BOARD OF DIRECTORS	:	Premnath Srinivas Kudva, Chairman & Managing Director
		Venkatesh Pai Mangalore
		Vodorbet 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@bfsl.co.in / avp_rta@bfsl.co.in
BANKERS	:	State Bank of India
		Canara 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 78th Annual General Meeting of The Canara Workshops Limited will be held on Thursday, the 30th day of September 2021 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 31st March 2021 together with the Reports of Board of Directors & Auditor's.
2. To appoint a Director in place of Sri Venkatesh Pai Mangalore (DIN: 00126551) who retires by rotation and being eligible, offers himself for re-appointment.
3. Ratification of Auditor's Appointment

SPECIAL BUSINESS:

4. **TO RATIFY AND TO APPROVE THE APPOINTMENT OF SRI. PREMNATH SRINIVAS KUDVA (DIN: 00126024) AS A CHAIRMAN AND MANAGING DIRECTOR:**

   To consider and if thought fit, with or without modification to pass the following resolution as a **SPECIAL RESOLUTION:**

   "**RESOLVED THAT** pursuant to the provision of Section 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, consent of the Shareholders of the Company be and is hereby accorded to ratify and approve the appointment of Sri. Premnath Srinivas Kudva as Chairman and Managing Director of the Company for the period of 5 years with effect from 31st October, 2020."

   "**RESOLVED FURTHER THAT** subject to the provisions of Companies Act 2013, remuneration paid to Sri. Premnath Srinivas Kudva (DIN: 00126024) as a Chairman and Managing Director of the Company be and hereby fixed on the following terms for the period of three years from 31st October, 2020 to 30th October, 2023 as provided in Schedule V of the Companies Act, 2013:

   I. Salary: The Salary of Rs. 101,500/- per month for Chairman and Managing Director of the Company in the scale of Rs. 101500/- 5500 - Rs. 140000 - including dearness and other allowances with effect from 31st October 2020.

      The Annual Increment will be effective 1st April each year will be decided by the Board and is merit based and after taking into account Company's performance.

   II. Perquisites: The Ceiling for the perquisites shall be calculated as per the evaluation under the Income Tax Rules wherever applicable. In the absence of any such rules the perquisites shall be at actual costs. Perquisites are classified into A, B and C as follows:

CATEGORY A:

i. The expenditure incurred by Company on accommodation (if furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with thereof as such as Gas, Electricity, Water and furnishing shall be valued as per the Income Tax Rules 1962.

ii. Medical Reimbursement: Expenses incurred for self and family.

iii. Leave Travel Concession: Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the company.

iv. Mediclaim Insurance Scheme is as per Companies Rules.

CATEGORY B:

i. Provident Fund: Contribution to Provident Fund and Superannuation Fund in accordance with the Company's Rules.

ii. Gratuity: Gratuity in accordance with the company's Rules.

CATEGORY C:

i. Conveyance: Free use of Company's Car.

ii. Telephone : Free Telephone facility at residence.

Provision of free car for use for Company's business and telephone at residence will not be considered in computing the value of Perquisites. Personal long distance call in the telephone and use of car for private purpose shall be billed by the Company to the appointee.

iii. Commission: Such remuneration by way of Commission, in addition to the above Salary and perquisites calculated with reference to the net profit of the Company in a particular financial year, subject to the over all ceiling stipulated in Section 198 of the Act. The specific amount payable to the appointee not exceeding their respective annual salaries will be paid on evaluation of performance of the Company per month.

Minimum Remuneration:

Notwithstanding anything to the Contrary herein contained where in any financial year during the currency of appointment of the company has no profits or its profits are inadequate, the company will pay remuneration by way of Salary and perquisites as specified above.

"**RESOLVED FURTHER THAT**, any of the existing directors of the company be and are hereby authorized to digitally sign and file necessary form with Registrar of Companies, Karnataka and to do all such acts, deeds, things which are necessary to give effect to this resolution."

"**RESOLVED FURTHER THAT**, the above referred resolution has been passed in accordance with the mechanism prescribed by Ministry of Corporate Affairs vide General circular No. 14/2020 dated 8th April, 2020 and General circular No. 17/2020 dated 13th April, 2020 and in compliance with the applicable provisions of the Companies Act 2013 and rules thereof"

5. **CREATION OF CHARGES ON THE MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY, BOTH PRESENT AND FUTURE, IN RESPECT OF BORROWINGS ;**

To consider and, if thought fit, with or without modification to pass the following resolutions proposed as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act 2013, and the rules made thereunder as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with the power to take over the management and concern of the company in certain events, to or in favour of all or any of the financial institution/banks/insurance companies/other investing agencies/trustees for holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any of the financial institution banks/ insurance companies/other investing agencies or any other Rupee foreign currency loans debentures bonds or other instruments (hereinafter interest thereon at the respective agreed rates, additional interest , compound interest, liquidated damages, commitment charges, premia on pre payment or on redemption cost charges, expenses and all other moneys payable by the company to the aforesaid parties or any of them under that Agreements/Arrangements entered into/to be entered into by the company in respect of the said loans, shall not at any time exceed the limit of Rs. 50 Crores (Rupees Fifty Crores).

"**RESOLVED FURTHER THAT** the existing directors of the Company be and are hereby authorized to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in this regard and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith."

"**RESOLVED FURTHER THAT**, the above referred resolution has been passed in accordance with the mechanism prescribed by Ministry of Corporate Affairs vide General circular No. 14/2020 dated 8th April, 2020 and General circular No. 17/2020 dated 13th April, 2020 and in compliance with the applicable provisions of the Companies Act 2013 and rules thereof"

6. **TO BORROW MONEY IN EXCESS OF PAID UP CAPITAL AND FREE RESERVES OF THE COMPANY:**

To consider and, if thought fit, with or without modification to pass the following resolutions proposed as a Special Resolution:

"**RESOLVED THAT** superseding all the previous resolution passed in this regard, and pursuant to the provisions of Section 180(1)(C) and other applicable provisions, if any, of the Companies Act 2013, the consent of the shareholders be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding Rs. 50 Crores (Rupees fifty Crores) [including the money already borrowed by the Company] on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the company's assets and effects or properties including stock in trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose".

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts deeds, things including digitally signing the respective e-forms with the Registrar of Companies Karnataka, in order to give effect to this resolution".

"**RESOLVED FURTHER THAT**, the above referred resolution has been passed in accordance with the mechanism prescribed by Ministry of Corporate Affairs vide General Circular No. 14/2020 dated 8th April, 2020 and General circular No. 17/2020 dated 13th April, 2020 and in compliance with the applicable provisions of the Companies Act 2013 and rules thereof"

(By Order of the Board Directors)

Sd/-

PREMNATH SRINIVAS KUDVA

Chairman & Managing Director

DIN: 00126074

Place: Mangaluru

Date: 04.09.2021

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 5th May, 2020, read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th 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 78th 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 Corporates 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 78th 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 78th 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 ascertaining 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 Email 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 - BgSE Financials Limited, Stock Exchange Towers, No.51, 1st Cross, J.C.Road, Bangalore- 560027. Ph. No. 080 41329661. E-mail: cs_rta@bfsl.co.in or avp_rta@bfsl.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 INE02US01015 Shareholders are requested to DEMAT the shares held by them.

11. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13,2020, the Notice calling the AGM has been uploaded on the website of the Company at www.canarasprings.in. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

12. 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. / 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@bfsl.co.in or avp_rta@bfsl.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

13. The Board has appointed Mr. Khethar 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.

14. 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").

15. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

16. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.

17. 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 Sunday 26th September 2021 and will end at 5:00 p.m. on Wednesday 29th September 2021. The e-voting module shall be disabled by CDSL for voting thereafter.

18. The Members, whose names appear in the Register of Members / List of Beneficial Owners as on Saturday 18th September 2021 are entitled to vote on the Resolution set forth in this notice.

19. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, 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.

20. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

21. The Members desiring to vote through electronic mode/ remote e-voting may refer to the detailed procedure on e-voting given hereinafter.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

(i) The voting period begins on 9:00 a.m. on Sunday 26th September 2021 and ends on 5:00 p.m. on Wednesday 29th September 2021. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Saturday 18th September 2021 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to

through their Depository Participants	NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) **Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	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. 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.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 is to be also 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.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant "The CANARA WORKSHOPS LIMITED" on which you choose to vote.

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) 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.

(xvi) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**

- Non – Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; canarasprings@gmail.com / investor@canarasprings.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. 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.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at canarasprings@gmail.com / investor@canarasprings.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at canarasprings@gmail.com / investor@canarasprings.com. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are 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 during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company at canarasprings@gmail.com / investor@canarasprings.com /RTA at cs_rta@bfsl.co.in or avp_rta@bfsl.co.in.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43

All grievances connected with the facility for voting by electronic means may be addressed to Mr. RakeshDalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, MarathonFuturex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

(By Order of the Board Directors)

PREMNATH SRINIVAS KUDVA
Chairman & Managing Director
DIN: 00126024

Place: Mangaluru
Date: 04.09.2021

EXPLANATORY STATEMENT IN PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO 4

TO RATIFY AND TO APPROVE THE APPOINTMENT OF SRI. PREMNATH SRINIVAS KUDVA (DIN: 00126024) AS A CHAIRMAN AND MANAGING DIRECTOR

Sri.Premnath Srinivas Kudva (DIN: 00126024) was appointed as the Chairman and Managing Director of the Company for a period of Five (5) years with effect from 31st October 2020 in the board meeting dated 31st October 2020. Sri.Premnath Srinivas Kudva (DIN: 00126024) has been associated with the Company since 1986 and currently holds overall responsibility for the working of the

Company. Keeping in view the contribution made by Sri. Premnath Srinivas Kudva (DIN: 00126024) for the growth of the Company, the Board of Directors of the Company have recommended the appointment of Sri. Premnath Srinivas Kudva (DIN: 00126024) on the following terms and conditions;

i. Salary: The Salary of Rs. 101500/- per month for Chairman and Managing Director of the Company in the scale of Rs. 101500/- 5500 - Rs. 140000/- including dearness and other allowances with effect from 31st October 2020.

The Annual Increment will be effective 1st April each year will be decided by the Board and is merit based and after taking into account Company's performance.

ii. Perquisites: The Ceiling for the perquisites shall be calculated as per the evaluation under the Income Tax Rules wherever applicable. In the absence of any such rules the perquisites shall be at actual costs. Perquisites are classified into A, B and C as follows:

CATEGORY A:

i. The expenditure incurred by Company on accommodation (if furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with the cost as such as Gas, Electricity, Water and furnishing shall be valued as per the Income Tax Rules 1962.

ii. Medical Re-imbursement: Expenses incurred for self and family.

iii. Leave Travel Concession: Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the company.

iv. Mediclaim Insurance Scheme is as per Companies Rules:

CATEGORY B:

i. Provident Fund: Contribution to Provident Fund and Superannuation Fund in accordance with the Company's Rules.

ii. Gratuity: Gratuity in accordance with the company's Rules.

CATEGORY C:

i. Conveyance: Free use of Company's Car.

ii. Telephone : Free Telephone facility at residence.

Provision of free car for use for Company's business and telephone at residence will not be considered in computing the value of Perquisites. Personal long distance call in the telephone and use of car for private purpose shall be billed by the Company to the appointee.

iii. Commission: Such remuneration by way of Commission, in addition to the above salary and perquisites calculated with reference to the net profit of the Company in a particular financial year, subject to the over all ceiling stipulated in Section 198 of the Act. The specific amount payable to the appointee not exceeding their respective annual salaries will be paid on evaluation of performance of the Company per month

Minimum Remuneration:

Notwithstanding anything to the Contrary, herein contained wherein any financial year during the currency of appointment of the company has no profits or its profits are inadequate, the company will pay remuneration by way of Salary and perquisites as specified above.

According to the provisions of Schedule V of the Companies Act, 2013, in case the companies doesn't earn sufficient profit or there is inadequate profit, resolution shall be passed for the remuneration payable to the Managing director for the period not exceeding three years, hence the remuneration payable to Sri. Premnath Srinivas Kudva (Din: 00126024)is proposed to be fixed for the period not exceeding three years.

The details required pursuant to the provisions of Schedule V of the Companies Act, 2013, are as under:

I. General information:

i. Nature of industry	:	Manufacturing
ii. Date or expected date of commencement of commercial production	:	27th January 1949
iii. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	Not Applicable
iv. Financial performance based on given indicators	:	For the year ended 31.03.2021 — Rs in lakhs Turnover (gross) 1805.02 Profit after tax (274.84) Networth 20.78
v. Foreign investments or collaborations, if any.	:	N.A.

II. Information about the appointee:

1. Background details	:	Grandson of our Founder Late Sri. Vaman Srinivas Kudva and son of Sri. Srinivas Vaman Kudva, our present Chairman and Managing Director, is an Engineering graduate from Manipal Institute of Technology and also holds a post graduate diploma in Management from T.M.A. Pai of Management Institute, Manipal. He joined The Canara Workshops Limited in 1986 and was inducted into the Board of Directors of the Company as Executive Director on 9 June 1992. From then on, he has been instrumental in developing and strengthening the Company in all the activities to reach the pinnacle of success.
2. Past remuneration	:	17,31,152.00
3. Recognition or awards	:	NIL
4. Job profile and his suitability	:	He has a keen acumen for perfection and always guides his team towards the perfection. He has made "Canara Springs" as a market leader in all the four states of South India. He is the charter President of Rotary Club of Mangalore Central, and was the youngest charter president at that time. He is a vivid reader and has a large collection of books.
5. Remuneration proposed	:	1. Salary: The Salary of Rs. 101500 per month for Chairman and Managing Director of the Company in the scale of Rs. 101500/- 5500/- Rs.140000/- including dearness and other allowances with effect from 31st October 2020. The Annual increment will be effective 1st April each year will be decided by the Board and is merit based and after taking into account Company's performance.

		ii. Perquisites: The Ceiling for the perquisites shall be calculated as per the evaluation under the Income Tax Rules wherever applicable. In the absence of any such rules the perquisites shall be at actual costs. Perquisites are classified into A, B and C as follows: CATEGORY A: i.The expenditure incurred by Company on accommodation (if furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with thereof as such as Gas, Electricity, Water and furnishing shall be valued as per the Income Tax Rules 1962. ii.Medical Re-imbursement: Expenses incurred for self and family. iii.Leave Travel Concession: Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the company. iv.Mediclaim Insurance Scheme: as per Companies Rules: CATEGORY B: i.Provident Fund: Contribution to Provident Fund and Superannuation Fund in accordance with the Company's Rules. ii.Gratuity: Gratuity in accordance with the company's Rules. CATEGORY C: i.Conveyance: Free use of Company's Car. ii. Telephone : Free Telephone facility at residence. Provision of free car for use for Company's business and telephone at residence will not be considered in computing the value of Perquisites. Personal long distance call in the telephone and use of car for private purpose shall be billed by the Company to the appointee. Commission: Such remuneration by way of Commission, in addition to the above Salary and perquisites calculated with reference to the net profit of the Company in a particular financial year, subject to the over-all ceiling stipulated in Section 198 of the Act. The specific amount payable to the appointee not exceeding their respective annual salaries will be paid on evaluation of performance of the Company per month. Minimum Remuneration: Notwithstanding anything to the Contrary, herein contained wherein any financial year during the currency of appointment of the company has no profits or its profits are inadequate. the company will pay remuneration by way of Salary and perquisites as specified above.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (In case of expatriates the relevant details would be with respect to the country of his origin)	:	Considering the size of the Company's operation the proposed remuneration is well within the general industry trends.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	:	51,656 no of shares is held by Mr. Premnath Srinivas Kudva as a first holder (3.51% of total shareholding).

II. Other information

1. Reasons of loss or inadequate profits	:	Due to sluggish market condition in the Automobile Ancillary the Company's performance was affected.
2. Steps taken or proposed to be taken for improvement	:	However the Company has proposed various measures to improve its performance by introducing requirement of similar production to the new vehicle with proposed measures taken for improvement of the operations.
3. Expected increase in productivity and profits in measurable terms	:	Due to current pandemic of Covid -19, management is anticipating medium to long term impact on the business.

Accordingly, the Board recommends passing of the resolutions, as set out in the accompanying notice, by the members.

None of the Directors/ Shareholders except Mr. Vasant Srinivas Kudva (Director and Shareholder), Sharada S. Kudva (Shareholder), Suchitra P. Kudva (Shareholder) Sneha P Kudva (Shareholder) and Kavya P Kudva (Shareholder) are concerned or interested financially or otherwise in the above resolution.

ITEM NO 5

CREATION OF CHARGES ON THE MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY, BOTH PRESENT AND FUTURE, IN RESPECT OF BORROWINGS :

As per the provisions of Section 180(1)(a) of the companies Act, 2013 the Board of Directors shall not except with the consent of the members, sell, lease, mortgage, and or charge the immovable and movable properties of the company wheresoever situated, present and future to or in favour of lenders financial institutions banks for borrowings by the company. Now, in view of the increased business activities and future growth plans of the company, your Directors feel that there may be a need to sell, lease, mortgage/charge the assets of the company while exercising the power of borrowing delegated to the Board upto a limit of Rs. 50 Crores (Rupees Fifty Crores Only) subject to the limits approved by the members from time to time under of Section 180(1)(c) of the Companies Act 2013.

Accordingly, the Board recommends passing of the resolutions, as set out in the accompanying notice, by the members.

None of the directors, key managerial personnel or their relatives are interested in the said resolution financially or otherwise.

ITEM NO 6

TO BORROW MONEY IN EXCESS OF PAID UP CAPITAL AND FREE RESERVES OF THE COMPANY:

Keeping in view the company's existing and future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company may, from time to time, raise finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/ or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid up capital and free reserves of the Company. Hence it is proposed to fix the borrowing limits to Rs. 50 Crores for the Company.

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid up capital of the Company and its free reserves at any time except with the consent of the members of the Company in a general meeting.

Accordingly, the Board recommends passing of the resolutions, as set out in the accompanying notice, by the members.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise

(By Order of the Board Directors)

Place: Mangaluru
Date: 04.09.2021

PRAMNATH SRINIVAS KUDVA
Chairman & Managing Director
DIN : 00126074

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their 78th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31st, 2021.

1. a. Performance and Operations of the Company

As reported in last year's financial report, the impact of Covid-19 pandemic and restrictions imposed by the Government affected our working both in manufacturing and sales severely. We were unable to get back to normalcy till middle of the financial year under report.

Though, movement of commercial vehicles were permitted, garages and workshops were not permitted to open. This in turn had an impact on our sales.

Even during the current financial year, our performance largely depends on the pandemic situation and the Government decision thereon.

Your Directors are pleased to inform you that the total revenue is Rs. 18,20,91,416/- during the current year as against Rs. 23,37,81,225/- during the previous year. The Net loss of the Company for the current year is Rs. 2,24,04,279/- as against the net loss of Rs. 1,87,94,525/- for the previous year.

b. Working of the Company during the year:

Inspite of the restrictions imposed by the Government, we continued our efforts to maintain supply chain and meet our customer's requirement in time. We have also maintained good cash flow with continued efforts on collections from our customers.

c. Financial summary or highlights

Financial Results;

S No.	Particulars	2020-2021	2019-2020
1.	Gross Revenue	18,20,91,416	23,37,81,225
2.	Profit Before Finance costs and Depreciation	(58,12,963)	15,51,125
3.	Finance costs	1,51,61,947	1,53,28,163
4.	Gross Profit (loss)	(2,09,74,910)	(1,37,77,038)
5.	Provision for Depreciation	28,00,773	32,03,033
6.	Net profit / (loss)Before Tax	(2,37,75,683)	(1,69,80,071)
7.	Provision for Tax(Deferred Tax credit)	(13,71,404)	18,14,454
8.	Net Profit/ (loss) After Tax	(2,24,04,279)	(1,87,94,525)
9.	General Reserve Balance including Surplus	(1,26,20,772)	97,83,507

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 31st March 2021, 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 speciality 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 1,92,74,000

   b) Accepted During the year- INR 1,49,29,000

   (c) Repaid During the year - INR 1,94,35,000

   (d) Remained unpaid (Outstanding) as at the end of the year- INR 1,47,68,000

   (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 unsecured loan of Rs. 2,50,000 from Sri. Srinivas Vaman Kudva erstwhile Chairman and Managing Director, Rs. 2,00,000 from Mr. Premnath Srinivas Kudva (DIN: 00126024) present Chairman and Managing Director and Rs. 1,63,000 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. **Annual return**

    The draft Annual Return of the Company can be viewed on the Company's website at the following weblink: https://canarasprings.in/wp-content/uploads/2021/08/Form_MGT_7.pdf

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 31st, 2021, the strength of the Board of Directors was four. The composition of the Board as on 31st March 2021 is as under:

Name of the director	Designation	Date of Appointment
Sri Premnath Srinivas Kudva	Chairman and Managing 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 Venkatesh Pai Mangalore (DIN: 00126551) Director, retiring by rotation at the ensuing Annual General Meeting, being eligible, offer himself for re-appointment. Your Board recommends his re-appointment.

Changes in the board during the year 2020-2021

Sri Srinivas Vaman Kudva (DIN: 00125821) Chairman and Managing Director of the company has expired on 29.08.2020 and his cessation was noted by the board through circular resolution dated 24.09.2020. The Board expresses its gratitude towards the valuable contribution made by Sri. Srinivas Vaman Kudva (DIN: 00125821) during his tenure as a Chairman and Managing Director of the Company.

Further, there was change in designation of Sri. Premnath Srinivas Kudva (Din: 00126024) from Whole Time Director to Chairman and Managing Director vide resolution passed in the meeting of Board of Directors held on 31.10.2020 subject to approval of shareholders in ensuing Annual General Meeting.

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

The Board of Directors met 4 times in the financial year 2020-2021 which is on 30.06.2020, 24.08.2020, 31.10.2020 and 06.02.2021. 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**

Establishment of Vigil mechanism is not applicable to the Company as it does not satisfy the criteria laid down in Section 177 of Companies Act, 2013, read with Rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014

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 31st March, 2021 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

The Directors wish to place on record their appreciation to the wholehearted help, co-operation and hard work, the Company has received from the stakeholders of the Company.

For and on behalf of the Board of Directors

Place: Mangalore
Date: 04.09.2021

Sd/-	Sd/-
PREMNATH SRINIVAS KUDVA	VENKATESH PAI MANGALORE
Chairman & Managing Director	Director
DIN: 00126024	DIN: 00126551

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:

		2021	2020
1.	**ELECTRICITY**		
(A)	Purchased (KWH in Lakhs)	6.81	7.49
	Total Amount (₹ in Lakhs)	56.84	72.49
	Rate/KWH (in ₹)	9.15	9.67
(B)	Own Generation		
	i. Through Diesel Generator		
	Units (in Lakhs)	0.07	0.02
	Units/Ltr. of Diesel Oil	2.63	1.73
	Cost/Unit	26.89	41.98
	ii. Through Steam Turbine/Generator		
	Units	-	-
	Units/Ltr. of Fuel Gas	-	-
	Cost/Unit	-	-
2.	**COAL**		
	(Not used)		
3.	**FURNACE OIL/LDO**		
	i. FURNACE OIL		
	Quantity (In '000 Ltrs)	201.65	202.70
	Total Amount (₹ in Lakhs)	57.21	63.69
	Average Rate Ltr. (in ₹)	28.37	31.42
	ii. L.D.O.		
	(Not used)		
4.	**L P G**		
	Quantity In (Kgs)	35275	34425
	Total Amount (₹ in Lakhs)	19.95	19.27
	Average Rate Kg (in ₹)	56.56	55.60
B.	**TECHNOLOGY ABSORPTION**		
C.	**FOREIGN EXCHANGE EARNINGS AND OUTGO**		
	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/	Sd/
Place: Mangalore	PREMNATH SRINIVAS KUDVA	VENKATESH PAI MANGALORE
Date: 04.09.2021	Chairman & Managing Director	Director
	DIN: 00126024	DIN: 00126351

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. 15,93,710/-
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. 1,77,000/-
6.	Date of approval by the Board	30.01.2020, 31.10.2020
7.	Amount paid as advances, if any	

For and on behalf of the Board of Directors

Place: Mangalore
Date: 04.09.2021

Sd/	Sd/
PREMNATH SRINIVAS KUDVA	VENKATESH PAI MANGALORE
Chairman & Managing Director	Director
DIN: 00126024	DIN: 00126551

A.UMANATH RAO & CO.
Chartered Accountants
007, Ibrose, 7th Cross, M.G.Road,
Kodialbail, Mangalore - 575 003
Tel: 2494157
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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 31,2021, 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, 2021, 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.

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.

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.

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.

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, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 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

Place: Mangaluru
Date : 04.09.2021

(A. SURESH RAO)
Partner
Membership No. 19703
UDIN: 21019703AAAAJH5646

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.

		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, 2021 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

(A. SURESH RAO)
Partner
Membership No. 19703
UDIN : 21019703AAAAJH5646

Place: Mangaluru
Date : 04.09.2021

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 The Canara Workshops Limited ("the Company") as at March 31, 2021, 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 of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial 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 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, 2021, 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: 21019703AAAAJH5646

Place: Mangaluru
Date : 04.09.2021

Balance Sheet as at 31st March, 2021

	Note No.	2021 ₹	2021 ₹	2020 ₹	2020 ₹
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUND :					
Share Capital	1	1,46,99,090		1,46,99,090	
Reserves and Surplus	2	(1,26,20,777)		97,83,502	
			20,78,313		2,44,82,592
NON-CURRENT LIABILITIES :					
Long-term borrowings	3	4,48,21,181		3,05,79,735	
Long-Term Provisions	4	2,98,36,498		2,56,02,847	
			7,46,57,679		5,61,82,582
CURRENT LIABILITIES :					
Short-term Borrowings	5	10,05,25,760		9,99,73,717	
Trade Payables	6	3,68,02,475		3,35,73,838	
Other Current Liabilities	7	95,34,728		91,90,401	
Short term Provisions	8	28,62,141		56,25,644	
			14,97,25,104		14,83,63,600
TOTAL			22,64,61,096		22,90,28,774
ASSETS :					
NON-CURRENT ASSETS					
Property, Plant & Equipment	9	1,96,49,053		1,65,90,333	
Non current Investments	10	4,59,327		4,59,327	
Deferred Tax Asset (Net)	11	75,18,851	2,76,27,231	61,47,447	2,31,97,107
CURRENT ASSETS					
Inventories	12	11,00,09,708		9,25,99,897	
Trade Receivables	13	7,25,53,120		8,83,31,750	
Cash and Bank Balances	14	41,73,841		75,70,435	
Short term Loans and Advances	15	1,20,97,196	19,88,33,865	1,73,29,590	20,58,31,666
TOTAL			22,64,61,096		22,90,28,774

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

PREMNATH SRINIVAS KUDVA
Chairman & Managing Director
(DIN : 00126024)

VASANT SRINIVAS KUDVA
Director
(DIN: 00668434)

CIN : L51909KA1943PLC001075
Place: Mangaluru
Date : 04.09.2021

VODERBET MAHESH KAMATH
Director
(DIN : 00192643)

VENKATESH PAI MANGALORE
Director
(DIN : 00126551)

Statement of Profit and Loss for the year ended 31st March, 2021

	Note No.	2021 ₹	2021 ₹	2020 ₹	2020 ₹
REVENUE :					
Revenue from operations	22	18,05,02,298		22,30,48,376	
			18,05,02,298		22,30,48,376
Other Income	16		15,89,148		1,07,32,849
TOTAL REVENUE			18,20,91,446		23,37,81,225
EXPENSES :					
Raw Materials Consumed	17		8,90,05,058		9,72,91,344
Change in Inventories	18		(1,16,43,151)		1,11,77,086
Employee Benefits	19		6,20,26,453		6,76,84,727
Finance Costs	20		1,51,61,947		1,53,28,163
Depreciation	9		28,00,773		37,03,033
Other Expenses	21		4,85,16,049		5,61,26,943
TOTAL EXPENSES			20,58,67,129		25,07,61,296
PROFIT BEFORE TAX			(2,37,75,683)		(1,69,80,071)
TAX EXPENSES					
Current Tax					
Deferred Tax		(13,71,404)		18,14,454	
			(13,71,404)		18,14,454
PROFIT FOR THE YEAR			(2,24,04,279)		(1,87,94,525)

	2021	2020
Basic and diluted earning per share (in Rupees)	(15.24)	(12.79)
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
FR No. 004515S
(A. SURESH RAO-M.No. 19703)
Partner

CIN : U51909KA1943PLC001075
Place: Mangaluru
Date : 04.09.2021

PREMNATH SRINIVAS KUDVA
Chairman & Managing Director
(DIN : 00126024)

VODERBET MAHESH KAMATH
Director
(DIN : 00197643)

VASANT SRINIVAS KUDVA
Director
(DIN: 00668434)

VENKATESH PAI MANGALORE
Director
(DIN : 0012655[illegible])

CASH FLOW STATEMENT

FOR THE YEAR ENDED		31.03.2021 (₹)	31.03.2020 (₹)
A. Cash flow from Operating Activities:			
Net Profit before tax		(2,37,75,683)	(169,80,071)
Adjustments for:			
Depreciation		28,00,773	37,03,033
Interest/Dividend Income		(5,28,000)	(35)
Interest Charged		1,51,61,947	1,53,25,992
Rent and Other Income		(1,30,22,797)	(1,65,89,841)
Loss on Scrap/Sale of Assets		-	-
Profit on Sale of Assets		(3,72,153)	(98,30,131)
Operating Profit before Working Capital Changes		(1,97,35,913)	(248,71,053)
Adjustments for:			
Trade Receivable		1,57,78,630.19	64,69,832
Inventories		(1,74,09,816)	1,86,24,336
Short Term Loans and Advances		(7,19,297)	(3,79,745)
Long Term Provisions		42,33,651	29,20,728
Short Term Provisions		(28,13,503)	(58,24,159)
Trade Payable		32,78,637	(1,33,16,954)
Other Current Liabilities		3,44,327	16,53,887
Cash Generated from Operations		(1,70,43,284)	(147,23,128)
Interest paid		(75,71,419)	(77,73,489)
Taxes paid		59,51,690	56,61,086
Net Cash From Operating Activities	(A)	(1,86,63,013)	(1,68,35,531)
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets		(60,43,260)	(19,47,101)
Sale of Fixed Assets		5,55,922	10127,844
Rent Received		1,30,22,797	1,65,89,841
Interest & Dividend Received		5,28,000	35
Investment-Trade		-	-
Net Cash used in Investing Activities	(B)	80,63,459	2,47,75,619
C. Cash Flow From Financing Activities			
Long Term Borrowings		142,41,446	6,74,613
Short Term Borrwings		5,52,042	(54,54,786)
Interest & Hire Purchase Charges		(75,90,528)	(75,52,503)
Net Cash From Financing Activities	(C)	72,02,960	(1,73,87,676)
Net Increase in Cash & Cash equivalents	(A)+(B)-(C)	(33,96,593.84)	(44,42,588)
Cash & Cash equivalents at the Beginning of the Year		75,70,435	120,13,023
Cash & Cash equivalents at the End of the Year		41,73,841	75,70,435

As per our report of even date attached,

For A. UMANATH RAO & CO.,
Chartered Accountants.
F R No. 004545
(A. SURESH RAO-M.No. 19703)
Partner
Place: Mangaluru.
Date : 04.09.2021

PREMNATH SRINIVAS KUDVA
Chairman & Managing Director
(DIN : 00176074)

VODERBET MAHESH KAMATH
Director
(DIN : 00197643)

VASANT SRINIVAS KUDVA
Director
(DIN : 00668434)

VENKATESH PAI MANGALORE
Director
(DIN : 00126551)

NOTES TO THE FINANCIAL STATEMENTS

		2021 ₹	2020 ₹
1	**SHARE CAPITAL**		
	Authorised		
	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
		5,00,00,000	5,00,00,000
	Issued and Paid-up		
	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 preferencial amount, in proportion to their shareholding. The details of share holders holding more than 5% shares		
		No of shares % of holding	No of shares % of holding
	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
2	**RESERVES AND SURPLUS**		
	Capital Reserve		
	As per last Balance Sheet	1,35,887	1,35,887
	Capital Redemption Reserve		
	As per last Balance Sheet	6,00,000	6,00,000
	General Reserve		
	As per last Balance Sheet	2,61,07,729	2,61,07,729
	Add: Transferred from surplus	-	-
		2,61,07,729	2,61,07,729

NOTES TO THE FINANCIAL STATEMENTS

	2021 ₹	2020 ₹
Surplus		
As per last Balance Sheet	(1,70,60,114)	17,34,412
Less : Profit/(Loss) for the year	(2,24,04,279)	(1,87,94,525)
	(3,94,64,393)	(1,70,60,114)
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	(3,94,64,393)	(1,70,60,114)
	(1,26,20,777)	97,83,502
3 LONG-TERM BORROWINGS		
(a) TERM LOANS		
Term Loan from State Bank of India		
(secured by hypothecation of Vehicle		
Repayable in 84 monthly instalments starting from 2018-2019	4,70,134	6,64,639
CIAZ CAR		
ERTIGA CAR	4,60,600	7,01,806
MAHINDRA JEETO		1,60,290
COL free Automatic Loan	92,90,447	-
(b) DEPOSITS (Unsecured)	-	-
Inter Corporate Deposits - Related Party	3,46,00,000	2,90,50,000
(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)		
	4,48,21,181	3,05,79,735
4 LONG-TERM PROVISIONS		
Provision for Employees benefits	2,98,36,498	2,56,02,847

NOTES TO THE FINANCIAL STATEMENTS

		2021 ₹	2020 ₹
5	**SHORT-TERM BORROWINGS**		
	Current maturities of long-term debt (See note 3)		
	Deposits	1,55,15,489	2,42,52,195
	Exempted deposit from Directors	39,27,000	67,64,000
	Term Loan from State Bank of India-ERTIGA CAR	1,53,654	64,597
	Term Loan from State Bank of India-CIAZ CAR	1,31,474	56,879
	Term Loan from State Bank of India-Mahindra Jeeto	1,01,023	72,705
	Col free Automatic Loan	35,90,000	
	Term Loan with SBI (C C Int payment)	5,69,000	
	LOANS REPAYABLE ON DEMAND		
	From Banks :	7,65,38,120	6,87,53,391
	Secured :		
	Cash credit from State Bank of India secured by equitable mortgage of Mulgeni rights on land and buildings and hypothication of plant & machinery, furniture, stocks and receivables		
		10,05,25,760	9,99,73,717
6	**TRADE PAYABLES**		
	For Purchases	3,68,02,475	3,35,23,838
7	**OTHER CURRENT LIABILITIES**		
	Unpaid Dividend *		3,94,168
	Statutory dues	55,75,508	37,02,437
	Other Liabilities	23,42,812	32,78,302
	Deposits from Tenants and Contractors	16,16,408	18,15,494
		95,34,728	91,90,401
	*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.		
8	**SHORT-TERM PROVISIONS**		
	Provision for Employee benefits	28,62,141	15,25,644
	Provision for Income tax	-	41,50,000
		28,62,141	56,75,644

NOTES TO THE FINANCIAL STATEMENTS

9. TANGIBLE ASSETS:

	GROSS BLOCK				DEPRECIATION/AMORTISATION			NET BLOCK	
Property, Plant and Equipment	Cost as at 01-04-2020 ₹	Additions ₹	Disposals/ Scrapings ₹	Cost as at 31-03-2021 ₹	Up to 01-04-2020 ₹	For the Year ₹	Up to 31-03-2021 ₹	As at 31-03-2021 ₹	As at 01-04-2020 ₹
Land	2,50,715	-	-	2,50,715	-	-	-	2,50,715	2,50,715
Buildings	2,01,82,287	53,30,696	-	2,55,12,983	1,34,65,215	3,35,484.76	1,38,00,700	1,17,12,284	67,17,072
Plant and Machinery	5,29,04,253	23,800	-	5,29,28,053	4,74,38,270	8,85,294	4,83,23,564	46,04,489	54,65,983
Furniture & Equipments	44,29,151	56,119	-	44,85,269	41,15,992	84,303	42,30,296	2,54,974	2,83,158
Vehicles	1,99,18,641	-	1,83,769	1,97,34,873	1,82,03,573	7,12,578.34	1,89,16,151	8,18,721	17,15,068
Computers	73,12,876	6,32,645	-	79,45,521	51,54,539	7,83,113.35	59,37,653	20,07,868	21,58,336
Total	10,49,97,923	60,43,260	183,769	11,08,57,415	8,84,07,589	28,00,773	9,12,08,365	1,96,49,051	1,65,90,332
Previous Year	10,33,53,534	19,42,101	2,97,713	10,49,97,922	8,52,04,557	32,03,033	8,84,07,589	1,65,90,333	1,81,48,977

* Figures in brackets represent depreciation withdrawn on disposals/scrapings.

NOTES TO THE FINANCIAL STATEMENTS

	2021 ₹	2020 ₹
10 NON-CURRENT INVESTMENTS		
Securities - Quoted - Trade-At cost		
160,000 (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
Securities - Unquoted - Non-Trade-At cost		
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
	4,45,527	4,45,527
Government Securities -Unquoted- Trade		
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
	13,800	13,800
TOTAL	4,59,327	4,59,327
Quoted and Unquoted Investments : Cost	4,59,327	4,59,327
11 DEFERRED TAX ASSET (NET)		
Deferred Tax Liability		
Difference in book and tax depreciation	-	-
Deferred Tax Asset		
Difference in book and tax depreciation	(17,90,136)	(18,40,641)
Disallowance under section 43B	93,08,987	79,88,088
	75,18,851	61,47,447
12 INVENTORIES		
(As taken, valued and Certified by the Management)		
Raw Materials	58,17,064	31,82,972
Stores and Spares	52,92,239	51,86,648
Work in Progress	28,47,655	50,72,089
Finished Goods	8,95,88,688	7,57,71,103
Parabolic	64,64,062	34,37,080
	11,00,09,708	9,25,99,892
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

	2021 ₹	2020 ₹
13 TRADE RECEIVABLES		
Unsecured-Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	1,77,65,079	1,99,96,287
Others	5,47,88,041	6,83,35,463
	7,25,53,120	8,83,31,750
14 CASH AND BANK BALANCES		
Cash and Cheques on Hand	1,06,137	1,88,190
With Scheduled Banks:		
In Current Account	34,98,704	8,63,599
In unclaimed dividend Bank account		3,94,168
In fixed deposit as security for loans,L.C and guarantees	5,69,000	61,24,478
	41,73,841	75,70,435
15 SHORT TERM LOANS AND ADVANCES		
Unsecured,considered good		
Advance to employees	3,16,499	2,46,892
Others	65,66,122	57,39,145
Advance Tax & T.D.S	24,28,100	83,79,790
Deposits :		
Central Excise		1,77,787
Others	27,86,475	27,86,475
	1,20,97,196	1,73,29,589
16 OTHER INCOME		
Government Benefit PF	1,587	28,083
Profit on Disposal of Assets	3,72,153	98,30,131
Income from Investments	5,28,000	35
Transportation Charges	37,546	1,16,025
Interest from F.D. with bank *	1,73,470	2,95,521
Interest on K E B Deposit	45,280	87,049
Other Interest	90,773	-
Miscellaneous *	3,40,339	3,76,005
	15,89,148	1,07,32,849
Tax Deducted at Source	10,70,641	15,12,957
17 RAW MATERIALS CONSUMED		
(Including Intermediates & Components)		
Stock as on 01.04.2020	31,82,972	1,15,31,809
Add: Purchases	9,16,39,150	8,89,42,506
	9,48,22,122	10,04,74,316
Less: Stock as on 31.03.2021	58,17,064	31,82,972
	8,90,05,058	9,72,91,344
Details of raw material consumed :		
M.S.Billets	-	3,04,584
Steel flats	817,20,689	8,96,69,161
Parabolic	48,51,792	47,84,498
Others	24,32,577	25,33,101
	8,90,05,058	9,72,91,344

NOTES TO THE FINANCIAL STATEMENTS

	2021 ₹	2020 ₹
18 CHANGE IN INVENTORIES		
Opening 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
Closing Stocks:		
Finished Goods	8,95,88,688	7,57,21,103
Work in progress	28,47,655	50,72,089
	9,24,36,343	8,07,93,192
	1,16,43,151	(1,11,27,086)
Increase/(decrease) stock	1,16,43,151	(1,11,27,086)
19 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	4,45,58,707	5,16,75,581
Company's Contribution to Provident and Other Funds	23,51,688	26,03,004
Gratuity	70,63,798	32,29,165
Welfare Expenses	59,99,217	77,33,555
Pension Fund	20,53,043	24,43,422
	6,20,26,453	6,76,84,727
20 FINANCE COSTS		
Interest :		
On Fixed Deposits	74,92,858	75,56,845
On Cash credits & Term Loans	75,71,419	77,73,489
Bank Charges	97,670	(2,171)
	1,51,61,947	1,53,28,163
21 OTHER EXPENDITURE		
Stores and Spares Consumed	26,23,154	32,31,000
Power and Fuel	1,36,67,013	1,54,65,366
Freight	78,30,113	97,69,791
Directors' Sitting Fees	30,000	30,000
Rent	34,37,617	34,88,100
Rates and Taxes	26,92,485	26,27,413
Advertisement	8,47,978	13,32,329
Insurance	9,92,816	10,18,444
Commission and Discounts	64,92,082	75,44,252
Travelling	17,15,018	35,66,975

NOTES TO THE FINANCIAL STATEMENTS

	2021 ₹	2020 ₹
Repairs and Maintenance:		
Buildings	17,26,932	15,46,010
Machinery	8,53,405	10,98,420
Vehicles	9,16,323	8,99,741
Others	11,82,282	12,63,999
Payments to Auditors Including Service Tax		
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	2,49,569	6,71,110
Prior period item (net)	3,56,090	(82,601)
Legal and professional charges	3,36,460	3,25,765
Printing and stationery	3,83,198	3,88,777
Postage and communication charges	6,07,318	6,86,067
Security charges	13,92,196	15,77,485
	4,85,16,049	5,61,76,943
22 Revenue from operations #		
RENTAL INCOME:		
Storage Charges	48,69,600	62,19,120
Amenity Charges	78,12,858	99,94,716
	1,26,82,458	1,62,13,836
OPERATIONAL INCOME		
SALE OF SPRINGS	15,35,52,795	19,17,58,940
SALE OF CLIPS	49,88,911	58,30,114
SALE OF PARABOLIC	92,78,134	97,45,486
	16,78,19,840	20,68,34,540
	18,05,02,298	22,30,48,376

NOTE:# :Refer note number 36

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 31.03.2021 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	14,25,403	19,00,297
Contribution to Employees' State Insurance Fund	6,84,217	13,86,693
Contribution to Employees' Superannuation Fund	2,13,063	2,79,770
	23,22,683	35,66,760

Defined Benefit Plans : Gratuity

a) Liability recognised in the balance sheet

	Current Year ₹	Previous Year ₹
Present Value of obligations as at 01.04.2020	3,62,30,638	3,73,66,033
Interest Cost	26,26,721	28,02,452
Current service cost	12,73,877	13,13,261
Benefit paid	(51,36,482)	(53,61,319)
Actuarial (gain) /loss on obligations	38,32,787	1,10,211
Present Value of obligations As at 31-03-2020	3,88,27,541	3,62,30,638

b) <u>Fair value of plan assets</u>

As at 01.04.2020	1,06,27,791	1,46,83,914
Expected return on plan assets	6,69,587	9,96,759
Contributions	28,30,147	3,08,437

NOTES TO THE FINANCIAL STATEMENTS

Benefits paid	(51,36,482)	(53,61,319)
Actuarial gain (loss) on plan assets	-	-
Fair value of plan assets	89,91,043	1,06,27,791
Funded Status	(2,98,36,498)	(2,56,02,847)
Net Assests / (Liability) recognized in balance sheet	(2,98,36,498)	(2,56,02,847)

c) **Actuarial gain/loss recognised 31-03-2021**

Actuarial gain (loss) -obligations	(38,32,787)	(1,10,211)
Actuarial gain (loss) plan assets	-	
Total (gain)/ loss for the year	38,32,787	1,10,211
Actuarial (gain) / loss recognised	38,32,787	1,10,211

d) **Expenses during the year**

Current service cost	12,73,877	13,13,261
Interest cost	26,26,721	28,02,452
Expected return on plan assets	(6,69,587)	(9,96,759)
Net actuarial (gain)/ loss	38,32,787	1,10,211
Total	70,63,798	32,29,165

e) **Principal acturial assumptions**

	As on 31-03-2021	As on 31-03-2020
Discounting rate	7.00%	7.25%
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

25.1 Related Parties

A. Key Management Personnel

1. 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 — ₹3,46,00,000/- (₹2,90,50,000/-) borrowed as loan
₹47,70,961/- (₹38,94,754/-) as interest on Loan
Balance as at Year end — ₹3,76,00,000/- (₹2,90,50,000/-)

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 ₹15,93,710/-
Godown rent Collected ₹1,77,000/
Job Work paid -

c) Transaction with the key management personnel
i) Remuneration paid ₹16,59,488/ (₹26,37,915/-)
ii) Exempted Deposits accepted during this year ₹4,50,000/- (₹8,00,000)
iii) Interest paid on deposits ₹6,98,209/- (₹6,24,780/-)
iv) Exempted Deposit at the year end ₹14,15,000/- (₹14,15,000/-)

d) Transaction with the Relatives of the key management personnel
i) Deposits accepted during this year ₹14,15,000/
ii) Interest paid on deposits ₹1,45,613.75/-(₹1,79,934.07)
iii) Deposit at the year end ₹12,60,000/ (₹8,94,000/-)

27 Exempted Deposits from Directors :

Name	Amount (₹)	Accounting Head
Sri M. Venkatesh Pai	25,12,000	Fixed Deposits
Total	25,12,000	

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	31.03.2021 ₹	31.03.2020 ₹
Profit after tax as per statement of profit & loss	(2,74,04,779)	(1,87,94,575)
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	(15.24)	(12.79)
After Extra-Ordinary item	(15.24)	(12.79)

31 Accounting Standard (AS) 29 : Provisions,Contingent Liabilities and Contingent Assets

Particulars	As at 01/04/2020	Additions	Used	As at 31/03/2021
Income Tax	41,50,000		41,50,000.00	NIL
Gratuity	2,56,02,847	70,63,798	28,30,147	2,98,36,498
	(2,26,82,119)	(32,29,165)	(3,08.437)	(2,56,02,847)

Contingent Liabilities and Commitments :

Particulars	31.03.2021	31.03.2020
A) Contingent Liabilities		
(1) LC & Guarantees		1,16,18,210
B) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

32 Raw Materials Consumed:

	2021		2020	
	Quantity M.T.	Value ₹	Quantity M.T.	Value ₹
a) Raw Materials:				
Billets			6	3,04,584
Steel Flats & Clips	1512	8,17,20,689	1594	8,96,69,161
Bushes (Nos.)	81,220	18,31,439	86,839	18,74,759
Others		6,01,138		6,58,371
Sheared Flats	66	48,51,792	189	47,84,498
		8,90,05,058		9,72,91,344

b) Percentage of Raw Materials	Value ₹	Percentage	Value ₹	Percentage
Consumed:				
Imported	-	-		
Indigenous	8,90,05,058	100	9,72,91,344	100
	8,90,05,058	100	9,72,91,344	100

33 OPENING AND CLOSING STOCK OF GOODS PRODUCED AND TURNOVER:

	OPENING STOCK		CLOSING STOCK		TURNOVER	
	Quantity M.T.	Value ₹	Quantity M.T.	Value ₹	Quantity M.T.	Value ₹
Laminated Leaf Springs	**729**	**7,57,21,103**	**836**	**8,95,88,688**	**1,413**	**21,20,98,369**
	(895)	(8,60,58,838)	(729)	(7,57,21,103)	(1,764)	(26,30,47,311)
Process Rejection & Scrap					**164**	**32,64,491**
					(98)	(20,70,080)
Miscellaneous Items						**96,188**
						(18,58,040)
						21,54,59,048
						(26,69,75,431)

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. However as per the outstanding dues to MSME Reporting the MSME Creditors as on 31/03/21 is Rs.16,35,716/-, which is paid subsequently within the stipulated time.

35 Sundry debtors and creditors balances are subject to confirmation and reconciliation.

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 : 04.09.2021

PREMNATH SRINIVAS KUDVA
Chairman & Managing Director
(DIN : 00126024)

VASANT SRINIVAS KUDVA
Director
(DIN: 00668434)

VODERBET MAHESH KAMATH
Director
(DIN : 00192643)

VENKATESH PAI MANGALORE
Director
(DIN : 00126551)