


**CANARA**  
**Springs**



**79<sup>th</sup>**

**ANNUAL REPORT**  
**2021-22**

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

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

**Company Secretaries** : Chethan Nayak & Associates

**Registrar & Share Transfer Agent:** BgSE Financials Ltd.,  
51, Stock Exchange Towers, 1st Cross, J. C. Road  
Bangalore - 560 027.  
Phone : 080 - 41405259, 41329661  
E-mail : cs\_rta@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 79TH ANNUAL GENERAL MEETING OF THE CANARA WORKSHOPS LIMITED WILL BE HELD ON WEDNESDAY, 28TH DAY OF SEPTEMBER 2022 AT 10.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT V.S. KUDVA ROAD, MAROLI, MANGALORE -575005 TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

1. To receive and adopt the Audited Financial Statement of accounts for the year ended 31st March 2022 together with the Reports of Board of Directors & Auditor's.
2. To appoint a Director in place of Sri. Voderbet Mahesh Kamath (DIN: 00192643) who retires by rotation and being eligible, offers himself for re-appointment.
3. Reappointment of Statutory Auditor

To consider, if thought fit with or without modification the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of section 139 and other applicable provisions if any of the companies act 2013 and Rule 3, 4 5 and 6 of Companies (Audit and Auditors) Rule 2014, as amended from time to time, A. Umanath Rao & Co., Chartered Accountants (Firm Reg No: 004454S), be and are hereby appointed as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2027 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditor.”

(By Order of the Board Directors)

Place: Mangalore  
Date: 24.08.2022

PREMNATH SRINIVAS KUDVA  
Chairman & Managing Director  
DIN: 00126024

### 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, 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. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. In case a proxy is proposed to be appointed by



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a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
4. Shareholders are required to intimate changes in their addresses, if any.
5. Shareholders are requested to register their E mail ID with the company to enable the company to send all communications including notice of the meetings electronically.
6. 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 vp-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.
7. 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 Share holders are requested to DEMAT the shares held by them.
8. The Notice calling the AGM has been uploaded on the website of the Company at [www.canarasprings.in](http://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](http://www.evotingindia.com).
9. The Board has appointed Mr. Chethan Nayak K, Practicing Company Secretary, (Membership No. 4736, Certificate No 3140) to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.
10. 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").
11. 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 Saturday, 24th September 2022 and will end at 5:00 p.m. on Tuesday, 27th September 2022. The e-voting module shall be disabled by CDSL for voting thereafter.
12. The Members, whose names appear in the Register of Members/ list of Beneficial Owners as on Tuesday, 20th September 2022 are entitled to vote on the Resolution set forth in this notice.
13. Members joining the meeting physically, 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 but shall not be entitled to cast their vote again.
14. The Members desiring to vote through electronic mode/ remote e-voting may refer to the detailed procedure on e-voting given hereinafter.

## THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING ARE AS UNDER:

- (i) The voting period begins on 9:00 a.m. on Saturday, 24th September 2022 and ends on 5:00 p.m. on Tuesday, 27th September 2022. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Tuesday, 20th September 2022 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	<p>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>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 &amp; voting during the meeting.</p>



	<p>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.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be 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.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>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: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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 &amp; voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or 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 &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login</p>	<p>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</p>

through their <b>Depository Participants</b>	e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider 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.
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**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 <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting 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](http://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](http://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:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
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](http://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](mailto:helpdesk.evoting@cdslindia.com).



- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com 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 PHYSICALLY & 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. 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.
3. 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.
4. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
5. Only those shareholders, who are present in the AGM 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.
6. 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, 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

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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@bfsi.co.in or vp-rta@bfsi.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. Rakesh Dalvi, 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)

Place: Mangalore  
Date: 24.08.2022

PREMNATH SRINIVAS KUDVA  
Chairman & Managing Director  
DIN: 00126024

## DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting their 79th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31st, 2022.

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

In spite of our spirited efforts to overcome the set-backs faced in the last financial year in improving the performance of the Company, there was hardly any respite from the lackluster automobile ancillary market segment.

In addition to the low market demand, increase in the cost of essentials like raw materials, fuels and other miscellaneous items which forms a part of our production cost was a major stumbling block in our efforts to neutralize the gap between the production costs and the market cost.

The Steel prices were escalating every two months and had reached a high of Rs. 79,000/-PMT, a 25% increase during the year. Similarly, the fuel price also shot up to a all time high of around Rs. 70,000/-PMT.

Our planned price increase on our products in the third quarter beginning October 2021, could not be implemented as we were in a conundrum owing to a uncertainty of future steel price hike and supplies for which we could not get any concrete reply from our suppliers, and we had to postpone the price increase further which was finally implemented from 1st April 2022 at the beginning of the current financial year.

Your Directors are pleased to inform you that the total income is Rs. 17,87,84,948/- during the current year as against Rs. 18,20,91,446/- during the previous year. The Net loss of the Company for the current year is Rs. 2,69,70,431/- as against the net loss of Rs. 2,24,04,279/-for the previous year.

We have started the current financial year 2022-23 on a positive note with the implementation of the price increase which will be reviewed again before the end of second quarter. In addition we have also taken certain decisions in ironing out the price differences on some of our products. We have also brought in changes in the benefits provided to our customers. With these changes implemented already, we hope to do better than the previous year.

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

In spite of the price increases and others set-backs, we have maintained a good cash flow and was able to maintain all statutory payments on time, apart from meeting our customer's requirements on time.

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c. Financial summary or highlights

Financial Results:

S. No.	Particulars	2021-2022	2020-2021
1.	Gross Income	17,87,84,948	18,20,91,446
2.	Profit/ (loss) Before Finance costs and Depreciation	(73,31,319)	(58,12,963)
3.	Finance costs	1,77,45,394	1,51,61,947
4.	Gross Profit/ (loss)	(2,50,76,713)	(2,09,74,910)
5.	Provision for Depreciation	24,76,494	28,00,773
6.	Net profit / (loss)Before Tax	(2,75,53,207)	(2,37,75,683)
7.	Provision for Tax/( Deferred Tax credit)	(5,82,776)	(13,71,404)
8.	Net Profit/ (loss) After Tax	(2,69,70,431)	(2,24,04,279)
9.	General Reserve Balance including Surplus	(3,95,91,208)	(1,26,20,777)

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 2022, the Company has not transferred any sum to General Reserves.

5. Brief Description of the Company:

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

6. Change in the nature of business, if any

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

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

No material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

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

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

**9. Deposits**

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

- (a) Existing deposits at the beginning of the year- INR 1,47,68,000
- (b) Accepted During the year- NIL
- (c) Repaid During the year -INR 5,00,000
- (d) Remained unpaid (Outstanding) as at the end of the year- INR 1,42,68,000
- (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. 23,10,000 /- from Mr. Premnath Srinivas Kudva (DIN: 00126024) Chairman and Managing Director and Rs. 4,88,000/- 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. The Board recommends the shareholders to appoint M/s. A. Umanath Rao & Co, Chartered Accountants, Mangalore (Firm Reg No: 004454S), as the statutory auditors of the company who shall hold office from the ensuing Annual General Meeting till the conclusion of the Annual general meeting to be held in the year 2027.

**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 web link: [www.canarasprings.in](http://www.canarasprings.in)

**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:

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**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, 2022, the strength of the Board of Directors was four. The composition of the Board as on 31st March 2022 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. Voderbet Mahesh Kamath (DIN: 00192643) 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 2021-2022**

Sri Premnath Srinivas Kudva (DIN: 00126024) who was appointed as Chairman and Managing Director vide resolution passed in the meeting of Board of Directors held on 31.10.2020, was ratified and appointed as Chairman and Managing Director of the Company for the period of 5 years with effect from 31st October 2020 vide Annual General Meeting dated 30th September 2021.

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

The Board of Directors met five times in the financial year 2021-2022 which is on 30.04.2021, 04.09.2021, 30.10.2021, 18.12.2021 and 31.01.2022. 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 except for the board meeting held on 30.04.2021 and 04.09.2021 which is within the extended period of 180 days provided by the Ministry of Corporate Affairs vide Circular No 08/2021 dated 03.05.2021 in the view of difficulties arising due to resurgence of Covid-19.

**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.

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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, 2022 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. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.**

There are no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

**27. The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.**

There was no one time settlement made during the year under review. However the banker has done the valuation at the time of availing the loan.

**28. 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: 24-08-2022

Chairman & Managing Director  
PREMNATH SRINIVAS KUDVA  
DIN: 00126024

Director  
VENKATESH PAI MANGALORE  
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:

	2022	2021
<b>1. ELECTRICITY</b>		
(A) Purchased (KWH in Lakhs)	5.34	6.81
Total Amount (Rs in Lakhs)	45.65	56.84
Rate/KWH (in Rs)	8.55	9.15
(B) Own Generation	-	-
i. Through Diesel Generator	-	-
Units (in Lakhs)	0.0151	0.07
Units/Ltr. of Diesel Oil	0.000015	2.63
Cost/Unit	61.24	26.89
ii. Through Steam	-	-
Turbine/Generator	-	-
Units	-	-
Units/Ltr. of Fuel/Gas	-	-
Cost/Unit	-	-
<b>2. COAL</b>		
(Not used)	-	-
<b>3. FURNACE OIL/LDO</b>		
I. FURNACE OIL		
Quantity (In '000 Ltrs)	130.762	201.65
Total Amount (Rs in Lakhs)	53.57	57.21
Average Rate/Ltr. (in Rs)	40.96	28.37
II. L.D.O.		
(Not used)	-	-
<b>4. L P G</b>		
Quantity in (Kg.)	23800	35275
Total Amount (Rs in Lakhs)	18.50	19.95
Average Rate/Kg (in Rs)	77.71	56.56
<b>B. TECHNOLOGY ABSORPTION</b>		
<b>C. FOREIGN EXCHANGE EARNINGS AND OUTGO</b>		
1. Foreign Exchange Earnings	-	-
2. Foreign Exchange Outgo	-	-
i. CIF Value of Imports	-	-
Raw Materials, Components	-	-
And Spare Parts.(in \$s)	-	-
ii. Capital Goods	-	-
iii. Others	-	-

For and on behalf of the Board of Directors

Place: Mangalore  
Date: 24-08-2022

Chairman & Managing Director  
PREMNATH SRINIVAS KUDVA  
DIN: 00126024

Director  
VENKATESH PAI MANGALORE  
DIN: 00126551



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## 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. Rs. 21,73,297/-
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	-

For and on behalf of the Board of Directors

Place: Mangalore  
Date: 24-08-2022

Chairman & Managing Director  
PREMNATH SRINIVAS KUDVA  
DIN: 00126024

Director  
VENKATESH PAI MANGALORE  
DIN: 00126551

**A.UMANATH RAO & CO.**

Chartered Accountants

007, Ibrose, 7th Cross, M.G.Road,

Kodialbail, Mangalore - 575 003

Tel: 2494157

E-mail:aurao57@gmail.com



## **INDEPENDENT AUDITORS' REPORT To The Members of THE CANARA WORKSHOPS LTD.**

### **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, 2022, and the statement of Profit and Loss, and the statement of cash flows for the year 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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and the loss and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the 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 audit opinion on the financial statements.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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.



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## **Other Information**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditor's report thereon. The annual report is to be made available to us after the date of the auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements our responsibility is to read the other information identified above when it becomes available and in doing so consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information identified above if we conclude that there is a material misstatement there in we are required to communicate the matter to those charged with governance and take necessary actions as applicable under the relevant laws and regulations.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information of board of director's 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

### **Responsibility of Management for Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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.



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## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. (A). 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.
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the 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".
- (B). 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.
  - d.
    - (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly,

# The **CANARA** Workshops Limited

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lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

e. The company has not declared or paid dividend during the year.

(C) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For A. Umanath Rao and Co.**  
Chartered Accountants  
Firm Registration No.004454S

**ASHWIN KINI H.**  
Partner  
Membership No. 236787  
UDIN : 22236787APUQHZ8054

Place : Mangalore

Date : 24-08-2022

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

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

### Clause 3:

1. In respect of the Company’s Property, Plant and Equipment:
    - (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
    - (ii) According to the information and explanations given to us, the records examined by us, we report that the Company does not hold any intangible assets in the name of the Company as at the balance sheet date.
    - (b) The Property, Plant and Equipment 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, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
    - (d) According to the information and explanations given to us, the records examined by us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
    - (e) According to the information and explanations given to us, the records examined by us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
  2. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and the coverage and procedure of such verification by the management is appropriate. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
    - (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
  3. According to information and explanation given to us, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. 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 complied with the provisions of Sections 73 to 76 or other relevant provisions of the Companies Act 2013 and the rules framed thereunder where applicable and the directives issued by the Reserve Bank of India as applicable with regard to deposits or amounts which are deemed to be deposits. As informed to
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us there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this matter and no order has been passed by any of the aforesaid authorities in this regard

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, 2022 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, there are no transactions that are recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961),
  9. In our opinion and according to the information and explanations given to us, with respect to Loans/Borrowings:
    - a. The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
    - b. The company is not been declared as a wilful defaulter by any bank or financial institution or other lender.
    - c. Term loans were applied for the purpose for which the loans were obtained and the amount of loan is not diverted.
    - d. Funds raised on short term basis have not been utilised for long term purposes.
    - e. The company has neither taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures nor it has any subsidiaries, associates or joint ventures.
    - f. The company has neither raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies nor it has any subsidiaries, joint ventures or associate companies.
  10. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x) (a) of the order is not applicable.  
(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3 (x) (b) of the order is not applicable.
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11. Frauds:

- a. According to the information and explanations given to us and the records of the company examined by us, no fraud by or on the company has been noticed or reported during the year.
  - b. No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government
  - c. There were no whistle-blower complaints received during the year by the company. Accordingly, paragraph 3 (xi) (c) of the order is not applicable.
12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) (a), 3 (xii) (b) and 3 (xii) (c) of the order is not applicable to the Company.
13. 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.
14. As per the Companies Act,2013 internal audit system is not applicable to the company. Accordingly, paragraph 3 (xiv) (a) and 3 (xiv) (b) of the order is also 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 has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) (a), 3(xvi) (b), 3(xvi) (c) and 3(xvi) (d) of the order is not applicable.
17. The company has incurred cash losses in the financial year and in the immediately preceding financial year. The amount of cash loss in the financial year is Rs. 2,50,76,713.00 and in the immediately preceding financial year is Rs. 2,09,74,909.82.
18. There has not been any resignation of the statutory auditors during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
20. Based on our examination of the records of the company, section 135 of the Companies Act,2013 is not applicable. Accordingly, paragraph 3(xx) (a) and 3(xx) (b) of the order is not applicable.
21. There have been no qualifications or adverse remarks. Accordingly, paragraph 3(xxi) of the order is not applicable.

Clause 4: NOT APPLICABLE.

For **A. Umanath Rao and Co.**  
Chartered Accountants  
Firm Registration No.004454S

**ASHWIN KINI H.**

Partner

Membership No. 236787

UDIN : 22236787APUQH8054

Place : Mangalore

Date : 24-08-2022

## 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, 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors’ responsibility**

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


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

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control

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

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

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

#### **Opinion**

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **A. Umanath Rao and Co.**  
Chartered Accountants  
Firm Registration No.004454S

**ASHWIN KINI H.**  
Partner  
Membership No. 236787  
UDIN : 22236787APUQHZ8054a

Place : Mangalore  
Date : 24-08-2022

## BALANCE SHEET AS AT 31st MARCH, 2022

(Rupees in Hundreds)

Particulars	Note No.	31st March 2022	31st March 2021
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	1,46,990.90	1,46,990.90
(b) Surplus	3	(3,95,912.08)	(1,26,207.77)
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	5,58,659.96	4,53,901.81
(b) Long Term Provisions		3,12,527.67	2,98,364.98
<b>(3) Current Liabilities</b>			
<b>(a) Trade Payables</b>	6		
(A) Total Outstanding Dues of Micro Enterprises and Small Enterprises; and		1,39,618.90	2,94,903.42
(B) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		2,10,643.19	73,121.33
(b) Other Current Liabilities	7	1,07,610.44	95,347.28
(c) Short-Term Provisions	8	28,056.65	28,621.41
(d) Short Term Borrowings		10,00,482.27	9,99,567.60
<b>Total</b>		<b>21,08,677.90</b>	<b>22,64,610.96</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Property, Plant and Equipment and Intangible Assets</b>			
<b>(I) Property, Plant and Equipment</b>	9	1,72,798.01	1,96,490.53
(b) Non-Current Investments	10	4,593.27	4,593.27
(c) Long Term Loans and advances	11	-	-
(d) Deferred Tax Asset (Net)	5	81,016.27	75,188.51
<b>(2) Current Assets</b>			
(a) Inventories	12	10,65,197.42	11,00,097.08
(b) Trade Receivables	13	6,16,236.75	7,25,531.20
(c) Cash and Cash Equivalents	14	54,251.22	41,738.41
(d) Short-Term Loans and Advances	15	1,14,584.96	1,20,971.96
<b>Total</b>		<b>21,08,677.90</b>	<b>22,64,610.96</b>

Significant Accounting Policies

1

Notes referred to above form an Integral part of the Financial Statements.

As per our report of even date

For & On Behalf of the Board

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

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

**VASANT SRINIVAS KUDVA**  
Director  
(DIN:00668434)

**(ASHWIN KINI H-M.No. 236787)**  
Partner


**VODERBET MAHESH KAMATH**  
Director  
(DIN:00192643)

**VENKATESH PAI MANGALORE**  
Director  
(DIN:00126551)

CIN : U51909KA1943PLC001075

Place: Mangalore

Date : 24-08-2022



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022**  
(Rupees in Hundreds)

Particulars	Note No.	2021 - 22	2020 - 21
Revenue from Operations	16	17,62,257.64	18,05,022.98
Other Income	17	25,591.84	15,891.48
<b>Total Income</b>		<b>17,87,849.48</b>	<b>18,20,914.46</b>
<b>Expenses:</b>			
Cost of Materials Consumed	18	7,86,204.69	8,90,050.58
Changes in Inventories of Finished Goods, Progress and Stock-in-Trade	19	507.83	(1,16,431.51)
Employee Benefit Expense	20	5,68,634.12	6,20,264.53
Financial Costs	21	1,77,453.94	1,51,619.47
Depreciation and Amortisation Cost	22	24,764.94	28,007.73
Other Expenses	23	5,05,816.03	4,85,160.49
<b>Total Expenses</b>		<b>20,63,381.55</b>	<b>20,58,671.29</b>
Profit Before Tax		<b>(2,75,532.07)</b>	<b>(2,37,756.83)</b>
Tax Expense:			
(1) Current Tax			
(2) Deferred Tax	5	(5,827.76)	(13,714.04)
Profit From the Period		<b>(2,69,704.31)</b>	<b>(2,24,042.79)</b>
Profit/(Loss) for the Period		<b>(2,69,704.31)</b>	<b>(2,24,042.79)</b>
Earning per equity share:	24		
Face value per equity shares Rs.10/- fully paid up.			
(1) Basic		-0.18	-0.15
(2) Diluted		-0.18	-0.15

Notes referred to above form an integral part of the Financial Statements.

As per our report of even date

For & On Behalf of the Board

For **A. UMANATH RAO & CO.,**  
Chartered Accountants,  
FR No. 0044545

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

**VASANT SRINIVAS KUDVA**  
Director  
(DIN:00668434)

**(ASHWIN KINI H-M.No. 236787)**  
Partner

**VODERBET MAHESH KAMATH**  
Director  
(DIN:00192643)

**VENKATESH PAI MANGALORE**  
Director  
(DIN:00126551)

CIN : U51909KA1943PLC001075

Place: Mangalore

Date : 24-08-2022

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31st 2022**

(Rupees in Hundreds)

	Particulars	31st March 2022	31st March 2021
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit Before Tax And Extraordinary Items	(2,75,532.07)	(2,37,756.83)
	Depreciation and Amortisation Expense	24,764.94	28,007.73
	(Profit) / Loss on Sale of Fixed Assets	-	(3,721.53)
	(Profit) / Loss on Redemption of Investments		
	Interest and Other Income on Investments	(20,640.00)	(5,280.00)
	Interest Expenses	1,77,453.94	1,51,619.47
	Rent and Other Income	(1,42,450.25)	(1,30,227.97)
		(2,36,403.44)	(1,97,359.13)
	Operating Profit/(loss) before working capital changes	<b>(2,36,403.44)</b>	<b>(1,97,359.13)</b>
	<b>Changes in Working Capital:</b>		
	Increase/(Decrease) in Trade Payable	(17,762.66)	32,786.37
	Increase/(Decrease) in Short Term Provisions	(564.76)	(28,135.03)
	Increase/(Decrease) in Long Term Provisions	14,162.69	42,336.51
	Increase/(Decrease) in Deferred Tax Liabilities		
	Increase/(Decrease) in other Current Liabilities	12,263.16	3,443.27
	(Increase) / Decrease in Short Term Loan and Advances	6,387.00	(7,192.97)
	(Increase) / Decrease in Trade Receivables	1,09,294.45	1,57,786.30
	(Increase) / Decrease in Inventories	34,899.66	(1,74,098.16)
		<b>1,58,679.54</b>	<b>26,926.29</b>
	<b>CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>(77,723.90)</b>	<b>(1,70,432.84)</b>
	Less: Taxes Paid	-	59,516.90
	Interest Paid	(88,607.12)	(75,714.19)
	<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>(1,66,331.02)</b>	<b>(1,86,630.13)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Tangible / Intangible Assets	(1,365.37)	(60,432.60)
	Sale of Tangible / Intangible assets	292.95	5,559.22
	Rent Received	1,42,450.25	1,30,227.97
	Dividend/Bank Interest Received	20,640.00	5,280.00
	<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>1,62,017.83</b>	<b>80,634.59</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Long Term Borrowings	1,04,758.15	1,42,414.46
	Short Term Borrowings	914.67	5,520.42
	Interest and Hire Purchase Charges	(88,846.82)	(75,905.28)
	<b>NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>16,826.00</b>	<b>72,029.60</b>
	<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>12,512.81</b>	<b>(33,966.94)</b>
	Cash and Cash Equivalents at Beginning Period (Refer Note 14)	41,738.41	75,704.35
	Cash and Cash Equivalents at End of Period (Refer Note 14)	54,251.23	41,738.41
<b>D.</b>	<b>Cash and Cash Equivalents Comprise of</b>		
	Cash on Hand	1,408.14	1,061.37
	Balances with Banks	52,843.08	40,677.04
	In Current Accounts		
	<b>Total</b>	<b>54,251.23</b>	<b>41,738.41</b>

This Cash Flow Statement has been prepared as per "Indirect Method" as prescribed by Accounting Standard -3 (revised) "Cash Flow Statements"

As per our report of even date

For & On Behalf of the Board

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

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

**VASANT SRINIVAS KUDVA**  
Director  
(DIN:00668434)

**(ASHWIN KINI H-M.No. 236787)**  
Partner

**VODERBET MAHESH KAMATH**  
Director  
(DIN:00192643)

**VENKATESH PAI MANGALORE**  
Director  
(DIN:00126551)

CIN : U51909KA1943PLC001075

Place: Mangalore

Date : 24-08-2022

## NOTES FORMING PART OF BALANCE SHEET

### Note 2 :- Share capital

(Rupees)

Particulars	31st March, 2022	31st March, 2021
<b>Authorised share capital</b>		
60,000 10% Cumulative Preference shares of Rs.10/-each	6,00,000	6,00,000
49,40,000 Equity shares of Rs.10/-each	4,94,00,000	4,94,00,000
	<b>5,00,00,000</b>	<b>5,00,00,000</b>
<b>Issued, Subscribed &amp; Paid-up Share Capital</b>	<b>1,46,99,090</b>	<b>1,46,99,090</b>
<b><u>Share holding pattern and details</u></b>		
14,69,909 Equity Shares of Rs.10/-each Fully Paid-up. Of the above Equity shares,11,89,909 Shares were allotted as fully paid-up Bonus Shares by Capitalisation of Reserves.		
The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held.The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount,in proportion to their shareholding.		
The details of share holders holding more than 5% shares		
<b>Shareholder</b>	<b>% holding</b>	<b>No.of shares</b>
C.P.C Logistics Limited	13.93	2,04,750
Canara Foundation	9.16	1,34,582
Life Insurance Corporation of India	6.31	92,774
Investor Education and Protection Fund Authority	12.84	1,88,796
<b>Total Share Capital</b>	<b>1,46,99,090</b>	<b>1,46,99,090</b>

### Note 2.1 : Reconciliation of number of Shares outstanding is set out below:

Particulars	31st March, 2022	31st March, 2021
Equity shares at the beginning of the year	14,69,909	14,69,909
Add: Shares issued during the current financial year	-	-
<b>Equity shares at the end of the year</b>	<b>14,69,909</b>	<b>14,69,909</b>

Note 2.2 : The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share.

Note 2.3 : There is no fresh issue or buyback of shares during the year.



## NOTES FORMING PART OF BALANCE SHEET

Note 2.4 : The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share.

Note 2.5 : There is no change in the number of shares outstanding at the beginning and at the end of the year.

Note 2.6 : There is no change in the pattern of shareholding during the year. It is same as the last year.

Sr. No.	Shares held by promoters at the end of the year 31st March 2022			% Change during the year***
	Promoter Name	No. of Shares**	% of total shares**	
1	MR.PREMNATH S KUDVA	51,656	3.51	-
	<b>Total</b>	<b>51,656</b>	<b>3.51</b>	<b>-</b>

Sr. No.	Shares held by Promoters at the end of the year ending 31st March 2021			% Change during the year***
	Promoter Name	No. of Shares**	% of total shares**	
1	MR.PREMNATH S KUDVA	51,656	3.51	-
	<b>Total</b>	<b>51,656</b>	<b>3.51</b>	<b>-</b>

### Note 3: Surplus

(Rupees)

Particulars	31st March, 2022	31st March, 2021
Opening balance	(3,94,64,393)	(1,70,60,114)
Add:- Profit for the year	(2,69,70,431)	(2,24,04,279)
<b>Capital Reserve</b>		
As per last Balance Sheet	1,35,887	1,35,887
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	6,00,000	6,00,000
<b>General Reserve</b>		
As per last Balance Sheet	2,61,07,729	261,07,729
Add: Transferred from surplus	-	-
<b>Total</b>	<b>(3,95,91,208)</b>	<b>(1,26,20,777)</b>

### Note 4 : Long term borrowings

(Rupees)

Particulars	31st March, 2022	31st March, 2021
<b>(a) TERM LOANS</b>		
Term Loan from State Bank of India (secured by hypothecation of Vehicle Repayable in 84 monthly instalments starting from 2018-2019-CIAZ CAR	4,22,604	4,70,134

## NOTES FORMING PART OF BALANCE SHEET

ERTIGA CAR	4,04,933	4,60,600
Term Loan with SBI (GECL 1st)	58,36,459	5,69,000
COL free Automatic Loan	49,02,000	92,90,447
<b>(b) DEPOSITS (Unsecured )</b>		
Inter Corporate Deposits - Related Party	4,43,00,000	3,46,00,000
(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)	<b>5,58,65,996</b>	<b>4,53,90,181</b>
<b>LONG-TERM PROVISIONS</b>		
Provision for Employees benefits	<b>3,12,52,767</b>	<b>2,98,36,498</b>
<b>TOTAL</b>	<b>8,71,18,763</b>	<b>7,52,26,679</b>

### Note 5: Deferred tax liability/ Asset:

(Rupees)

Particulars	31st March, 2022	31st March, 2021
Opening balance	75,18,851	61,47,447
Gratuity (Including Tax and Education Cess)	97,50,863	93,08,987
Total reversible timing difference in books maintained as per Companies Act 2013		
Written Down Value as per Companies Act 2013 (Including Tax and Education Cess)	53,13,074	60,52,281
Total reversible timing difference in books maintained as per Income Tax Act 1961		
Written Down Value as per Income Tax Act 1961 (Including Tax and Education Cess)	36,63,838	42,62,144
Net reversible timing difference	16,49,236	17,90,136
Deferred tax asset recognised for the year	81,01,627	75,18,851
Add : Deferred tax income/(expense)	(5,82,776)	(13,71,404)
<b>Total</b>	<b>81,01,627</b>	<b>75,18,851</b>

### Note 6 : Trade payables

(Rupees)

Particulars	31st March, 2022	31st March, 2021
Total outstanding dues of Micro Enterprises and Small Enterprises	1,39,61,890	2,94,90,342
Total outstanding dues of creditors other than Micro Enterprises for Expenses	2,10,64,319	73,12,133
<b>Total</b>	<b>3,50,26,209</b>	<b>3,68,02,475</b>

## NOTES FORMING PART OF BALANCE SHEET

Note 6.1 : Steps have been taken to identify the suppliers who qualify under the definition of Micro and Small Enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31st March 2022, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

Trade Payables ageing schedule: As at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment		More than 3 years	
	Less than 1 year	1-2 years	2-3 years	
(i) MSME	56,73,403	82,88,487	-	-
(ii) Others	-	2,10,64,319	-	-
(iii) Disputed dues- MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-

Trade Payables ageing schedule: As at 31st March 2021

Particulars	Outstanding for following periods from due date of payment		More than 3 years	
	Less than 1 year	1-2 years	2-3 years	
(i) MSME	2,94,90,342	-	-	-
(ii) Others	8,01,227	65,10,905	-	-
(iii) Disputed dues- MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-

Note 7 : Other Current Liabilities

(Rupees)

Particulars	31st March, 2022	31st March, 2021
<b>Statutory Dues:</b>	7,69,416	10,51,682
Outstanding Liabilities	55,96,273	45,23,826
<b>Other Dues:</b>		
Other Liabilities	23,55,781	23,42,812
Deposits from Tenants and Contractors	20,39,574	16,16,408
*As at the year end there is no amount due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act 2013.		
<b>Total</b>	<b>1,07,61,044</b>	<b>95,34,728</b>

## NOTES FORMING PART OF BALANCE SHEET

### Sub-note 7.1 : Outstanding Liabilities

(Rupees)

Particulars	31st March, 2022	31st March, 2021
Contribution to ESI	76,897	84,391
Contribution to PF	1,21,477	2,80,746
Pension Fund	1,76,375	3,69,390
Tax on Building	29,17,220	9,34,636
Inspection charges	11,857	259
Administration Charges	12,410	27,089
Professional Charges	72,548	21,500
CGST Payment	6,27,157	-
IGST Payment	1,46,709	-
SGST Payment	13,35,065	26,97,810
LIC Payable	66,708	53,590
Professional Tax Payable	31,850	54,415
<b>Total</b>	<b>55,96,273</b>	<b>45,23,826</b>

### Note 8 : Short Term Provisions

(Rupees)

Particulars	31st March, 2022	31st March, 2021
Provision for Employee benefits	28,05,665	28,62,141
Provision for Income tax	-	-
	<b>28,05,665</b>	<b>28,62,141</b>
<b>SHORT-TERM BORROWINGS</b>		
<b>Current maturities of long-term debt (See note 3 )</b>		
Deposits	1,62,61,983	1,55,15,489
Exempted deposit from Directors	67,25,000	39,27,000
Term Loan from State Bank of India-ERTIGA CAR	37,035	153,654
Term Loan from State Bank of India-CIAZ CAR	33,247	131,474
Term Loan from State Bank of India-Mahindra Jeeto	-	101,023
Term Loan with SBI (GECL IInd)	43,67,631	,35,90,000
<b>LOANS REPAYABLE ON DEMAND</b>		
<b>From Banks :</b>	7,26,23,331	7,65,38,120
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	<b>10,00,48,227</b>	<b>9,99,56,760</b>
<b>Total</b>	<b>10,28,53,892</b>	<b>10,28,18,901</b>

## NOTES FORMING PART OF BALANCE SHEET

Note 9 :- Property, Plant & Equipments as on 31st March, 2022 (As per the Companies Act, 2013)											
Tangible Assets	Gross Block						Accumulated Depreciation			Net Block	
	Details of Assets	As on 1st April, 2021	Additions	Deductions	Total	As on 1st April, 2021	For The Year	Deductions	As on 31st March, 2022	As at 31st March, 2022	As At 31st March, 2021
	Land	2,50,715	-	-	2,50,715	-	-	-	-	2,50,715	2,50,715
	Buildings	2,55,12,983	-	-	2,55,12,983	1,38,00,700	5,24,360	-	1,43,25,060	1,11,87,923	1,17,12,284
	Plant & Machinery	5,29,28,053	10,975	-	5,29,39,028	4,83,23,565	7,84,504	-	4,91,08,069	38,30,959	46,04,489
	Furniture & Equipments	44,85,269	42,511	-	45,27,780	42,30,296	36,710	-	42,67,005	2,60,775	2,54,974
	Vehicles	1,97,34,873	-	29,295	1,97,05,577	1,89,16,151	2,75,855	-	1,91,92,006	5,13,571	8,18,721
	Computers	79,45,521	83,051	-	80,28,572	59,37,653	8,55,065	-	67,92,718	12,35,854	20,07,868
	<b>Total</b>	<b>11,08,57,415</b>	<b>1,36,537</b>	<b>29,295</b>	<b>11,09,64,656</b>	<b>9,12,08,365</b>	<b>24,76,494</b>	<b>-</b>	<b>9,36,84,858</b>	<b>1,72,79,798</b>	<b>1,96,49,051</b>
	<b>INTANGIBLE ASSETS</b>										
	Figures of previous year	10,49,97,923	60,43,260	1,83,769	11,08,57,415	8,84,07,589	28,00,773	-	9,12,08,365	1,96,49,051	1,65,90,332

## NOTES FORMING PART OF BALANCE SHEET

Note 10 : Non current investment

(Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
	<b>Quoted Investments:</b>		
	<u>Securities - Quoted - Trade-At cost</u> 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
	<b>Unquoted Investments:</b>		
	<u>Securities - Unquoted - Non-Trade-At cost</u> 32,483 Fully paid Equity Shares of Canara Sales Corporation Ltd., Mangalore of the face value of Rs.10/- each	3,20,527	3,20,527
	10,000, Fully paid Equity Shares of Canara Public Conveyance Limited of Rs.10/- each	1,00,000	1,00,000
	<b>TOTAL(A)</b>	<b>4,20,527</b>	<b>4,20,527</b>
	<u>Government Securities-Unquoted- Trade:</u>		
	12 Years National Defence Certificate (Deposited with Central Excise Department)	3,000	3,000
	7 Years National Savings Certificates (Deposited with P & T Department)	800	800
	National Savings Certificate (Deposited with Commercial Tax Department)	10,000	10,000
	<b>TOTAL(B)</b>	<b>13,800</b>	<b>13,800</b>
	<b>TOTAL(A+B)</b>	<b>4,34,327</b>	<b>4,34,327</b>
	<b>Equity Based mutual fund:</b>	-	-
	<b>Debt based mutual fund:</b>	-	-
	<b>Total</b>	<b>4,59,327</b>	<b>4,59,327</b>

All above investments are carried at cost

Note 10.1

Other disclosures

(a)	Aggregate cost of Quoted Investment Aggregate market value of Quoted Investments	25,000	25,000
(b)	Aggregate amount of Unquoted Investments	4,34,327	4,34,327
(c)	Aggregate provision for diminution in value of Investment	-	-
	<b>Total</b>	<b>4,59,327</b>	<b>4,59,327</b>

## NOTES FORMING PART OF BALANCE SHEET

Note 11 : Long term loans and advances

(Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
I)	Security deposit		
	a) Unsecured, considered good	NIL	NIL
II)	Other loans & advances	NIL	NIL
	<b>Total</b>	<b>NIL</b>	<b>NIL</b>

Note 12 : Inventories\*

(Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
	(As taken, valued and Certified by the Management)		
1	Raw Materials	41,41,917	58,17,064
2	Stores and Spares	56,08,093	52,92,239
3	Work in Progress	33,02,860	28,47,655
4	Finished Goods	8,90,82,700	8,95,88,688
5	Parabolic	43,84,172.00	64,64,062.00
	*Valued at lower of cost and net realizable value		
	<b>Total</b>	<b>10,65,19,742</b>	<b>11,00,09,708</b>

Note 13 : Trade receivables

(Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Outstanding for more than six months		
	a) Secured, considered good	-	
	b) Unsecured, considered good	1,46,69,337	1,77,65,079
	c) Doubtful		
2	Others		
	a) Secured, considered good		
	b) Unsecured, considered good	4,69,54,338	5,47,88,041
	c) Doubtful		
	<b>Total</b>	<b>6,16,23,675</b>	<b>7,25,53,120</b>

## NOTES FORMING PART OF BALANCE SHEET

Trade Receivables ageing schedule as at 31st March, 2022

(Rupees)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	4,69,54,338	20,95,021	-	-	1,25,74,316	6,16,23,675
(ii) Undisputed Trade receivables- considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables- considered good	-	-	-	-	-	-
(iv) Disputed trade receivables- considered doubtful	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31st March, 2021

(Rupees)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	5,47,88,041	37,20,500	-	-	1,40,44,579	7,25,53,120
(ii) Undisputed Trade receivables- considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables- considered good	-	-	-	-	-	-
(iv) Disputed trade receivables- considered doubtful	-	-	-	-	-	-



## NOTES FORMING PART OF BALANCE SHEET

Note 14 : Cash and bank balances

(Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Cash and cash equivalent	1,40,814	1,06,137
	Sub total (A)	1,40,814	1,06,137
2	Bank balances - current accounts		
	With Scheduled Banks:		
	1) In Current Account	28,82,908	34,98,704
	2) In fixed deposit as Security for Loans, L.C and Guarantees	24,01,400	5,69,000
	Sub total (B)	52,84,308	40,67,704
	<b>Total [ A + B ]</b>	<b>54,25,122</b>	<b>41,73,841</b>

Note 15 : Short terms loans and advances

(Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
	Unsecured, considered good		
1.	Advance to employees	1,67,034	3,16,499
2.	Others	52,95,592	65,66,122
3.	Advance Tax & T.D.S	32,09,395	24,28,100
4.	Deposits :		
	Central Excise		
	Others	27,86,475	27,86,475
	<b>Total</b>	<b>1,14,58,496</b>	<b>1,20,97,196</b>

## NOTES FORMING PART OF STATEMENTS OF PROFIT & LOSS

### Note 16 : Revenue from operations

(Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Sales of products (refer sub note 16.1)	16,23,70,282	16,78,19,840
2	Sale of services		
3	Other operating revenues -		
	<u>RENTAL INCOME:</u>		
	Storage Charges	53,63,938	48,69,600
	Amenity Charges	84,91,544	78,12,858
	Sales are net of Goods & Service Tax (GST)		
	<b>Total</b>	<b>17,62,25,764</b>	<b>18,05,02,298</b>

#### 16.1 Sale of products

(Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Sale of Springs	14,79,20,967	15,35,52,795
2	Sale of Clips	49,17,134	49,88,911
3	Sale of Parabolic	95,32,181	92,78,134
	<b>Total</b>	<b>16,23,70,282</b>	<b>16,78,19,840</b>

### Note 17 : Other income

(Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
	Government Benefit PF	-	1,587.00
	Profit on Disposal of Assets	-	3,72,153.00
	Income from Investments	20,64,000.00	5,28,000.00
	Transportation Charges	6,666.00	37,546.00
	Interest from F.D. with bank	57,558.00	1,73,470.00
	Interest on K E B Deposit	41,383.00	45,280.00
	Other Interest	34.00	90,773.00
	Miscellaneous	3,89,543.00	3,40,339.00
	<b>Total</b>	<b>25,59,184</b>	<b>15,89,148</b>

### Note 18 : Cost of material consumed

(Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	<b>Cost of materials consumed:</b> (refer sub note 18.1)	7,86,20,469	8,90,05,058
	<b>Total</b>	<b>7,86,20,469</b>	<b>8,90,05,058</b>

## NOTES FORMING PART OF STATEMENTS OF PROFIT & LOSS

### 18.1 Cost of materials consumed

(Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	<u>Consumption of raw material</u>		
	Opening stock	58,17,064	31,82,972
	Add :- Purchase during the year	7,69,45,322	9,16,39,150
		8,27,62,386	9,48,22,122
	Less :- Closing stock	41,41,917	58,17,064
		<b>7,86,20,469</b>	<b>8,90,05,058</b>
	Details of raw material consumed :		
	M.S.Billets	-	-
	Steel flats	6,86,37,666	8,17,20,689
	Parabolic	77,61,261	48,51,792
	Others	22,21,542	24,32,577

### Note 19 : Change in inventories

(Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	<b>Change in Inventories of Finished goods</b>		
	Opening stock	8,95,88,688	7,57,21,103
	Closing stock	8,90,82,700	8,95,88,688
	Sub total (a)	5,05,988	(1,38,67,585)
2	<b>Changes in inventories of work-in-progress</b>		
	Opening stock	28,47,655	50,72,089
	Closing stock	33,02,860	28,47,655
	Sub total (b)	(4,55,205)	22,24,434
	<b>Total</b>	<b>50,783</b>	<b>(1,16,43,151)</b>

### Note 20 : Employment Benefit Expenses

(Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
	Salaries, Wages and Bonus	4,48,38,111	4,45,58,707
	Employment provident fund	16,92,782	23,51,688
	Incentives to employees	1,03,32,519	1,51,16,058
	<b>Total</b>	<b>5,68,63,412</b>	<b>6,20,26,453</b>

\* Considered as Related Party Transaction. Refer to note no. 25 for related party disclosure.

## NOTES FORMING PART OF STATEMENTS OF PROFIT & LOSS

### 20.1 Incentives to employees (Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Gratuity	17,73,457	70,63,798
2	Welfare Expenses	65,19,947	59,99,217
3	Pension Fund	20,39,115	20,53,043
<b>Total</b>		<b>1,03,32,519</b>	<b>1,51,16,058</b>

### 20.2 Employment provident fund (Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Company's Contribution to Provident and Other Funds	16,92,782	23,51,688
<b>Total</b>		<b>16,92,782</b>	<b>23,51,688</b>

### Note 21 : Financial cost (Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	<b>Interest :</b>		
	On Fixed Deposits	28,07,639	32,21,897
	On Cash credits & Term Loans	88,60,712	75,71,419
	Bank Charges	4,12,085	97,670
	On Loan from institution	56,64,958	42,70,961
<b>Total</b>		<b>1,77,45,394</b>	<b>1,51,61,947</b>

### Note 22 : Depreciation and amortised cost (Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Depreciation	24,76,494	28,00,773
<b>Total</b>		<b>24,76,494</b>	<b>28,00,773</b>

### Note 23 : Other Expenses (Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Repairs & maintenance	59,78,525	46,78,942
2	Insurance premium	6,63,371	9,92,816
3	Rent, rates & taxes	77,69,086	61,30,102
4	Miscellaneous expenses	2,08,210	2,49,569
5	Auditor's remuneration	1,84,000	1,84,000
6	Stores and Spares Consumed	23,00,702	26,23,154
7	Power and Fuel	1,18,65,012	1,36,67,013
8	Freight	83,89,611	78,30,113
9	Directors' Sitting Fees	38,580	30,000
10	Advertisement	7,54,688	8,47,978

## NOTES FORMING PART OF STATEMENTS OF PROFIT & LOSS

11	Commission and Discounts	61,59,759	64,92,082
12	Travelling	25,91,495	17,15,018
13	Prior period item (net)	9,28,115	3,56,090
14	Legal and professional charges	3,05,889	3,36,460
15	Printing and stationery	3,47,807	3,83,198
16	Postage and communication charges	7,20,276	6,07,318
17	Security charges	12,14,545	13,92,196
18	Bad debts written off	1,61,932	-
<b>Total</b>		<b>5,05,81,603</b>	<b>4,85,16,049</b>

### 23.1 Repairs & maintenance (Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	<u>Repairs and Maintenance:</u>		
	Buildings	28,13,626	17,26,932
	Machinery	6,89,203	8,53,405
	Vehicles	10,85,761	9,16,323
	Others	13,89,935	11,82,282
<b>Total</b>		<b>59,78,525</b>	<b>46,78,942</b>

### 23.2 Insurance premium (Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Insurance	6,63,371	9,92,816
<b>Total</b>		<b>6,63,371</b>	<b>9,92,816</b>

### 23.3 Rent, rates & taxes (Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Rent	38,05,413	34,37,617
2	Rates and Taxes	39,63,673	26,92,485
<b>Total</b>		<b>77,69,086</b>	<b>61,30,102</b>

### 23.4 Miscellaneous expenses (Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Miscellaneous	2,08,210	2,49,569
<b>Total</b>		<b>2,08,210</b>	<b>2,49,569</b>

## NOTES FORMING PART OF STATEMENTS OF PROFIT & LOSS

### 23.5 Auditor's remuneration

(Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	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
	<b>Total</b>	<b>1,84,000</b>	<b>1,84,000</b>

### 23.6 Corporate social responsibility (CSR) Relevant CARO 2020 3(xx)

(Rupees)

Sr. No.	Particulars		
1	Amount required to be spent by the company during the year	NA	NA
2	Amount of expenditure incurred	65,080	1,54,200
3	Shortfall at the end of the year	NIL	NIL
4	Total of previous years shortfall	NIL	NIL
	<b>Total</b>	<b>65,080</b>	<b>1,54,200</b>

### Note 24 : Earning per share

(Rupees)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Net profit after tax	(2,69,70,431)	(2,24,04,279)
2	Weighted Average number of Equity shares	14,69,909	14,69,909
	<b>Earning per Share (face value of Rs.10/-fully paid)</b>	<b>(18.35)</b>	<b>(15.24)</b>

Note 1 : Significant Accounting Policies																
Note 25 : Disclosure as required by Para 20 of Accounting Standard-AS 18 "Related Parties" of the Companies (Accounting Standard) Rules, 2006:- CIN : U51909KA1943PLC001075																
Names of related parties and description of relationship : Relevant Para of the CARO 2020 - 3(xiii)																
Sr. No.	Name	Relation														
1	Mr. Premnath S. Kudva	Key Management Personnel														
2	Ms. Sneha P Kudva	Relatives of the Key Management Personnel														
3	Ms. Kavya P Kudva	Relatives of the Key Management Personnel														
4	V. S. Kudva Investments Pvt. Limited	Enterprises of Related parties who can exercise control or significant influence														
5	CPC Logistics Ltd.	Enterprises of Related parties who can exercise control or significant influence														
Transactions with related parties for the year ended March 31st, 2022 (Rupees)																
Sr. No.	Particulars	Borrowings		Interest Expenses		Salary/ Remuneration Expenses		Freight Expenses		Exempted Deposits at the year end		Deposits at the year end		Godown Rent Collected		
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22
1	V. S Kudva Investments (P) Ltd.,	4,43,00,000	3,46,00,000	56,64,958	42,70,961	-	-	-	-	-	-	-	-	-	-	-
2	CPC Logistics Ltd.	-	-	-	-	-	21,73,297	15,93,710	-	-	-	-	-	-	-	1,77,000
3	Mr. Premnath S. Kudva	-	-	9,73,796	6,98,209	12,93,950	16,59,488	-	-	37,25,000	14,15,000	-	-	-	-	-
4	Sri M. Venkatesh Pai	-	-	-	-	-	-	-	-	30,00,000	25,12,000	-	-	-	-	-
5	Ms. Sneha P Kudva	-	-	61,574.00	54,892.35	-	-	-	-	-	-	4,75,000	4,75,000	-	-	-
6	Ms. Kavya P Kudva	-	-	1,01,758.75	90,720.90	-	-	-	-	-	-	7,85,000	7,85,000	-	-	-
Total		4,43,00,000	3,46,00,000	68,02,087	51,14,783	12,93,950	16,59,488	21,73,297	15,93,710	67,25,000	39,27,000	12,60,000	12,60,000	-	-	1,77,000

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## NOTES TO THE FINANCIAL STATEMENTS

### 26 SYSTEM OF ACCOUNTING:

The Company follows mercantile system of accounting.

### 27 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.

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



## NOTES TO THE FINANCIAL STATEMENTS

### 28 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 31.03.2022 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 :

	As on 31-03-2022	As on 31-03-2021
Contribution to Employees' Provident Fund	14,92,466	14,25,403
Contribution to Employees' State Insurance Fund	8,51,053	6,84,217
Contribution to Employees' Superannuation Fund	1,86,636	2,13,063
	<b>25,30,155</b>	<b>23,22,683</b>

#### Defined Benefit Plans : Gratuity

##### a) Liability recognised in the Balance Sheet

	As on 31-03-2022	As on 31-03-2021
Present Value of obligations as at 01-04-2021	3,88,27,541	3,62,30,638
Interest Cost	27,17,928	26,26,721
Current service cost	13,85,548	12,73,877
Benefit paid	(74,08,131)	(51,36,482)
Actuarial (gain) /loss on obligations	-19,08,180	38,32,787
Present Value of obligations As at 31-03-2022	<b>3,36,14,706</b>	<b>3,88,27,541</b>

##### b) Fair value of plan assets

	As on 31-03-2022	As on 31-03-2021
As at 01-04-2021	89,91,043	1,06,27,791
Expected return on plan assets	4,21,839	6,69,587
Contributions	3,57,187	28,30,147
Benefits paid	(74,08,131)	(51,36,482)
Actuarial gain (loss) on plan assets	NIL	-
Fair value of plan assets	23,61,939	89,91,043
Funded Status	(3,12,52,767)	(2,98,36,498)
Net Assets / (Liability) recognized in balance sheet	<b>(3,12,52,767)</b>	<b>(2,98,36,498)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### c) Actuarial gain/loss recognised 31-03-2022

Actuarial gain (loss) -obligations	19,08,180	-38,32,787
Actuarial gain (loss) -plan assets	-	-
Total (gain)/ loss for the year	-19,08,180	38,32,787
Actuarial (gain) / loss recognised	-19,08,180	38,32,787
<b>d) Expenses during the year</b>		
Current service cost	13,85,548	12,73,877
Interest cost	27,17,928	26,26,721
Expected return on plan assets	(4,21,839)	(6,69,587)
Net actuarial (gain)/ loss	(19,08,180)	38,32,787
Total	17,73,457	70,63,798

### e) Principal actuarial assumptions

	As on 31-03-2022	As on 31-03-2021
Discounting rate	7.00%	7.00%
Salary escalation	3.50%	3.50%

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

### 29 Exempted Deposits from Directors :

Name	Amount ( )	Accounting Head
Sri M. Venkatesh Pai	30,00,000	Fixed Deposits
Total	30,00,000	

30 Value of Imports on C.I.F. basis NIL

31 Expenditure in foreign currency NIL

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

Particulars	As at 01/04/2021	Additions	Used	As at 31/03/2022
Income Tax		-		NIL
Gratuity	2,98,36,498	17,73,457	3,57,187	3,12,52,768
	(2,56,02,847)	(70,63,798)	(28,30,147)	(2,98,36,498)

### Contingent Liabilities and Commitments :

Particulars	31.03.2022	31.03.2021
A) Contingent Liabilities (1) LC & Guarantees	96,01,506	Nil
B) Commitments Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

## NOTES TO THE FINANCIAL STATEMENTS

### 33 Raw Materials Consumed:

	2022		2021	
	Quantity	Value	Quantity	Value
	M.T.	"	M.T.	"
a) Raw Materials:				
Billets				
Steel Flats & Clips	1005	6,86,37,666	1512	8,17,20,689
Bushes (Nos.)	59,796	15,20,535	81,220	18,31,439
Others		7,01,007		6,01,138
Sheared Flats	78	77,61,261	66	48,51,792
		7,86,20,469		8,90,05,058

b) Percentage of Raw Materials Consumed:	Value	Percentage	Value	Percentage	
	"	"	"	"	
	Imported	-		-	
	Indigenous	7,86,20,469	100	8,90,05,058	100
	7,86,20,469	100	8,90,05,058	100	

### 34 Opening and Closing Stock of goods produced and Turnover:

	OPENING STOCK				CLOSING STOCK		TURNOVER	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
	M. T.	"	M. T.	"	M. T.	"	M. T.	"
Laminated Leaf Springs	836	8,95,88,688	487	8,90,82,700	1,373	20,46,62,069		
	(729)	(7,57,21,103)	(836)	(8,95,88,688)	(1,413)	(21,20,98,369)		
Process Rejection & Scrap					89	26,86,098		
					(164)	(32,64,491)		
Miscellaneous Items						13,358		
						(,96,188)		
						20,73,61,525		
						(21,54,59,048)		

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## NOTES TO THE FINANCIAL STATEMENTS

35 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 31/03/22 is Rs.1,39,61,890/-, which is paid subsequently within the stipulated time.

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

37 Sales from operation includes Rental income (Schedule number 16)

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

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

**VASANT SRINIVAS KUDVA**  
Director  
(DIN:00668434)

**(ASHWIN KINI H-M.No. 236787)**  
Partner

**VODERBET MAHESH KAMATH**  
Director  
(DIN:00192643)

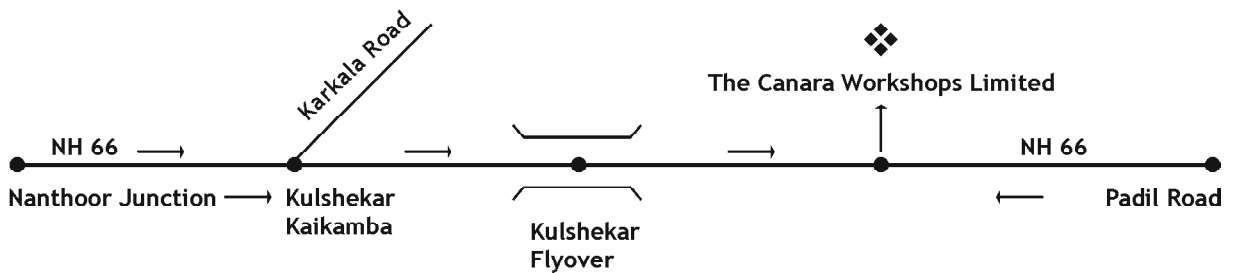
**VENKATESH PAI MANGALORE**  
Director  
(DIN:00126551)

Place: Mangalore

Date : 24-8-2022

## ROUTE MAP TO THE VENUE OF THE MEETING

(As per clause 1.2.10 of SS2)



NH 66, Nanthoor Cross proceed towards Kaikamba Junction,  
take flyover and proceed for about 200 meters till you reach the company gate.

From Padil junction take NH 66 travel for about 1.6 kms. till you reach company gate.

### Address:

The Canara Workshops Limited  
V. S. Kudva Road  
Maroli  
Mangalore - 575 005

### Land marks:

- Near Aspinwall

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## ATTENDANCE SLIP

Annual General Meeting 28th day of September 2022

DP. ID		Name & address of the shareholders
Client ID/Regd. Folio. No.		
No. of Shares held		

I certify that I am a member/proxy for the member of the company.

I hereby record my presence at the 79th Annual general meeting of the company on Wednesday, 28th September 2022 at 10.00 a.m. at the registered office of the company situated at V.S. Kudva Road, Maroli, Mangaluru-575 005.

.....

Name of the member/proxy

(In block letters)

.....

Signature of the member/proxy

**Note :** Please complete this and hand it over at the entrance of the hall





## Form No. MGT-11

### Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	: U51909KA1943PLC001075
Name of the company	: THE CANARA WORKSHOPS LIMITED
Registered office	: V S Kudva Road, Maroli Mangalore- 575005

Name of the member (s)	:
Registered address	:
E-mail Id	:
Folio No/ Client Id	:
DP ID	:

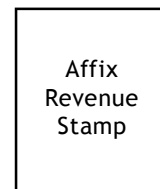
I/We, being the member (s) of..... shares of the above named company, hereby appoint

1. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : .....or failing him
2. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : .....or failing him
3. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at Annual general meeting to be held on Wednesday 28th day of September 2022 at 10.00 A.M. at the Registered office of the company situated at V. S. Kudva Road Maroli Mangalore 575005 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. :-

1. ....
2. ....
3. ....
4. ....



Signed this.....day of.....2022

Signature of shareholder

Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



