,34,819)
Loss on Scrap/Sale of Assets	-	3,774
Profit on Sale of Assets	(98,30,131)	-
Operating Profit before Working Capital Changes	(2,48,71,053)	(48,89,367)
Adjustments for:		
Trade Receivable	64,69,832	(88,32,402)
Inventories	1,86,24,336	(2,02,18,351)
Short Term Loans and Advances	(3,79,745)	52,70,562
Long Term Provisions	29,20,728	(10,61,063)
Short Term Provisions	(58,24,159)	(1,58,429)
Trade Payable	(1,33,16,954)	2,61,95,043
Other Current Liabilities	16,53,887	(10,08,178)
Cash Generated from Operations	(1,47,23,128)	(47,02,185)
Interest paid	(77,73,489)	(77,03,062)
Taxes paid	56,61,086	(15,40,700)
Net Cash From Operating Activities (A)	(1,68,35,531)	(1,39,45,947)
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(19,42,101)	(24,24,849)
Sale of Fixed Assets	1,01,27,844	52,336
Rent Received	1,65,89,841	1,67,34,819
Interest & Dividend Received	35	5,92,000
Investment-Trade	-	-
Net Cash used in Investing Activities (B)	2,47,75,619	1,49,54,306
<b>C. Cash Flow From Financing Activities</b>		
Long Term Borrowings	6,24,613	14,80,406
Short Term Borrowings	(54,54,786)	70,61,348
Interest & Hire Purchase Charges	(75,52,503)	(71,78,583)
Net Cash From Financing Activities (C)	(1,23,82,676)	13,63,171
Net Increase in Cash & Cash equivalents (A)+(B)+(C)	(44,42,588)	23,71,530
Cash & Cash equivalents at the Beginning of the Year	1,20,13,023	96,41,490
Cash & Cash equivalents at the End of the Year	75,70,435	1,20,13,023

As per our report of even date attached,

For A. UMANATH RAO & CO.,  
Chartered Accountants.  
F R No. 0044545  
(A. SURESH RAO-M.No. 19703)  
Partner

SRINIVAS VAMAN KUDVA  
Chairman & Managing Director  
(DIN : 00125821)

PREMNATH SRINIVAS KUDVA  
Whole Time Director  
(DIN : 00126024)

VASANT SRINIVAS KUDVA  
Director  
(DIN: 00668434)

VODERBET MAHESH KAMATH  
Director  
(DIN : 00192643)

VENKATESH PAI MANGALORE  
Director  
(DIN : 00126551)

Place: Mangaluru  
Date : 24-08-2020

## NOTES TO THE FINANCIAL STATEMENTS

	2020 ₹	2019 ₹
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>		
60,000 10% Cumulative Preference shares of Rs.10/-each	6,00,000	6,00,000
49,40,000 Equity shares of Rs.10/-each	4,94,00,000	4,94,00,000
	<b>5,00,00,000</b>	<b>5,00,00,000</b>
<b>Issued and Paid-up</b>		
14,69,909 Equity Shares of Rs.10/-each Fully Paid-up	1,46,99,090	1,46,99,090
Of the above Equity shares, 11,89,909 Shares were allotted as fully paid-up Bonus Shares by Capitalisation of Reserves.		
The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. 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.		
In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.		
The details of share holders holding more than 5% shares		
	<b>No. of shares % of holding</b>	<b>No. of shares % of holding</b>
C.P.C Logistics Limited	2,04,750 13.93	2,04,750 13.93
Canara Foundation	1,34,582 9.16	1,34,582 9.16
Life Insurance Corporation of India	92,774 6.31	92,774 6.31
<b>2 RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	1,35,887	1,35,887
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	6,00,000	6,00,000
<b>General Reserve</b>		
As per last Balance Sheet	2,61,07,729	2,61,07,729
Add: Transferred from surplus	-	-
	<b>2,61,07,729</b>	<b>2,61,07,729</b>



**NOTES TO THE FINANCIAL STATEMENTS**

	2020 ₹	2019 ₹
<b>Surplus</b>		
As per last Balance Sheet	17,34,412	78,14,947
Less : Profit/(Loss) for the year	(1,87,94,525)	(60,80,536)
	(1,70,60,114)	17,34,412
Less : Appropriations :		
Dividend on equity shares	-	-
Adjustment relating to Fixed Assets (refer note 9)		
Tax on Distribution of Dividends	-	-
Transfer to General Reserve	-	-
Closing Balance	(1,70,60,114)	17,34,412
	97,83,502	2,85,78,028
<b>3 LONG-TERM BORROWINGS</b>		
<b>(a ) TERM LOANS</b>		
Term Loan from State Bank of India (secured by hypothication of Vehicle Repayable in 84 monthly instalments starting from 2018-2019		
CIAZ CAR	6,64,639	7,37,484
ERTIGA CAR	7,04,806	7,74,326
MAHINDRA JEETO	1,60,290	2,43,312
<b>( b ) DEPOSITS (Unsecured )</b>	-	-
Inter Corporate Deposits - Related Party (Fixed deposits accepted in accordance with the provisions of section 73 of the Companies Act 2013 repayable over two/three years from 31st march 2015)	2,90,50,000	2,82,00,000
	3,05,79,735	2,99,55,122
<b>4 LONG-TERM PROVISIONS</b>		
Provision for Employees benefits	2,56,02,847	2,26,82,119

## NOTES TO THE FINANCIAL STATEMENTS

	2020 ₹	2019 ₹
<b>5 SHORT-TERM BORROWINGS</b>		
Current maturities of long-term debt (See note 3)		
Fixed Deposits	2,42,52,195	2,29,35,524
Exempted Deposits	67,64,000	58,16,000
Current maturities of finance lease obligations		
Term Loan from State Bank of India-ERTIGA CAR	64,597	1,31,956
Term Loan from State Bank of India-CIAZ CAR	66,829	1,08,198
Term Loan from State Bank of India-Mahindra Jeeto	72,705	1,06,703
<b>LOANS REPAYABLE ON DEMAND</b>		
From Banks :		
Secured :		
Cash credit from State Bank of India secured by equitable mortgage of Mulgeni rights on land and buildings and hypothecation of plant & machinery, furniture, stocks and receivables	6,87,53,391	7,63,30,122
	<b>9,99,73,717</b>	<b>10,54,28,503</b>
<b>6 TRADE PAYABLES</b>		
For Purchases	3,35,23,838	4,68,40,792
<b>7 OTHER CURRENT LIABILITIES</b>		
Unpaid Dividend *	3,94,168	5,58,250
Statutory dues	37,02,437	29,68,301
Other Liabilities	32,78,302	21,94,469
Deposits from tenants and contractors	18,15,494	18,15,494
	<b>91,90,401</b>	<b>75,36,514</b>
 *As at the year end there is no amount due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act 2013.		
<b>8 SHORT-TERM PROVISIONS</b>		
Provision for Employee benefits	15,25,644	31,49,803
Provision for Income tax	41,50,000	83,50,000
	<b>56,75,644</b>	<b>1,14,99,803</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 9. TANGIBLE ASSETS:

	GROSS BLOCK				DEPRECIATION/AMORTISATION			NET BLOCK	
	Cost as at 01-04-2019 ₹	Additions ₹	Disposals/ Scrappings ₹	Cost as at 31-03-2020 ₹	Up to 01-04-2019 ₹	For the Year ₹	Up to 31-03-2020 ₹	As at 31-03-2020 ₹	As at 01-04-2019 ₹
Property, Plant and Equipment									
Land	2,50,715	-	-	2,50,715	-	-	-	2,50,715	2,50,715
Buildings	2,01,82,287		-	2,01,82,287	1,31,73,119	2,92,096	1,34,65,215	67,17,072	70,09,168
Plant and Machinery	5,31,70,541	30,000	2,96,288	5,29,04,253	4,63,48,799	10,89,471	4,74,38,270	54,65,983	68,21,741
Furniture & Equipments	43,92,636	36,514	-	44,29,150	40,44,895	1,01,097	41,45,992	2,83,158	3,47,741
Vehicles	1,99,18,641			1,99,18,641	1,75,05,017	6,98,556	1,82,03,573	17,15,068	24,13,624
Computers	54,38,714	18,75,587	1,425	73,12,876	41,32,726	10,21,813	51,54,539	21,58,337	13,05,988
Total	10,33,53,534	19,42,101	2,97,713	10,49,97,922	8,52,04,556	32,03,033	8,84,07,589	1,65,90,333	1,81,48,977
Previous Year	10,09,84,795	24,24,849	56,110	10,33,53,534	8,17,95,228	34,09,329	8,52,04,557	1,81,48,977	1,91,89,567

\* Figures in brackets represent depreciation withdrawn on disposals/scrappings.

## NOTES TO THE FINANCIAL STATEMENTS

	2020 ₹	2019 ₹
<b>10 NON-CURRENT INVESTMENTS</b>		
<b>Securities - Quoted - Trade-At cost</b>		
1,60,000 (80,000) Fully paid Equity Shares of Metal Scrap Trade Corporation Ltd. of the face value of Rs.10/- each. (Out of this 155000 shares are received as bonus)	25,000	25,000
<b>Securities - Unquoted - Non-Trade-At cost</b>		
32,483 Fully paid Equity Shares of Canara Sales Corporation Ltd., Mangalore of the face value of Rs.10/ each	3,20,527	3,20,527
10,000 Fully paid Equity Shares of Canara Public Conveyance Limited of Rs.10/- each	1,00,000	1,00,000
	<b>4,45,527</b>	<b>4,45,527</b>
<b>Government Securities -Unquoted- Trade</b>		
12 Years National Defence Certificate (Deposited with Central Excise Department)	3,000	3,000
7 Years National Savings Certificates (Deposited with P & T Department)	800	800
National Savings Certificate (Deposited with Commercial Tax Department)	10,000	10,000
	<b>13,800</b>	<b>13,800</b>
TOTAL	<b>4,59,327</b>	<b>4,59,327</b>
<b>Quoted and Unquoted Investments : Cost</b>	<b>4,59,327</b>	<b>4,59,327</b>
<b>11 DEFERRED TAX ASSET (NET)</b>		
Deferred Tax Liability		
Difference in book and tax depreciation	-	-
Deferred Tax Asset		
Difference in book and tax depreciation	(18,40,641)	8,85,080
Disallowance under section 43B	79,88,088	70,76,821
	<b>61,47,447</b>	<b>79,61,901</b>
<b>12 INVENTORIES</b>		
(As taken, valued and Certified by the Management)		
Raw Materials	31,82,972	1,15,31,809
Stores and Spares	51,86,648	56,25,320
Work in Progress	50,72,089	58,61,440
Finished Goods	7,57,21,103	8,60,58,838
Parabolic	34,37,080	21,46,821
	<b>9,25,99,892</b>	<b>11,12,24,228</b>
Mode of valuation: Inventories are valued at cost including incidental expenses and on FIFO basis. Cost of Finished goods and work in progress is determined on the basis of absorption costing method and valued at cost or market value whichever is less.		

## NOTES TO THE FINANCIAL STATEMENTS

	2020 ₹	2019 ₹
<b>13 TRADE RECEIVABLES</b>		
Unsecured-Considered Good	1,99,96,287	1,60,95,920
Outstanding for a period exceeding six months from the date they are due for payment		
Others	6,83,35,463	7,87,05,662
	<b>8,83,31,750</b>	<b>9,48,01,582</b>
<b>14 CASH AND BANK BALANCES</b>		
Cash and Cheques on Hand	1,88,190	1,87,784
With Scheduled Banks:		
In Current Account	8,63,599	38,06,734
In unclaimed dividend Bank account	3,94,168	5,53,596
In fixed deposit as security for loans, L.C and guarantees	61,24,478	74,64,909
	<b>75,70,435</b>	<b>1,20,13,023</b>
<b>15 SHORT TERM LOANS AND ADVANCES</b>		
Unsecured, considered good		
Advance to employees	2,46,892	1,23,338
Others	57,39,145	50,13,131
Advance Tax & T.D.S	83,79,790	1,40,40,876
Deposits :		
Central Excise	1,77,287	1,77,287
Others	27,86,475	32,56,298
	<b>1,73,29,589</b>	<b>2,26,10,930</b>
<b>16 OTHER INCOME</b>		
Government Benefit PF	28,083	92,138
Profit on Disposal of Assets	98,30,131	-
Income from Investments	35	5,92,000
Transportation Charges	1,16,025	-
Interest from F.D. with bank *	2,95,521	4,42,932
Interest on K E B Deposit	87,049	91,230
Miscellaneous *	3,76,005	4,49,617
	<b>1,07,32,849</b>	<b>16,67,917</b>
*Tax Deducted at Source	<b>15,12,957</b>	<b>15,40,700</b>
<b>17 RAW MATERIALS CONSUMED</b> (Including Intermediates & Components)		
Stock as on 01.04.2019	1,15,31,809	1,01,14,334
Add: Purchases	8,89,42,506	13,42,62,317
	<b>10,04,74,316</b>	<b>14,43,76,651</b>
Less: Stock as on 31.03.2020	31,82,972	1,15,31,809
	<b>9,72,91,344</b>	<b>13,28,44,841</b>
Details of raw material consumed :		
M.S.Billets	3,04,584	42,69,705
Steel flats	8,96,69,161	11,69,79,210
Parabolic	47,84,498	85,62,378
Others	25,33,101	30,33,548
	<b>9,72,91,344</b>	<b>13,28,44,841</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2020 ₹	2019 ₹
<b>18 CHANGE IN INVENTORIES</b>		
Opening Stocks:		
Finished Goods	8,60,58,838	6,61,62,032
Work in progress	58,61,440	72,10,494
	9,19,20,278	7,33,72,526
Closing Stocks:		
Finished Goods	7,57,21,103	8,60,58,838
Work in progress	50,72,089	58,61,440
	8,07,93,192	9,19,20,278
	(1,11,27,086)	1,85,47,752
<b>Increase/(decrease) stock</b>	(1,11,27,086)	1,85,47,752
<b>19 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Bonus	5,16,75,581	5,16,35,053
Company's Contribution to Provident and Other Funds	26,03,004	24,47,727
Gratuity	32,29,165	(7,54,589)
Welfare Expenses	77,33,555	83,23,547
Pension Fund	24,43,422	25,34,046
	6,76,84,727	6,41,85,784
<b>20 FINANCE COSTS</b>		
Interest :		
On Fixed Deposits	75,56,845	71,78,583
On Cash credits & Term Loans	77,73,489	77,03,062
Bank Charges	(2,171)	1,09,181
	1,53,28,163	1,49,90,826
<b>21 OTHER EXPENDITURE</b>		
Stores and Spares Consumed	32,31,000	39,37,973
Power and Fuel	1,54,65,366	2,08,94,955
Freight	92,69,291	1,05,63,881
Directors' Sitting Fees	30,000	37,500
Rent	34,88,100	31,89,788
Rates and Taxes	26,27,413	24,60,724
Advertisement	13,32,329	16,00,040
Insurance	10,18,444	9,04,000
Commission and Discounts	75,44,252	66,95,643
Travelling	35,66,975	37,38,478

## NOTES TO THE FINANCIAL STATEMENTS

	2020 ₹	2019 ₹
<u>Repairs and Maintenance:</u>		
Buildings	15,46,010	42,64,286
Machinery	10,98,420	13,90,951
Vehicles	8,99,741	8,82,709
Others	12,63,999	19,01,321
Service tax on Transportation		
Loss on Disposed		3,774
Consultancy Charges		25,000
<u>Payments to Auditors Including Service Tax</u>		
Audit Fees .	1,26,500	1,26,500
Company Law Matters	11,500	11,500
Taxation Matters	11,500	11,500
Tax Audit	23,000	23,000
Certification of Statements	11,500	11,500
Miscellaneous	6,71,110	9,88,774
Prior period item (net )	(82,601)	20,077
Legal and professional charges	3,25,765	2,78,861
Printing and stationery	3,88,777	3,50,364
Postage and communication charges	6,86,067	7,04,855
Security charges	15,72,485	16,57,051
	<b>5,61,26,943</b>	<b>6,66,75,005</b>
<b>22 Revenue from operations #</b>		
<u>RENTAL INCOME:</u>		
Storage Charges	62,19,120	62,54,454
Amenity Charges	99,94,716	1,00,30,748
	<b>1,62,13,836</b>	<b>1,62,85,202</b>
<u>OPERATIONAL INCOME</u>		
SALE OF SPRINGS	19,12,58,940	22,30,68,561
SALE OF CLIPS	58,30,114	63,84,625
SALE OF PARABOLIC	97,45,486	1,02,94,433
	<b>20,68,34,540</b>	<b>23,97,47,619</b>
	<b>22,30,48,376</b>	<b>25,60,32,821</b>

NOTE:# :Refer note number 36



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## NOTES TO THE FINANCIAL STATEMENTS

### 23 SYSTEM OF ACCOUNTING:

The Company follows mercantile system of accounting.

### 24 ACCOUNTING POLICIES:

#### **Fixed Assets**

Fixed assets are stated at their original cost of acquisition, construction or installation as the case may be, reduced by GST, sales/discard and accumulated depreciation.

#### **Depreciation**

Depreciation on assets is provided at the rates set out in **Schedule II** to the **Companies Act, 2013** on written down value method.

#### **Investments**

Investments are stated at cost of acquisition.

#### **Inventories**

i) Stores and spares

At cost and on FIFO basis.

ii) Raw Materials

At cost including incidental expenses like freight, transport, etc., and on FIFO basis.

iii) Work in progress and Finished Goods:

Work in progress at cost, finished goods at cost or market value whichever is lower and waste at estimated realisable value. Cost is determined on the basis of absorption costing method. Market value is based on available market price.

#### **Taxation:**

Tax expenses for the year, comprising current tax and deferred tax is included in determining the net profit for the year. A provision is made for the current tax based on tax liability computed in accordance with the relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at current tax rates. Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

#### **Segment Accounting:**

The Company has only one line of product viz., manufacture of leaf springs and is managed organisationally as a single unit. Therefore, no separate segment is identifiable as required by Accounting Standard 17 issued by the Institute of Chartered Accountants of India.

#### **Earning per share:**

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.



## NOTES TO THE FINANCIAL STATEMENTS

Disclosure in accordance with accounting standards as notified by the company's (Accounting Standard ) Rules 2006

### 25 ACCOUNTING STANDARD (AS ) 15 ON EMPLOYEE BENEFITS :

- i) The company's contributions to Provident Fund, Superannuation Fund and Pension Fund are charged to Profit & Loss Account.
- ii) The Company has set up an Employee Group Gratuity Trust Fund under Group Gratuity ( Cash Accumulation) Scheme of Life Insurance Corporation of India. Provision has been made for Gratuity upto 31.03.2020 based on actuarial valuation received from LIC of India
- iii) Liability on account of leave encashment benefits of employees on retirement is accounted on cash basis. The liability on this account, if any, is not capable of being quantified. However, the said liability is not material.

### Defined Contribution Plans :

	Current Year	Previous Year
	₹	₹
Contribution to Employees' Provident Fund	19,00,297	17,99,641
Contribution to Employees' State Insurance Fund	13,86,693	16,84,479
Contribution to Employees' Superannuation Fund	2,79,270	2,76,329
	<u>35,66,260</u>	<u>37,60,449</u>

### Defined Benefit Plans : Gratuity

#### a) Liability recognised in the balance sheet

	Current Year	Previous Year
	₹	₹
Present Value of obligations as at 01-04-2019	3,73,66,033	3,87,04,253
Interest Cost	28,02,452	29,02,819
Current service cost	13,13,261	14,31,574
Benefit paid	(53,61,319)	(17,17,888)
Actuarial (gain) /loss on obligations	1,10,211	(39,54,725)
Present Value of obligations	<u>3,62,30,638</u>	<u>3,73,66,033</u>
As at 31-03-2020		

#### b) Fair value of plan assets

As at 01-04-2019	1,46,83,914	1,49,61,071
Expected return on plan assets	9,96,759	11,34,257
Contributions	3,08,437	3,06,474

## NOTES TO THE FINANCIAL STATEMENTS

Benefits paid	(53,61,319)	(17,17,888)
Actuarial gain (loss) on plan assets	-	-
Fair value of plan assets	1,06,27,791	1,46,83,914
Funded Status	(2,56,02,847)	(2,26,82,119)
Net Assests / (Liability) recognized in balance sheet	(2,56,02,847)	(2,26,82,119)
<b>c) Actuarial gain/loss recognised 31-03-2020</b>		
Actuarial gain (loss) -obligations	(1,10,211)	39,54,725
Actuarial gain (loss) -plan assets	-	-
Total (gain)/ loss for the year	1,10,211	(39,54,725)
Actuarial (gain) / loss recognised	1,10,211	(39,54,725)
<b>d) Expenses during the year</b>		
Current service cost	13,13,261	14,31,574
Interest cost	28,02,452	29,02,819
Expected return on plan assets	(9,96,759)	(11,34,257)
Net actuarial (gain)/ loss	1,10,211	(39,54,725)
Total	<u>32,29,165</u>	<u>(7,54,589)</u>
<b>e) Principal actuarial assumptions</b>	<b>As on 31-03-2020</b>	<b>As on 31-03-2019</b>
Discounting rate	7.25%	7.50%
Salary escalation	3.50%	3.50%

The above figures are based on valuation done by the Life Insurance Corporation of India.

## 26 ACCOUNTING STANDARD (AS ) 18 ON RELATED PARTY DISCLOSURES

### 26.1 Related Parties

#### A. Key Management Personnel

1. Mr. Srinivas V. Kudva
2. Mr. Premnath S. Kudva

#### B. Relatives of the Key Management Personnel

- Ms. Sneha P. Kudva  
Ms. Kavya P. Kudva

#### C. Enterprises over which any of ( A ) or ( B ) can exercise control or significant influence

1. V. S. Kudva Investments Pvt. Limited
2. CPC Logistics Ltd.,

## 26.2 Transaction with related Parties

- a) Name of Related Party V. S Kudva Investments (P) Ltd.,  
 Nature of Transaction: Accepted Inter Corporate Loan  
 Value of transaction ₹2,90,50,000/- (₹2,82,00,000/-) borrowed as loan  
 ₹38,94,754/- (₹37,40,452/- ) as interest on Loan  
 Balance as at Year end ₹2,90,50,000/- (₹2,82,00,000/-)
- b) Name of Related Party CPC Logistics Ltd  
 Nature of Transaction: Payment of freight and receipt of hire charges  
 Value of transaction Freight charges paid ₹11,28,098/-  
 Godown rent Collected ₹6,08,880/  
 Job Work paid -
- c) Transaction with the key management personnel  
 i) Remuneration paid ₹26,37,915/- (₹25,46,185/- )  
 ii) Exempted Deposits accepted during this year ₹8,00,000/- (NIL )  
 iii) Interest paid on deposits ₹6,24,780/- (₹5,42,250/- )  
 iv) Exempted Deposit at the year end ₹44,15,000/- (₹36,15,000/-)
- d) Transaction with the Relatives of the key management personnel  
 i) Deposits accepted during this year NIL  
 ii) Interest paid on deposits ₹1,29,934.02 (₹1,15,889.22)  
 iii) Deposit at the year end ₹8,94,000/ (₹8,94,000/-)

## 27 DEPOSITS FROM DIRECTORS :

Name	Amount (₹ )	Accounting Head
Sri M. Venkatesh Pai	23,49,000	Exempted Deposits
Total	23,49,000	

## 28 VALUE OF IMPORTS ON C.I.F. BASIS NIL

## 29 EXPENDITURE IN FOREIGN CURRENCY NIL

## 30 ACCOUNTING STANDARD (AS ) 20 : EARNINGS PER SHARE

Particulars	31.03.2020 ₹	31.03.2019 ₹
Profit after tax as per statement of profit & loss	(1,87,94,525)	(60,80,536)
Weighted average number of equity shares	14,69,909	14,69,909
Earning per share of face value Rs 10/- each		
Before Extra-Ordinary item	(12.79)	(4.14)
After Extra-Ordinary item	(12.79)	(4.14)

### 31 ACCOUNTING STANDARD (AS ) 29 : PROVISIONS,CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Particulars	As at 01/04/2019	Additions	Used	As at 31/03/2020
Income Tax	83,50,000 (83,50,000)	-	42,00,000	41,50,000 (83,50,000)
Gratuity	2,26,82,119 (2,37,43,182)	32,29,165 (7,54,589)	3,08,437 (3,06,474)	2,56,02,847 (2,41,91,297)

### Contingent Liabilities and Commitments :

Particulars	31.03.2020	31.03.2019
A) Contingent Liabilities (1) LC & Guarantees	1,16,18,210	2,06,64,292
B) Commitments Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

### 32 RAW MATERIALS CONSUMED:

	2020		2019	
	Quantity M.T.	Value ₹	Quantity M.T.	Value ₹
a) Raw Materials:				
Billets	6	3,04,584	81	42,69,705
Steel Flats & Clips	1594	8,96,69,161	2066	11,69,79,210
Bushes (Nos.)	86,839	18,74,759	1,06,869	21,06,241
Others		6,58,341		9,27,306
Sheared Flats	189	47,84,498	191	85,62,378
		9,72,91,344		13,28,44,841

b) Percentage of Raw Materials	Value ₹	Percentage	Value ₹	Percentage
Consumed:				
Imported	-	-		
Indigenous	9,72,91,344	100	13,28,44,841	100
	9,72,91,344	100	13,28,44,841	100

## 33 OPENING AND CLOSING STOCK OF GOODS PRODUCED AND TURNOVER:

	OPENING STOCK		CLOSING STOCK		TURNOVER	
	Quantity	Value	Quantity	Value	Quantity	Value
	M.T.	₹	M.T.	₹	M.T.	₹
Laminated Leaf Springs	895	8,60,58,838	729	7,57,21,103	1,764	26,30,47,311
	(815)	(6,61,62,032)	(895)	(8,60,58,838)	(2,088)	(30,73,50,881)
Process Rejection & Scrap					98	20,70,080
					(147)	(28,30,122)
Miscellaneous Items						18,58,040
						(3,90,572)
						26,69,75,431
						(31,05,71,575)

34 Based on the data received from the vendors there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors .

35 Sundry debtors and creditors balances are subject to confirmation and reconciliation. However as per the outstanding dues to MSME Reporting the MSME Creditors as on 31.03.2020 is Rs. 12,94,269/- which is paid subsequently within the stipulated time.

36 Sales from operation includes Rental income (Schedule number 22)

For A. UMANATH RAO & CO.,  
Chartered Accountants.  
FR No. 004454S

(A. SURESH RAO-M.No. 19703)  
Partner

CIN : U51909KA1943PLC001075  
Place: Mangaluru  
Date : 24-08-2020

SRINIVAS VAMAN KUDVA  
Chairman & Managing Director  
(DIN : 00125821)

PREMNATH SRINIVAS KUDVA  
Whole Time Director  
(DIN : 00126024)

VASANT SRINIVAS KUDVA  
Director  
(DIN : 00668434)

VODERBET MAHESH KAMATH  
Director  
(DIN : 00192643)

VENKATESH PAI MANGALORE  
Director  
(DIN : 00126551)