

KIRTI INDUSTRIAL COMPANY LTD

CIN: L70101WB1983PLC035984

BOARD'S REPORT
FINANCIAL YEAR 2022-2023

To,
The Members,

Your directors are pleased to present the 40th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March 2023.

1. Financial Highlights

The financial statements for the financial year ended 31st March 2023, forming part of this Annual Report, have been prepared in accordance with the applicable Accounting Standards.

The key highlights of the audited financial results of the Company for the financial year 2022-2023 are as under:

(Amount in Rs.000)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Total Revenue	5682.82	6067.18
Profit/(Loss) before taxation	3445.07	4763.12
Add/(Less): Tax Expenses (Net of MAT credit entitlement and deferred tax)	(703.16)	(1,027.34)
Profit/(Loss) after tax	2,741.90	3735.78
Add: Balance B/F from the previous year	110,956.65	91,857.21
Balance Surplus / (Deficit) C/F to the next year	117836.12	110,956.65

2. State of Company's Affairs and Future Outlook

Your Company has recorded the turnover of Rs.5682.82 (Rs. in Thousand) in the financial year 2022-2023 against Rs. 6067.18 (Rs. in Thousand) in the previous financial year with a net profit after tax of Rs. 2741.90 (Rs. in Thousand) in the current financial year against Rs. 3735.78 (Rs. in Thousand) in the corresponding previous financial year.

The directors are hopeful of better results as regard to the future prospects and profitability of the Company.

3. Change in nature of business, if any

There has been no change in the nature of business of the Company during the year.

Kiranman, - K.P.B

4. Dividend

In view of planned business growth your directors deem it proper to preserve the resources of the Company for its activities and therefore do not recommend any dividend for the year ended 31st March 2023.

5. Transfer to Reserves

The Board of Directors of the company do not propose to transfer any amount to the reserves.

6. Changes in Share Capital

During the Financial Year 2022-23, the share capital of the Company has not been changed.

a. Disclosure regarding Issue of Equity Shares with Differential Rights

The Company has not issued Equity Shares with Differential Rights during the year.

b. Disclosure regarding issue of Employee Stock Options

The Company has not provided any Stock Option Scheme to its employees during the year.

c. Disclosure regarding issue of Sweat Equity Shares

The Company has not issued any Sweat Equity Shares during the year.

7. Annual Return

Pursuant to Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended by notification dated 5th March, 2021, of the provisions of companies (Amendment) Act, 2017, the extract of the Annual Return has not been annexed with this report.

Further, since the Company is not required to have any functional website hence, web link of the Annual return shall not be provided.

8. Number of Board Meetings

During the year the Board of Directors met 7(Seven) times on 01/04/2022, 20/06/2022, 11/07/2022, 30/08/2022, 26/09/2022, 28/11/2022 and 20/02/2023. The intervening gap between any two Board Meetings was within the period prescribed under the Companies Act, 2013.

9. Particulars of Loan, Guarantees and Investments under Section 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

10. Particulars of Contracts or Arrangements with Related Parties

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2022-23 in the prescribed Form- AOC 2 has been enclosed with the report.

11. Explanation to Auditor's Remarks

The Notes on Financial Statement referred to in the Auditors' Report are self- explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Admanan, -

K.P.S. -

12. Material Changes Affecting the Financial Position of the Company

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

13. Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo

The details of Conservation of Energy, Technology, absorption, Foreign Exchange Earnings and Outgo are as under:

- a. Conservation of Energy: NA
- b. Technology Absorption: NA
- c. Foreign exchange earnings and outgo during the year: NIL

14. Details of Subsidiary, Joint Venture or Associates

The Company does not have any Subsidiary, Associates or Joint Venture Company as per the provisions of Companies Act, 2013.

15. Risk Management Policy

The Company does not have any Risk Management Policy as the element of risk threatening the Company's existence is very minimal.

16. Details of Directors and Key Managerial Personnel

There has been no change in the composition of Board of Directors of the Company during the year under review. However, on 28/11/2022 Mr. Sourindra Nath Mukherjee ACS, has been appointed as the secretary of the Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Company's Articles of Association, Mr. Padmanabh Jalan (DIN: 01651268), Director retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting. The Board recommends his reappointment. Brief details of the Director, who proposed to be re-appointed, are provided in the Notice of Annual General Meeting

17. Audit committee

The Audit Committee comprises of Mr. Krishna Prasad Bagaria (Chairman / Independent Director). Mr. Bishwa Nath Agarwal, CFO and Alok Gupta, Independent Director of the Company. All the recommendations made by the Audit Committee were accepted by the Board.

All The Members of Audit Committee duly met four times during the year on 22/06/2022, 26/09/2022, 31/12/2022 and 31/03/2023.

18. Disclosure on establishment of a vigil mechanism

The Company has duly established a vigil mechanism for the Directors and employees to report their genuine concerns or grievances. The audit committee oversees the functioning of the vigil mechanism.

K. P. Bagaria

19. Nomination & remuneration committee

The Nomination & Remuneration Committee Policy comprises of Mr. Alok Gupta, Mr. Krishna Prasad Bagaria, Independent Directors and Padmanabh Jalan, Director of the Company.

All The Members of Nomination & Remuneration Committee duly met on 31/03/2023.

The Committee laid down policies on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters as specified u/s 178(3) of the Companies Act, 2013.

20. Statement indicating the manner in which formal annual evaluation has been made by the board of its own performance, its directors, and that of its committees

The Company has devised a policy for performance evaluation of Independent Directors, Board committees and other individual directors which include criteria for performance evaluation of the non-executive directors and executive directors.

21. Particulars of loan, guarantees and investments under section 186

Pursuant to the provisions of Section 134(3)(g) of the Companies Act, 2013, particulars of loans, guarantees, investments and securities given under Section 186 of the Companies Act, 2013 are given in the notes to the financial statements forming part of this Annual report.

22. Particulars of Employees and related disclosures

None of the employees are drawing remuneration in excess of the limits specified under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

23. Details of significant & material orders passed by the regulators or courts or tribunal against the going concern status of the Company

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

24. Statement in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements

The Company has in place adequate internal financial controls with reference to financial statements.

25. Material Changes Affecting The Financial Position Of The Company

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and on the date of this report.

Padmanabh Jalan — ✓ K.P.B.J.

26. Receipt of any commission by managing director/whole time director from a company or for receipt of commission / remuneration from it holding or subsidiary

None of the Managing Director/Whole Time Director of the Company, has during the year under review, received any commission / remuneration from its Holding / Subsidiary Company in accordance with Section 197 (14) of the Companies Act, 2013.

27. Deposits

The Company has not accepted any deposits within the meaning of Section 73 of the Act during the year.

28. Details of fraud reported by the Auditors u/s 143(12)

No fraud has been reported to the Board of Directors of the Company during the Financial Year 2022-23.

29. Statutory Auditors

The Auditors, M/s. S JAYKISHAN (FRN 309005E), Chartered Accountants, were appointed as the statutory auditors of the Company in the Annual General Meeting of the Company held for the financial year 2021-22, to audit the books of account of the Company for a period of 5 (five) years commencing from financial year 2022-23 to and to hold office till the conclusion of the Annual General Meeting to be held for the financial year 2026-27.

The Company has received a Certificate from them to the effect that their appointment, if made, would be as per the requirements specified under Section 141 of the Act and the Rules framed there under for reappointment as Auditors of the Company.

30. Directors Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March 2023, 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 as of 31st March, 2023 and of the profit/ 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 the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Company being unlisted, sub clause (e) of section 134(3) of the Companies Act 2013 pertaining to laying down internal financial control is not applicable to the Company.

Padmaja, ✓. K. P. B. J.