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वार्षिक प्रतिवेदन
**ANNUAL
REPORT
2022-2023**



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इन्स्ट्रुमेन्टेशन लिमिटेड

(भारत सरकार संस्थान)

Instrumentation Limited

(A Government of India Enterprise)

Board of Directors



Shri Thangavelu Ravi



Shri Rajesh Kumar



Shri Madan Pal Singh



Dr. Smt. RH Lata

| | | |
|---------------------------|--|--|
| BOARD OF DIRECTORS | : Shri Thangavelu Ravi | Chairman and Managing Director Additional Charge (From 25.03.2023 to 24.09.2023) |
| | Shri B.Balasubramanian | Chairman and Managing Director Additional Charge (From 01.11.2020 to 24.03.2023) |
| | Shri Rajesh Kumar | Director (Govt. Nominee) Dy. Secretary, MHI (From 03.09.2020) |
| | Shri Madan Pal Singh | Director (Govt. Nominee) Joint Director (Finance), MHI (From 09.11.2020) |
| | Dr. Smt. RH Lata | Independent Director (From 02.11.2021) |
| Company Secretary | : Mrs. Anjali Gupta | |
| Auditors | : M/s Pramod & Associates | - Statutory Auditors |
| | S. Thrivikraman & Co. | - Branch Auditors |
| Registered Office | : G-229, Sitapura Industrial Area, Jaipur-302022(Rajasthan) | |

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CHAIRMAN'S STATEMENT

Dear Members,

I have great pleasure in extending to you a warm welcome to the 59th Annual General Meeting of the Company. The report of the Directors, together with the audited accounts for the year ended 31st March 2023 and the comments of the Comptroller and Auditor General of India are with you. With your permission, I shall take them as read.

PERFORMANCE HIGHLIGHTS

During the year 2022-2023, the Company has achieved turnover of ₹7876.92 Lakhs, as compared to turnover of ₹ 6963.93 Lakhs in 2021-2022 and booked orders of ₹11216 Lakh as compared to previous year's order booking of ₹ 7282.52 Lakh. In the year 2021-2022, the Company has booked net profit after tax for the year 2022-2023 ₹ 486.07 Lakhs as compared to profit of ₹ 2225.96 Lakhs in the previous year.

I would like to place on record the extreme support of Ministry of Heavy Industries in approval of the implementation of IDA 2007 pay scales for Board level executives, below board level executives and non unionized supervisors on 01.11.2022 w.e.f 01.04.2021. For unionized workers, a tripartite wage settlement was signed between company, unions and RLC (Central) Ernakulam for wage revision. All the employees are motivated due to the implementation of this wage revision.

Due to implementation of IDA 2007 wage revision there was an increase in employee

benefits and wages by 26.44%, in 2022-23, as compared to 2021-22. The operational profit in 2022-23 was ₹ 10.97 Cr against ₹ 11.49 Cr in 2021-22. Thus the drop in operational profit is 4.52% (against permitted 20% drop as per DPE guidelines of IDA 2007) and company could bear the wage revision burden by its increased business.

The PAT of ₹ 4.86 Cr is after deduction of payment of wage revision arrears of ₹ 6.04 Cr for 2021-22 paid in FY 2022-23. The effective PAT of 2022-23 without exceptional item is ₹ 10.90 Cr. The PAT of ₹ 22.25 Cr for 2021-22 included exceptional income of ₹ 12.01 Cr for sale of SCOPE office (₹ 16.50 Cr sale value ₹ 4.49 Cr capital gain tax) Thus the effective PAT of 2021-22 is ₹ 10.24 Cr (22.25-12.01).

Thus effective PAT of ₹ 10.90 Cr in 2022-23 due to the operation of the company is more than the effective PAT of ₹ 10.24 Cr of 2021-22 and company could easily bear the additional financial burden of wage revision from its increase in operations.

The company has added many new customers in its portfolio and you will be happy to know that 55% orders placed by private sector. Many strategic decisions were taken to execute the orders as per the requirements of customers by better procurement process, smart execution strategy by focusing on getting balance items for easy to execute orders, re-assessing and fixing re-order level inventory etc. This resulted in executing the priority orders and sustained the operation of the company and

company could successfully overcome the market disruptions.

The Net profit after tax, for the year 2022-2023 was ₹ 486.07 Lakhs as compared to net profit of ₹ 2225.96 Lakhs in the previous year. Organizational issues were properly addressed considering market and financial conditions. The company has its intrinsic strength of own technology and we have good orders in hands and we are continuously striving to enhance our order booking and turnover in 2023-2024 to surpass the target achieved in 2022-2023. It is certainly difficult, but not impossible.

ISO-9001 (2015), ISO-14001 (2015) AND OHSAS- 45001 (2018) CERTIFICATION

During the year under review company maintained ISO-9001:2015, ISO 14001:2015 and OHSAS 45001 (2018) accreditation. This has imparted status of quality products and services which is much needed in contemporary business. Company has also applied for ISO 29001 quality certification and the audit is expected to be completed in first quarter of 2023-24. This is specifically for supplies top Oil & Gas and Natural Gas sector and will enhance company's business in this sector including exports.

MOU with MHI

As per DPE letter no M-03/0009/2019-DPE(Mou) dated 29.10.2021, the MoU target for the year 2022-23 were fixed internally and monitored by Ministry of Heavy Industries (MHI) Accordingly during various review meetings with MHI the performance of the company is being monitored by MHI. As per the MOU targets submitted to MHI for the year 2022-2023, the company has achieved

targets corresponding to Excellent rating for revenue from operations, Order booking and operating profit and good rating for PAT.

STATUS OF SUBSIDIARY COMPANY

The company has no Subsidiary company.

PRESENT STATUS OF THE COMPANY

The company is independently sustaining its operation in a profitable manner under MHI without any kind of monetary support from Govt.

STATUS CLOSURE ACTIVITIES AT KOTA

Closure activities of Kota is complete except disposal of other Assets at Varodara and Mumbai which are in process of monetization.

THE ROAD AHEAD

I wish to state that in spite of a continued stretched business environment, the year gone by can be considered satisfactory from an operational perspective. The Company made all out efforts to maintain the presence of its products in the market. All earnest, we have endeavored to deliver the trust, the customer reposed in us which gave us the strength to face the situation realistically.

FUTURE PROSPECTS

The company is having its own indigenous technology and capable of designing new products as per latest and severe operating conditions of process industries. Company is also capable of customization of existing products according to end user's flow requirements. This way company is achieving the vision of Aatma Nirbhar and Make in India.

IL has developed four new products and commercially launched them. Work for

development of 7 new products is under way. The products manufactured are technologically equivalent and sometimes superior in performance to the products of any foreign manufacturer or MNC at lesser cost. The prices are very competitive and comparable to private players.

The company is able to meet the competitive nature of market.

The sectors/verticals catered by the company are Nuclear, Space, Atomic Research, Steel, Thermal, Petrochemical, Oil & Gas, Refining, Fertilizers, Paper and Pulp, Minerals and Mining, etc.

Demand fluctuation in any particular sector will not affect the business of the company. The products of the company are required by these sectors during initial set-up, expansion, renovation and modernization and also for replacement of existing valves after few years of usage as spares. Hence, there will be continuous business from existing projects and from new projects coming up in future.

The spectrum of customers include private companies like GE Power, L&T, Reliance, Adani, TLT Engg, Tata Steel, JSW, Arcelor Mittal, etc; pure Govt organizations like Space, Atomic Energy, State Electricity Boards; CPSEs like NPCIL, BHEL, IOCL, SAIL, ONGC, NFL, NTPC, NLC, GNFC, etc., and consultants like EIL, Technip, Thermax,, Thyssen Krup, etc. Company is getting repeat orders. The wide spectrum of customers ensure business continuity in future. 55% of the order booking is from private sector.

Company has taken up development of 7 new products for highly technically

demanding customers like NPCIL, ISRO, IGCAR, BHEL, EIL and Valves for Climate Control process systems like FGD and SCR technologies. company has undertaken the development of 7 new products

- Solenoid Valve - Design completed - Sample Order has been received.
- Butterfly Valves for FGD application - Design Completed - Order Received.
- NH3 Injection Valve - Design completed - Order received.
- Cryogenic Check Valves - Design completed - Order received.
- Gate Valves for Sodium Appln - Design completed - Order received.
- Venturi meter for NPCIL - Under Trial Production
- Separator let down Valves - Under Design validation.

All these new initiatives will ensure continuity and scaling up of business operation of the company in future.

VIGILANCE:

The company ensures transparency, objectivity, quality of decision making in its operations monitor the same. We have Vigilance Department, Chief Vigilance Officer, nominated by Administrative Ministry. During the year Vigilance Department functioned as an effective part of management. Our greater emphasis was laid on preventive vigilance.

INDUSTRIAL RELATIONS & HUMAN RESOURCE MANAGEMENT

The industrial relations during the year continued to be harmonious and cordial and supporting to smooth operation as ever. In

the current year Company has improved a lot in terms of industrial discipline with positive overall environment, maintaining very cordial relation with unions and associations.

CORPORATE GOVERNANCE

It is my strong belief that good Corporate Governance is essential to achieve long-term corporate goals and to safeguarding the interest of all stake holders and to satisfy the core principles of accountability, transparency and fair dealings. The commitment is to strictly comply at all level with the Corporate Governance Guidelines issued by Department of Public Enterprise (DPE). This is imperative for the overall enhancement of all operations & activities of the Company.

ACKNOWLEDGEMENT

I would also like to place on record my appreciation and gratefulness to my colleagues on the Board for their valuable contribution and cooperation in guiding the Company.

I seek your continued support and encouragement as the Company has been receiving so far. We are thankful to the Government of India, and other agencies and

authorities for their help to the Company.

I would like to convey, on behalf of Board and my own, our deep appreciation for all our colleagues, the support and confidence we receive from our valued customers and business associates.

We are also grateful to the Statutory Auditors of the Company and to CAG for their observations and suggestions.

I also convey my sincere thanks to State Bank of India for their unstinted support. I am thankful to our vendors and associates for business cooperation.

I would like to extend my thanks for immense contribution made by the employees of the Company through their dedication and commitment.

I now move the Directors' Report as well as the audited Balance Sheet and the Statement of "Profit & Loss" for the year 2022-2023 to be approved and adopted.

RAJESH KUMAR

Dated : 28 Oct. 2023

DIRECTORS' REPORT

To,

The Shareholders

Ladies and Gentlemen,

Your Directors have pleasure in presenting their 59th Annual Report along with Audited Accounts for the year ended 31st March, 2023, Report of the Statutory Auditors and Comments thereon by the Comptroller and Auditor General of India.

PERFORMANCE HIGHLIGHTS

The Financial Statements have been prepared in accordance with the historical cost convention on the basis of a 'going concern' with revenue recognized and expenses accounted for on accrual system of accounting.

The MoU target for the year 2022-23 were fixed internally and monitored by Ministry of Heavy Industries (MHI) as per DPE letter no M-03/0009/2019-DPE(Mou) dated 29.10.2021.

During the year 2022-2023, the Company has achieved turnover of ₹ 7876.92 Lakhs, as compared to turnover of ₹ 6963.93 Lakhs in 2021-2022.

In the year 2022-2023, the Company has booked an operational profit i.e., profit before Depreciation, Interest, Exceptional items and tax of ₹1097.14 Lakhs, as compared to profit of ₹1148.82 Lakhs in the previous year.

Net profit after tax (PAT), for the year 2022-2023 was ₹ 486.07 Lakhs as compared to net profit of ₹ 2225.96 Lakhs in the previous year.

The implementation of IDA 2007 pay scales was approved by Ministry of Heavy Industries through a Presidential Directive for Board level executives, below board level executives and non unionized supervisors on 01.11.2022 w.e.f 01.04.2021. For unionized workers, a tripartite wage settlement was signed between company, unions and RLC (Central) Ernakulam for wage revision. Due to implementation of IDA 2007 wage revision there was an increase in employee benefits and wages by 26.44%, in 2022-23, as compared to 2021-22. The operational profit in 2022-23 was ₹1097.14 Lakhs against ₹ 1148.82 Lakhs in 2021-22. Thus the drop in operational

profit is 4.52% (against permitted 20% drop as per DPE guidelines of IDA 2007) and company could bear the wage revision burden by its increased business.

The PAT of ₹ 486.07 Lakhs is after deduction of payment of wage revision arrears of ₹ 604.16 Lakhs for 2021-22 paid in FY 2022-23. The effective PAT of 2022-23 without exceptional item is ₹ 1090.23 Lakhs. The PAT of ₹ 2225.96 Lakhs for 2021-22 included exceptional income of ₹ 1201.18 Lakhs for sale of SCOPE office (₹ 1650.32 Lakhs sale value Rs.449.14 Lakhs capital gain tax) Thus the effective PAT of 2021-22 is ₹ 1024.78 Lakhs (₹2225.96 Lakhs - ₹1201.18 Lakhs).

Thus effective PAT of ₹ 1090.23 Lakhs in 2022-23 due to the operation of the company is more than the effective PAT of ₹ 1024.78 Lakhs of 2021-22 and company could easily bear the additional financial burden of wage revision from its increase in operations.

OPERATING RESULTS

The salient features of the operating results for the year 2022-2023 as compared to the previous year are given below: -

| | | (₹ in Lakhs) | |
|------|--|------------------|-----------|
| S.No | Particulars | 2022-2023 | 2021-2022 |
| a. | Turnover | 7876.92 | 6963.93 |
| | Job done for internal use | - | - |
| | Net Turnover | 7876.92 | 6963.93 |
| b. | Other Income | 407.51 | 369.91 |
| | Total Income | 8284.43 | 7360.42 |
| c. | Expenditure on material | 3505.61 | 2901.37 |
| d. | Change in inventories of Finished goods & work in-process | (302.63) | (100.47) |
| e. | Employees remuneration and benefits | 2348.01 | 1856.71 |
| f. | Services & Sub-Contracting | 629.46 | 515.97 |
| g. | Financial Cost | - | 0.01 |
| h. | Depreciation & Amortisation | 148.68 | 136.34 |
| i. | Other Expenditure | 858.16 | 901.67 |
| j. | Total Expenditure | 7187.29 | 6211.60 |
| k. | Profit/(Loss) before exceptional and extraordinary item and tax | (1097.14) | 1148.82 |
| l. | Exceptional items :- | (611.06) | (1526.27) |
| m. | Profit/(Loss) before extraordinary item tax | 486.07 | 2675.10 |
| n. | Extraordinary item | - | - |
| o. | Profit/(Loss) before tax | 486.07 | 2675.10 |
| p. | Tax | - | 449.14 |
| q. | Profit/(Loss) for the year | 486.07 | 2225.96 |

ORDER BOOKING

During the year under review (2022-2023) the Company continued to face stiff competition in all areas of its operations, resulting in severe pressures on margins. Because of high quality products & services and proven track record, the company maintained its market share and booked orders of Rs.11216 Lakh as compared to previous year's order booking of Rs.7823 Lakh. Some of the major and prestigious orders received by the company are as below:-

- a) Rubber Lined Butterfly Valves for Climate Control application worth ₹ 355 Lakhs from BHEL for NTPC Bongaigaon. It is the first order for new product range of Climate Control equipment valves.
- b) Control valve orders for ₹ 278 Lakhs from BHEL for Patratu Project.
- c) Control Valve orders for ₹ 178 Lakhs from IOCL for PT-25 project.
- d) Butterfly Valve orders for ₹ 156 Lakhs for Khurja Project from BHEL.
- e) Export order from Russia for Control Valves for ₹125 Lakhs

ISO-9001 (2015), ISO-14001 (2015) AND OHSAS-45001 (2018) CERTIFICATION

During the year under review company maintained ISO-9001:2015, ISO 14001:2015 and OHSAS 45001 (2018) accreditation. This has imparted status of quality products and services which is much needed in contemporary business. Company has also applied for ISO 29001 quality certification and the audit is expected to be completed in first quarter of 2023-24. This is specifically for supplies top Oil & Gas and Natural Gas sector and will enhance company's business in this sector including exports.

SALES AND SERVICE

The Company has achieved a turnover of

₹7876.92 Lakhs Lakh during the year as against turnover of ₹ 6963.93 Lakh during the previous year 2021-2022.

EXPORTS

During the year under review Palakkad Unit of the Company achieved an export turnover of ₹ NIL including deemed exports (Previous year ₹ NIL) and physical exports during the year 2022-23 have been worth ₹ 81.64 Lakh (Previous year ₹ 67.24 Lakh).

DIVIDEND

Directors have recommended dividend of ₹ 145.82 Lakhs for the financial year 2022-23.

RESERVES

Directors do not propose to carry any amount to reserves for the year under review.

DETAILS OF DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposit under Sec.73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

FINANCE

Paid-up Capital of the Company as on 31.3.2023 remained at ₹ 2404.53 Lakh and Share Application Money at ₹ 12200.96 Lakh is pending for allotment of equity and preference shares. An amount of ₹ 58557 Lakh which has been received from GoI for closure of Kota complex as interest free loan is to be converted into equity. Company proposes to initiate this exercise in FY 2023-24 after accounting the money deposited in consolidated fund of India received from sale proceeds of immovable assets.

BORROWINGS FROM THE GOVERNMENT/ PSUs

GOI provided a loan of Rs58457.00Lakhs against the decision of closure of Kota Complex towards

clearance of employees' liabilities and other dues.

WORKING CAPITAL

During the financial year under review Inventory and Sundry Debtors were ₹ 4258.88 Lakh and ₹ 4966.10 Lakh respectively as compared to ₹ 3375.59 Lakh and ₹ 4551.46 Lakh respectively during the previous year. The operation of Company are going smoothly with sufficient working capital. The company has not utilized its cash credit limits available with Bank for its working capital and has managed all its operations from the collections received for debtors.

MOU WITH MHI

As per DPE letter no M-03/0009/2019-DPE(Mou) dated 29.10.2021, the MoU target for the year 2022-23 were fixed internally and monitored by Ministry of Heavy Industries (MHI) Accordingly during various review meetings with MHI the performance of the company is being monitored by MHI. As per the MOU targets submitted to MHI for the year 2022-2023, the company has achieved targets corresponding to Excellent rating for revenue from operations, Order booking and operating profit and good rating for PAT.

FUTURE PROSPECTS

The Company is operating in the field of control valves for process industries. The company is well equipped with the technology of manufacturing its products and meeting customization of its product for meeting the new and severe requirements of process industry. The Company has the ability to develop new products, variations which gives immense scope for future developments.

Company has diversified into new vertical of Space application and has received good orders from ISRO for Chandrayan project and executed the same.

The company has taken up the development of new products for climate control application, cryogenic applications and severe service application of high pressure drop across the valve. Company has also developed fourth product for nuclear application for IGCAR and they have been tested and proved successful. Company has also taken up the development of Solenoid Valves and Venturi meters for NPCIL applications. The company's own designed products meet the international and national standards and specifications and all the products are from indigenous technology, which contributes to Govt of India's Make in India initiative. The requirements from the regular customer particularly in the sector of steel, oil & gas is increasing. All the above initiatives of the company ensures that the future prospect is bright and the company is on the path of growth.

SUBSIDIARY COMPANY:

The company has no Subsidiary company.

WORKERS PARTICIPATION IN MANAGEMENT

Keeping in view the guidelines of the Government of India on the subject and to foster a sense of belongingness and team spirit amongst the employees, regular interaction with the Workers' representatives are held, where useful contributions emerge during the deliberations for improving productivity, efficiency, minimizing absenteeism, waste. The industrial relations had been excellent with no incidence of loss of working days.

RESERVATION FOR SC & ST AND DISABLED PERSONS

The Government directives regarding reservation for SC / ST, Physically handicapped and Ex-service personnel etc. were adhered to during the year under review. The total number of employees belonging to these categories at the end of the year was 22 representing nearly 14.00% of the total manpower of 157.

PERSONNEL AND INDUSTRIAL RELATIONS AND WELFARE

The industrial relations in the Company continued to remain cordial and harmonious.

HUMAN RESOURCE & DEVELOPMENT

For better utilization of Human Resources and improvement in work culture and productivity, the Human Resource Development Department undertook various programs to train/ retrain the employees to develop their skills.

VIGIL MECHANISM

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, the Company has established a secured system to provide for adequate safeguards against victimization of employees and Directors who avail of the vigil mechanism and to enable our Directors & Employees to report their genuine concerns or grievances, generally impacting / affecting the business of our Company, including but not limited to improper or unethical behaviour / misconduct / actual or suspended frauds / violation of code of conduct. The company has made and implemented whistle blower policy. Vigil Mechanism of the company and whistle blower policy is available on the website of the company i.e. www.ilpgt.com.

Any Director or employee can directly email his / her concern or complaint to cvo@ilkota.in. The CVO will take appropriate action for its resolution.

VIGILANCE ACTIVITIES

During the year Vigilance Department functioned as an effective part of management and greater emphasis was laid on preventive vigilance.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER S.186 OF THE COMPANIES ACT, 2013

The Company has not advanced any loans, not provided any guarantee or not made any investment under Section 186 of the Companies Act, 2013 during the period under review. All the guidelines of CVC issued during the year were

fully complied with.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARITIES

There were no contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 read with rules prescribed under Chapter XII relating to Meetings of Board and its Power as amended from time to time.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, no significant and material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The company has well placed proper and adequate systems of internal control and documented procedures covering all financial and operating functions. Adequate internal control measures are in the form of various codes, manuals and procedures issued by the management covering all critical and important activities viz. Purchase, Material, Stores, Works, Finance, and Personnel etc. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audit of various divisions are conducted by firms of Chartered Accountants. Internal control system ensures complete compliance with laws, regulations, standards and internal procedures and systems.

EXTRACT OF ANNUAL RETURN

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 has been given at Annexure-I.

PREVENTIVE SEXUAL HARASSMENT POLICY

The Company has in place a Preventive Sexual

Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2022-2023 :

- No. of complaints received : Nil
- No. of complaints disposed off : Nil

PROGRESSIVE USE OF HINDI

The Company's emphasis on use of Hindi in its official working continued and effective steps have been taken on the implementation of provisions of the Official Languages Act and rules framed there-under. Use of Hindi language was promoted in communication. More employees from non-Hindi speaking areas are taking interest in the use of Hindi. During the year, company has received a certificate of use of official language during inspection by Honorable Parliament Committee on Official language.

DISCLOSURE OF PARTICULARS

In accordance with the provision of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 the information is given below: -

a. CONSERVATION OF ENERGY

The Company is not a bulk user of energy. However, keeping the Government directives in mind, maximum saving of energy is being planned at all its works locations. Progressively the conventional lamps are being replaced by LED fittings.

b. TECHNOLOGY ABSORPTION - R & D ACTIVITIES

In the year under review company has Designed and Developed 4 new products. Orders were received for all.

Further, company has undertaken the development of 7 new products

- Solenoid Valve - Design completed - Sample Order has been received.
- Butterfly Valves for FGD application- Design Completed - Order Received.
- NH3 Injection Valve - Design completed - Order received.
- Cryogenic Check Valves - Design completed - Order received.
- Gate Valves for Sodium Appln - Design completed - Order received.
- Venturi meter for NPCIL - Under Trial Production
- Separator let down Valves - Under Design validation

D&E department is being strengthen by purchase of latest software for design of control valves, so that the accurate modelling of flow characteristics can be predicted before the actual manufacturing to save cost and time. Development of above items will add to the product portfolio and increase eteh business in coming years.

c. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year the Company earned foreign exchange equivalent to ₹ 81.64 Lakh (previous year ₹ 67.24 Lakh) while the foreign exchange outgo was ₹ 216.98Lakh (previous year ₹ 86.21 Lakh).

d. POLLUTION CONTROL

The Company's products are Eco-friendly as these are, by and large, electro-mechanical in nature and pollution and environmental hazards are negligible. Company has ISO- 14001 (2015) EMS certification and all the provisions of the standard are maintained. Company maintained its pollution license

e. SAFETY

Safety of manpower, machinery and environment

is the guiding factor in the Company's operations. The year under review continues to be another accident-free year.

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 197(12) OF THE COMPANIES ACT, 2013

There was no employee of the Company who is falling under this provision for the financial year under reference, who has received remuneration in excess of limits prescribed i.e. remuneration of not less than ₹ 102,00,000/- per annum or ₹ 8,50,000/- per month under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016, hence, information may be treated as NIL.

RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (C) of the Companies Act, 2013, the Board of Directors state that: -

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The Directors have 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 have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Financial Statements have been prepared in accordance with the historical cost convention on the basis of a 'going concern' with revenue recognized and

expenses accounted for on accrual system of accounting.

- (e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

Instrumentation Limited (IL) believes that good Corporate Governance is essential to achieve long-term corporate goals and to enhance stakeholders' value. IL has been complying with the Corporate Governance Guidelines issued by Department of Public Enterprise (DPE) and submits Compliance Report to Ministry of Heavy Industry (MHI) on quarterly basis.

Report on Corporate Governance and Management Discussion and Analysis Report are annexed at Annexure-II to this Directors' Report.

CLOSURE OF KOTA COMPLEX

Pursuant to the Union Cabinet's decision dated 30.11.2016 and DHI directives dated 08.12.2016, all closure activities for Kota Complex are completed as per prescribed guidelines including relieving of all employees, sale of all immovable assets except 12 flats in Mumbai and 1 flat in Vadodara.

- a Transfer of Palakkad Unit of Instrumentation Limited to Govt of Kerala could not be done because the High Level Committee constituted had not taken into consideration the value of land owned by Palakkad Unit, measuring 566.30 acres which was assigned on registry to Instrumentation Limited, Kota for the establishment of Precision Instrumentation Project at Pudukkottai Kerala under the Rules of Assignment of Government Land for Industrial Purposes dated 30.03.1964, which has material bearing on the transfer modalities. The valuation of land could not be completed due to reluctance of Government of Kerala to discuss the matter of land owned by the Company.

- b The process of shifting of the Registered and Corporate office of the company from Jaipur (RoC Jaipur) to Palakkad (RoC Trivandrum) has been approved by the Board of Directors and is being initiated.
- c Out of total fund of ₹ 584.57 Crore received from GOI, an amount of ₹ 561.64 Crore has been utilized towards settlement of liabilities of Provident Fund, VRS/VSS, Bankers Taxes, Unsecured Creditors and towards watch and ward expenses. An amount of ₹ 12.51 crore has been returned back to Gol. An amount of ₹ 10.42 Cr is lying with the company for settlement of any liability of Kota Complex that arises in future.

AUDITORS

In accordance with Section 143(5) of the Companies Act, 2013, Comptroller and Auditor General of India has appointed Auditors for the Company. Accordingly, M/s PRAMOD & ASSOCIATES, LalKhoti Scheme, Jaipur were appointed as Statutory Auditors and M/s. Thrivikraman & Co Palakkad were re-appointed as Branch Auditors for auditing accounts for Palakkad Unit for the financial year 2022-23.

Certain qualifications are made by the Statutory Auditors in their report dated 08.09.2023. They are of very minor in nature. The qualifications/reservations together with replies of the Directors are given in Annexure-III enclosed forming part of this report.

COST AUDITORS:

The Turnover of the Company is ₹ 78.77 Crore, In accordance with the Rule-4 of the Companies (Cost Records and Audit) Rules, 2014 which states that Cost audit requirement has been made subject to a turnover based threshold for non-regulated sector of ₹ 100 crore for all products or services and of ₹ 35 crore for individual product or service. Hence cost audit is not required for the Company for the financial year 2022-2023.

REPORTING OF FRAUDS BY AUDITORS

For the Financial year 2022-2023, no fraud by the Company or on the Company by its officers or employees has been noticed or reported by the Statutory Auditors to the Board of the Company.

REVIEW OF THE ACCOUNTS BY COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller and Auditor General of India has decided not to conduct the supplementary audit of the financial statements for the year ended 31st March 2023. A copy of C&AG's comments under section 143 (6)(b) of the Companies Act, 2013 is placed at Annexure-IV.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

APPOINTMENT:

The Board of Directors duly met 04 times during the Financial Year from 1st April 2022 to 31st March, 2023. The dates of the meetings are given in Report on Corporate Governance at Annexure II.

AUDIT COMMITTEE:

IL has constituted an Audit Committee in terms of Section 177 of the Companies Act and also as per DPE guidelines. The Audit Committee reviews, with the management, annual financial statements before submission to the Board for approval. The Committee also oversees the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible. The terms of reference of Audit Committee include:

Composition of Audit Committee:

The constitution of the Audit Committee as on 31.03.2023 was as follows:

- 1 Dr. Smt RH Lata, Chairperson, Independent Director
- 2 Shri Rajesh Kumar, Member.
- 3 Shri Madan Pal Singh, Member.

4 ShriTHANGAVELU RAVI, special invitee, Chairman and Managing Director.

The Audit Committee of the Board of Directors met two times on 17.02.2023, 08.09.2023. The Audit Committee has been reconstituted, with Independent Director as a Chairperson of the Audit Committee, by the Board of Directors in their 352ND Meeting held on 30.06.2023.

DECLARATION BY INDEPENDENT DIRECTOR U/S 149 OF COMPANIES ACT, 2013

During the financial year, Independent director have met the requirements specified under section 149(6) of the companies Act, 2013 for holding the position of Independent Director and necessary declaration from Independent Director under section 149(7) of the companies Act, 2013 was received.

ADDITIONAL INFORMATION PURSUANT TO RECOMMENDATIONS OF PARLIAMENTARY COMMITTEE

| | (₹ In lakhs) | |
|--|---------------|---------|
| | 2022-23 | 2021-22 |
| (a) Foreign Tours | -- | -- |
| (b) Expenditure on Public Relations / Business Promotion | -- | -- |
| (c) Entertainment Expenditure | -- | -- |

REASON FOR DELAY IN HOLDING ANNUAL GENERAL MEETING:

Following are the reason for delay in holding 59th Annual General Meeting of Instrumentation Limited for the Financial year ended 31.03.2023:

Approval of Board of Directors on Annual Account for the Financial Year ended 31.03.2023 has been accorded in duly convened Board Meeting held on 08.09.2023 on recommendation of the Audit Committee and accordingly, the Annual Account for the year ended 31.03.2023 has been submitted to Statutory Auditor for their Report and also to Comptroller & Auditor General of India (C&AG) for their comments .

OTHER

During the year under review, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India.

It is a matter of satisfaction that Company manages its working capital requirement fully from the collection of trade receivables and did not utilize its CC limit, hereby incurring NIL interest cost. Further all MSME vendors, which constitute around 65 % of the net purchase were paid on or before time. All the other vendors were also paid as per the purchase orders terms and conditions. IL will continue its dedicated efforts for faster collection of Debtors and released the payments to its vendors on time.

APPRECIATION

The Board acknowledges the sincere support and extends its grateful thanks to the Government of India, particularly Ministry of Heavy Industry.

The Directors wish to place on record their sincere thanks for the support and patronage received from the valued customers.

The Board also acknowledges the sincere support and extends its grateful thanks to Department of Public Enterprises, Statutory Auditor, branch auditor, government auditor and the Company's Bankers i.e. State Bank of India for their continued co-operation and guidance.

The Board also wishes to place on record its deep appreciation for the valuable contributions made by employees at all levels of the Company.

**For and on behalf of the Board of Directors
of
INSTRUMENTATION LIMITED**

RAJESH KUMAR

Dated : 28 Oct. 2023

ANNEXURE - I

| |
|---|
| FORM NO. MGT 9 |
| EXTRACT OF ANNUAL RETURN |
| as on financial year ended on 31.03.2023 |
| [Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014] |

I REGISTRATION & OTHER DETAILS :

| | | |
|-----|--|--|
| i | CIN | U29299RJ1964GOI001174 |
| ii | Registration Date | 21-03-1964 |
| iii | Name of the Company | INSTRUMENTATION LIMITED |
| iv | Category/Sub-category of the Company | Union Government Company/Limited by Shares |
| v | Address of the Registered office & contact details | C/o Hindustan Salt Limited, G-229, Sitapur Industrial. Area, Jaipur (Raj.)-302022 Tel : 0141-2771885 Fax : NIL |
| vi | Whether listed company | No |
| vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | N.A. |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

| Sl. No. | Name & Description of main products/services | NIC Code of the Product/Service | % to total turnover of the company |
|---------|--|---------------------------------|------------------------------------|
| 1 | Control Valves | 8481 | 100.00 |

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name & Address of the Company | CIN/GLN | Holding/ Subsidiary/Associate | % to Shares held | Applicable Section |
|---------|-------------------------------|---------|-------------------------------|------------------|--------------------|
| 1 | ---- | ---- | ---- | ---- | ---- |

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)
(i) CATEGORYWISE SHAREHOLDING

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|--------------------------|---|----------|--------|-------------------|---|----------|--------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b) Central Govt. | Nil | 240453 | 240453 | 100 | Nil | 240453 | 240453 | 100 | Nil |
| c) State Government | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d) Bodies Corporate | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Bank/FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| f) Any other | Nil | Nil | Nil | 0 | Nil | Nil | Nil | 0 | Nil |
| SUB TOTAL:(A) (1) | Nil | 240453 | 240453 | 100 | Nil | 240453 | 240453 | 100 | Nil |

| | | | | | | | | | |
|--|-----|--------|--------|-----|-----|--------|--------|-----|-----|
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | NA |
| b) Other Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | NA |
| c) Bodies Corp. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | NA |
| d) Banks/FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | NA |
| e) Any other... | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | NA |
| SUB TOTAL (A) (2) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | NA |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | Nil | 240453 | 240453 | 100 | Nil | 240453 | 240453 | 100 | Nil |

| | | | | | | | | | |
|-------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b) Banks/FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c) Central govt | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d) State Govt. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Venture Capital Fund | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| f) Insurance Companies | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| g) FIIS | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| h) Foreign Venture Cap.Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| i) Others (specify) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| SUB TOTAL (B)(1): | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

| | | | | | | | | | |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | |
| i) Indian | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| ii) Overseas | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakhs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| ii) Individuals Shareholders holding nominal share cap.in excess of Rs.1 lac | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c) Others (specify) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| SUB TOTAL (B)(2): | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

| | | | | | | | | | |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Total Public Shareholding (B)= (B)(1)+(B)(2) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|

| | | | | | | | | | |
|--|-----|--------|--------|-----|-----|--------|--------|-----|-----|
| C. Shares held by Custodian for GDRs & ADRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Grand Total (A+B+C) | Nil | 240453 | 240453 | 100 | Nil | 240453 | 240453 | 100 | Nil |

(ii) SHARE HOLDING OF PROMOTERS

| SI No. | Shareholders Name | Shareholding at the Beginning of the year | | | Shareholding at the End of the year | | | % change in share holding during the year |
|--------|-------------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of shares | % of total shares of the company | % of shares pledged encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged encumbered to total shares | |
| 1 | President of India and his Nominees | 240,453 | 100 | Nil | 240,453 | 100 | Nil | Nil |
| | Total | 240,453 | 100 | Nil | 240,453 | 100 | Nil | Nil |

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (Specify if There is No Change)

| Sl. No. | President of India | Share holding at the beginning of the Year | | Cumulative Share holding during the year | |
|---------|--|--|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | At the beginning of the year | 240,450 | 100 | 240,450 | 100 |
| 2 | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc) | No Change | No Change | No Change | No Change |
| 3 | At the end of the year | 240,450 | 100 | 240,450 | 100 |

| Sl. No. | Shri Rajesh Kumar (nominee of Central Government) | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|---------|--|-------------------------------------|----------------------------------|---|----------------------------------|
| | | No.of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | At the beginning of the year | 01 | 0.0 | 01 | 0.0 |
| 2 | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc) | No Change | No Change | No Change | No Change |
| 3 | At the end of the year | 01 | 0.0 | 01 | 0.0 |

| Sl. No. | Shri Madan Pal Singh (nominee of Central Government) | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|---------|--|-------------------------------------|----------------------------------|---|----------------------------------|
| | | No.of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | At the beginning of the year | 01 | 0.0 | 01 | 0.0 |
| 2 | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc) | No Change | No Change | No Change | No Change |
| 3 | At the end of the year | 01 | 0.0 | 01 | 0.0 |

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (other than Directors, Promoters & Holders of GDRs & ADRs)

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|---------|--|-------------------------------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| (1) | (2) | (3) | (4) | (5) | (6) |
| 1 | At the beginning of the year | Nil | Nil | Nil | Nil |
| 2 | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | No Change | No Change | No Change | No Change |
| 3 | At the end of the year (or on the date of separation, if separated during the year) | Nil | Nil | Nil | Nil |

(v) SHAREHOLDING OF DIRECTORS & KMP.

| Sl. No. | For Each of the Directors & KMP | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|---------|--|-------------------------------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | At the beginning of the year | Nil | Nil | Nil | Nil |
| 2 | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | No Change | No Change | No Change | No Change |
| 3 | At the end of the year | Nil | Nil | Nil | Nil |

| Sl. No. | Shri B. Balasubramanian (nominee of Central Government) (Chairman and Managing Director) | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|---------|--|-------------------------------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | At the beginning of the year | 01 | 0.0 | 01 | 0.0 |
| 2 | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc) | No Change | No Change | No Change | No Change |
| 3 | At the end of the year | 01 | 0.0 | 01 | 0.0 |

| Sl. No. | Shri Rajesh Kumar (nominee of Central Government) (Director) | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|---------|--|-------------------------------------|----------------------------------|---|----------------------------------|
| | | No.of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | At the beginning of the year | 01 | 0.0 | 01 | 0.0 |
| 2 | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc) | No Change | No Change | No Change | No Change |
| 3 | At the end of the year | 01 | 0.0 | 01 | 0.0 |

| Sl. No. | Shri Madan Pal Singh (nominee of Central Government) (Director) | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|---------|--|-------------------------------------|----------------------------------|---|----------------------------------|
| | | No.of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | At the beginning of the year | 01 | 0.0 | 01 | 0.0 |
| 2 | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc) | No Change | No Change | No Change | No Change |
| 3 | At the end of the year | 01 | 0.0 | 01 | 0.0 |

V INDEBTEDNESS

(Amount in ₹)

| Indebtedness of the Company including interest outstanding/accrued but not due for payment | | | | |
|--|----------------------------------|----------------------|----------|----------------------|
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtness at the beginning of the financial year | | | | |
| i) Principal Amount | Nil | 5,720,619,482 | Nil | 5,720,619,482 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | - | 5,720,619,482 | Nil | 5,720,619,482 |

| Change in Indebtedness during the financial year | | | | |
|--|------------|------------|------------|------------|
| Additions | Nil | Nil | Nil | Nil |
| Reduction | Nil | Nil | Nil | Nil |
| Net Change | Nil | Nil | Nil | Nil |

| Indebtedness at the end of the financial year | | | | |
|---|------------|----------------------|------------|----------------------|
| i) Principal Amount | Nil | 57,20,619,482 | Nil | 57,20,619,482 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | Nil | 57,20,619,482 | Nil | 57,20,619,482 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director and/or Manager:

(Amount in ₹)

| Sr. No. | Particular of Remuneration | Director | Total Amount |
|---------|---|----------|--------------|
| | | | |
| 1 | Gross salary | - | - |
| (a) | Salary as per provisions contained in Sec.17 (1) of the Income Tax. 1961. | | |
| (b) | Value of perquisites u/s 17(2) of the Income tax Act, 1961 | | |
| (c) | Profits in lieu of salary u/s section 17(3) of the Income Tax Act, 1961 | | |
| 2 | Stock option | | |
| 3 | Sweat Equity | | |
| 4 | Commission as % of profit or others (specify) | | |
| | Total (A) | - | - |
| | Ceiling as per the Act | NA | NA |

B. Remuneration to other Directors :

(Amount in ₹)

| S No | Particulars of Remuneration | Name of the Directors | |
|------|---|--------------------------|-----------------------------|
| 1 | Independent Directors | Dr. Smt. RH Lata | |
| | (a) Fee for attending board committee meetings | 1,15000 | |
| | (b) Commission as % of profit or others (specify) | | |
| | (c) Others, please specify | | |
| | Total (1) | 1,15000 | |
| 2 | Other Non Executive Directors | Shri Rajesh Kumar | Shri Madan Pal Singh |
| | (a) Fee for attending board committee meetings | | |
| | (b) Commission as % of profit or others (specify) | | |
| | (c) Others, please specify. | | |
| | Total (2) | | |
| | Total (B)=(1+2) | - | |
| | Total Managerial Remuneration | - | |
| | Overall ceiling as per Act. | NA | NA |

c. Remuneration Of Key Managerial Personnel Other Than Md/Manager/WTD

(Amount in ₹)

| Sl. No. | Particulars of Remuneration | |
|---------|--|-----|
| 1 | Gross Salary | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | Nil |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | Nil |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | Nil |
| 2 | Stock Option | Nil |
| 3 | Sweat Equity | Nil |
| 4 | Commission as % of profit or others (specify) | Nil |
| 5 | Others, please specify | Nil |
| | Total | Nil |

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/Punishment/Compounding fees imposed | Authority (RD/NCLT/Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|---------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | ----- Nil ----- | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | ----- Nil ----- | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | ----- Nil ----- | | |
| Punishment | | | | | |
| Compounding | | | | | |

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2022-23

(Pursuant to Department of Public Enterprises Guidelines)

IL has established a sound framework of Corporate Governance, which underlines commitment to quality of governance, transparency in disclosures and consistent stakeholders' value enhancement. Corporate Governance is a combination of voluntary practices and compliance with laws and regulations, leading to effective control and management of the Company. It is the strong belief of Company that the good corporate governance ensures that the corporate actions balance the interest of all stakeholders and satisfy the tests of accountability, transparency, and fair play. The Company believes that all its operations and actions must be directed towards enhancing overall stakeholder value. The company will continue to focus on its resources, strengths, strategies to achieve this purpose.

At the heart of Company's Corporate Governance policy is the ideology of transparency and openness in the effective working of the Management and Board. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it.

With commitment to practice sound governance principles, your Company is guided by the following core principles.

- Proactive flow of information to the members of the Board.
- Framework to enable effective discharge of fiduciary duties;
- To comply with all the applicable laws, rules and regulations;
- Ethical business conduct by the Board, Management & employees; and
- Robust systems and processes for internal control.

The Board of your Company constantly endeavors to set goals and targets aligned to the Company's vision and mission - To be pioneer in Control Valves, Actuators, Butterfly valves, Power Cylinders and Bellow Sealed Valves and is committed to total customer satisfaction by identifying and fulfilling their specific needs, translating them into quality products, providing dependable after sales service and to work

for continual improvement of Quality Management System by developing/marketing quality products.

BOARDS AND COMMITTEES:

a) Board of Directors:

As on 31st March, 2023, the Board of Directors consists of four Directors. During the Financial Year ended 31st March, 2023, Board meetings were held on 27.05.2022, 12.09.2022, 09.12.2022, 17.02.2023.

The details of composition of the Board as on 31.03.2023, the attendance record of the Directors at the Board Meetings held during the financial year 2022-2023 and at the last Annual General Meeting (AGM), as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are given here below:-

| Name of Director | Category | No. of Board Meetings Held | No. of Board Meetings attended by the Director | Attendance at the previous Annual Meeting held on 09.12.2022 | No. of Other Directorships | No. of membership of other Board Committees | No. of other Committees of which the Director is a Chairperson |
|--------------------------|--|----------------------------|--|--|----------------------------|---|--|
| Shri. B. Balasubramanian | Chairman and Managing Director (Additional Charge) from 01.11.2020 | 4 | 4 | Present | 1 | Nil | Nil |
| Shri Rajesh Kumar | Director (Govt. Nominee) from 03.09.2020 | 4 | 4 | Present | 0 | Nil | Nil |

| | | | | | | | |
|----------------------|--|---|---|---------|---|-----|-----|
| Shri Madan Pal Singh | Director (Govt. Nominee) from 09.11.2020 | 4 | 4 | Present | 1 | Nil | Nil |
| Dr. Smt. RHLata | Independent director From 02.11.2021 | 4 | 4 | NA | 1 | Nil | Nil |

b) Board Procedure:

The Board generally meets once in a quarter to review the quarterly business and financial performance of the Company. Additional meetings are held, when necessary. These Meetings are scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. All the items on the agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, financial results, etc., the same are tabled at the meeting.

The agenda and the relevant notes are sent in advance separately to each Director and only in exceptional cases; the same is tabled at the meeting. The Minutes of the Board Meetings are also circulated in advance to all Directors and confirmed at subsequent Meeting. The Board reviews the performance of the Company every quarter vis-à-vis the targets set by them and helps in the major strategic decisions and policy formulations. The members of the Board have access to all information of the Company and are free to recommend inclusion of any matter in agenda for discussion in consultation with the Chairman.

c) Board's Responsibilities:

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company,

management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served.

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE OVERVIEW:

The Company, Instrumentation Limited (IL) having its Registered Office & Headquarters at Jaipur, Rajasthan was established with a manufacturing Unit at Kota (Raj) in 1964 as a fully Government owned CPSE to cater to the growing Control & Instrumentation (C & I) needs of Core Industrial sectors viz. Power, Steel, Oil, Refinery etc. and for achieving self reliance in this field.

Other manufacturing Unit at Palakkad, Kerala was established in 1974 for self reliance in flow control & measurement elements such as Control Valves, Butterfly Valves, Power Cylinders/ Actuators, Orifice Plate, Flow Nozzles etc.

On 30.11.2016 the Union Cabinet approved closure of Kota Unit and in principle approval for transfer of Palakkad Unit to Govt. of Kerala.

Accordingly, Operations of Kota Unit (comprising of Kota Unit, Marketing Unit, P-DDC Unit and Head Quarter) have been closed w.e.f. 01.04.2017 and all the employees have been relived on VRS/VSS w.e.f 18.04.2017.

Palakkad Unit of IL, which is accredited with ISO 9001:2015, ISO 14001:2015 and OHSAS 45001:2018 Certification is operational.

MISSION, VISION AND VALUES

MISSION : Committed to provide simple, responsive and innovative solutions for flow requirement of process industry.

VISION : To make Nation self-reliant in the field of process control valves and be the control valve manufacturer of choice the Process industry in India and Abroad.

VALUES : Quality, service, transparency, ethics, politeness and sustainability.

ANNEXURE-III

Replies to the observations made by the Statutory Auditors in their report dated 08.09.2023 on the accounts of the Company for the year 2022-23:-

On the Audit of the Financial Statement:

1. Observation at S. No. I, III & V :

Regarding Statutory Auditors observation number I,III and V of the Report, Note No. 12.5, 32.6 and 32.8, respectively forming part of accounts are self-explanatory.

2. Observation at S. No. II :

Observation at point No. II contingent liability relating to pending cases in respect of ex-employees and labour unions before various authorities against Company is not ascertained.

Thangavelu Ravi
Chairman and Managing Director

ANNEXURE-IV

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF INSTRUMENTATION LIMITED FOR THE YEAR ENDED 31
MARCH 2023**

The preparation of financial statements of Instrumentation Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 08 September 2023.

I, on behalf of the Comptroller and Auditor General of India have decided not to conduct the supplementary audit of the financial statements of the Instrumentation Limited for the year ended 31 March 2023 under section 143 (6)(a) of the Act.

**For and on behalf of the
Comptroller and Auditor General of India**



**(S. Ahladini Panda)
Principal Director of Audit
(Industry & Corporate Affairs)
New Delhi**

**Place : New Delhi
Dated : 13.10.2023**

INDEPENDENT AUDITORS' REPORT

To
The Members of
Instrumentation Limited

Report on the Audit of the Standalone Financial Statements

We have audited the standalone financial statements of INSTRUMENTATION LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditor of the Company's branch located at Palakkad.

In our opinion and to the best of our information and according to the explanations given to us, for the effects of the matter described in the Basis for Qualified opinion of our report, the aforesaid standalone financial statements give the information required by the Act in the manner so required and to that effect 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, 2023, and profit and its cash flows for the year ended on that date.

Basis for Qualified opinion

- I. Refer note no. 12.5 of notes on accounts regarding non-execution of title deed of Building of ₹ 3,32,095/-.
- II. There are cases pending in respect of ex-employees and labour unions before various authorities against the company. The liability in respect of this not quantified and not recognized as contingent liability.
- III. Provision of liability for earned leave encashment has not been provided during Financial Year 2022-23 not as much as suggested in the actuarial variation report.
- IV. Under the head sundry Debtors, an amount Rs.1352061 is shown in the name of UPRVUNL. Actually, according to explanation received the same has been fully recovered and no balance is to be from them.
- V. As per corporate social responsibilities (CSR) compliance requirements, The board is required to spend ₹ 2215537/- during the year. But actual expenses incurred is ₹ 3,46,720/- and there is short fall of ₹ 18,68,817 /- the company Has made a fixed deposit of ₹18,69,000 /-with a bank.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other

ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

- I. The financial statement of the company has been prepared on going concern basis considering the material evidences such as current year turnover of ₹ 78.76 Crores and the future project in hand which indicate that the company is going concern. There is no apparent factor affecting the liquidity of the company as explained by the management.
- II. An amount of ₹ 9.90Lacs has been provided in the books towards trade receivables outstanding more than 5 years.
- III. As per the letter dated 01/12/2018 Land of 566.30 acres was assigned on registry to Instrumentation Limited, Kota vide Patta No. 938 dated 12.10.1976 at Pudussery, Kerala under the Rules of Assignments No. lease/hire purchase agreement was executed in the transfer of land. There were resumptions/surrenders/allotments of unused land to Government of Kerala/other Govt. Institutions up to 2009. Tehsildar (Land Records) vide proceeding No. F3-2018/19231/9/500 dated 10.06.2019 informed that Instrumentation Limited, Palakkad has possession of 48.9320 hectare (120.91 acres), in survey 37/13 Block 35 and category of land is "Owned Property". Land of 88.7920 hectars (219.4 acres) in survey number 37/2, block 35 is in the name of central government precision instrumentation project and category of land is porampokku (Govt. land) Appeal against above Tehsildar order has been filed before RDO on 23.06.2021, to issue fresh order duly indicating the total extent of 566.30 acres land as own property of the company. The land was allotted by government of Kerala free of cost. Therefore, the land is valued at nominal value of ₹ 1/-.

Responsibilities of Management for the Standalone 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 standalone 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Emphasis of Matters

We draw attention to the following Notes:

- (I) With reference to note no. 1 of financial statements which mention that the Ministry of Heavy Industry & Public Enterprises, Govt. of India vide its letter dated 08.12.2016 intimated the decision of the Union Cabinet in its meeting held on 30.11.2016 for closure of Kota Unit (comprising Corporate Head Quarter, Kota Unit, P-DDC Unit and Marketing Unit viz Kota Complex) and in principle approval for transfer of Palakkad Unit of Instrumentation Limited to Government of Kerala in a time bound manner as per DPE Guideline dated 07.09.2016 of closure and accordingly board of directors of company in board meeting held on 16.12.2016 also passed resolutions for closure. Accordingly, the financial statements have been prepared in accordance with the historical cost convention on the basis of a 'going concern' Concept.
- (iii) With reference to note no. 32.2, the Company is not presenting the segment information as required by Accounting Standard -17 'Segment Reporting' issued by the Institute of Chartered Accountants of India.
- (iv) Inventory includes stocks which are slow/nonmoving, obsolete, damaged & unusable items. As refer note no. 26.2 reduction of ₹ 316000/- has been made by the company for inventory obsolescence, nonmoving and slow moving on estimated basis. However, the adequacy of the same cannot be ascertained and therefore, the exact financial impact on the financial statements of the Company could not be ascertained.
- (v) The Kota unit has claimed Input Tax Credit on expenses from Walmart amounting of ₹ 19,968.26/- that are not related to the business of the company.

However, it is to be noted that "Our opinion is not modified in respect of the matter emphasized"

Other Matter

We did not audit the financial statements/ information of Palakkad branch included in the standalone financial statements of the Company whose financial statements/financial information reflect total assets of ₹ 141,41,97,134/- as at 31st March 2023 and the total revenue of ₹ 80,87,64,381/- for the year ended on that date, as considered in the standalone financial statements. The financial statements/ information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditor. Our opinion is not modified in respect of this matter.

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 the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required under section 143(5) of the Companies Act, 2013, we give in the “Annexure B”, a statement on the Directions issued by the Comptroller and Auditor General of India.
3. 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) Except for the effects of the matter described in the Basis for Qualified/adverse opinion paragraph above, 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - (d) 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 and with the returns received from the branches not visited by us.
 - (e) In our opinion, except the effects of the matter described in the basis for qualified/adverse opinion paragraph, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, we have no observations or comments on financial transactions or matters which have any adverse effect on functioning of the company
 - (g) Being a Government Company, pursuant to the Notification Ref No. GSR 463(E) dated 05th June 2015 issued by Government of India, provisions of section 164(2) of the Act are not applicable to the Company.
 - (h) Being a Govt. company, pursuant to the Notification Ref no. GSR 463(E) dated 05th June 2015 issued by Government of India, provisions of section 164(2) of the act are not applicable to the company.
 - (i) 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 C”.
 - (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such 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.
 - v. No dividend has been declared or paid during the year by the company.

For Prasad & Associates
Chartered Accountants
Firm Registration No.: 001557C

(CA. Ravindra Raniwalal)
Partner
(M. No.: 073191)

UDIN : 23073191BGXCNS5381
PLACE : JAIPUR
DATE : 08.09.2023

Annexure-A to the Independent Auditors' Report

Report 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 (Refer to in paragraph 1 under report on Other Legal Regulatory Requirements section of our report of even date) with reference to the Annexure A referred to the Independent Auditors Report to the members of the company on the financial statements for the year ended March 31st,2023 we report the following:

1) In respect of Fixed Assets:

- a) The Company generally has maintained proper records showing full particulars, including quantitative details of fixed assets. Further certain details as regard to situation of fixed assets and area of leasehold land also need to be updated in fixed asset register. Almost whole movable fixed assets of Kota complex has been sold due to closure of Kota complex.
- b) As explained to us, all fixed Assets have been physically verified by the management in a phased manner, which in our opinion is reasonable having regard to the size of the company and nature of its business. No material discrepancies were noticed on such physical verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company and on the basis of photocopies/Duplicate copy of lease deed, lease deed of lands have been verified by us and same are held in the name of company. As regard to title deed/lease deed of other immovable properties are concerned we have verified the same from photocopies of deeds, as original copies are not made available to us, except Building value of ₹ 3,32,095/- refer note no. 12.6 title deed of which is yet to be executed and flats at Bombay deed of which is not made available for verification.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are 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) In respect of Inventories

- a) It has informed to us that the management has conducted the physical verification of inventory in a phased manner and looking to the size of company and nature of business the procedure and frequency are reasonable and adequate.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been sanctioned any working capital limits in excess of five crore rupees,

in aggregate, from banks or financial institutions on the basis of Govt. Guarantee during any point of time of the year. Accordingly the provisions of clause 3(ii)(b) of the Order are not applicable to the company.

- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (f) of Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013. Accordingly, clause 3(v) of the Order is not applicable.
- 6) As informed to us, the cost records related to Palakkad unit as specified by the Central Government under Section 148(1) of the Companies Act, 2013 have been properly maintained in respect of the activities carried on by the company. As there is no manufacturing activity carried in Kota complex there is no such records are maintained.

7) In respect of Statutory Dues

According to information and explanation given to us, there are disputed statutory dues aggregating of ₹ 5,81,66,549/-. Details are enclosed as Annexure A1. Also according to information and explanation given to us, us there were no outstanding statutory dues as on 31st of March, 2023 for a period of more than six months from the date they became payable.

- 8) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- 9) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not been declared a willful defaulter by any bank or financial institution or other lender;
- (c) According to the information and explanations given to us by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained,
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the company.

- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(f) is not applicable.
- 10) (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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, clause 3(x)(b) of the Order is not applicable
- 11) (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (b) According to the information and explanations given to us, 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) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company
- 12) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) (a) Based on information and explanations provided to us and our audit procedures, the company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) (a) In our Opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.,
- (c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)© of the Order is not applicable.
- (d) According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.
- 17) Based on our examination, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- 18) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- 19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- 20) Based on our examination, the provision of section 135 are applicable on the company however, no amount is required to be provided/spent towards CSR since the company has not made average profits in last three years reckoned for the purpose. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.
- 21) The company is not required to prepare Consolidate financial statement hence this clause is not applicable

For **Pramod & Associate**
Chartered Accountants
Firm Registration No.:001557C

(CA. Ravindra Raniwala)
Partner
(Membership No.: 073191)

UDIN-23073191BGXCNS5381
Place: JAIPUR
Date: 08.09.2023

Annexure A1- Details of Disputed Statutory dues

| Years | Excise Duty | Service tax | Custom Duty | Total | Particulars |
|--------------------|-------------|-------------------|-------------------|-------------------|--|
| 1992-93 | - | - | 1,459,824 | 1,459,824 | Collector (A) Mumbai |
| 1993-94 | - | - | 716,953 | 716,953 | Collector (A) Mumbai |
| 1994-95 | - | - | 12,770,590 | 12,770,590 | Collector (A) Mumbai & CESTAT(A), Mumbai |
| 2004-05 | - | - | 4,220,000 | 4,220,000 | CESTAT(A) Mumbai |
| 2003-04 to 2006-07 | - | 4,751,000 | - | 4,751,000 | Pending with CESTAT, New Delhi |
| 2006-07 | - | 7,643,892 | - | 7,643,892 | Pending with CESTAT |
| 2007-08 | - | 137,766 | - | 137,766 | Pending with CESTAT (Appeals), Jaipur |
| 2009-10 | - | 26,466,524 | - | 26,466,524 | Pending with CESTAT, Delhi |
| TOTAL | - | 38,999,182 | 19,167,367 | 58,166,549 | |

Annexure B to the Independent Auditor's Report

Referred to in Paragraph 2 of "Other Legal and Regulatory requirements" of our Audit Report as per CAG's directions to statutory auditor under Section 143(5) of the Companies Act, 2013 applicable to the financial statements of Government companies for the year 2020-21 and onwards

| Sl. No. | Details\Directions | Auditor's Reply | Action taken and Impact on Accounts and Financial Statements |
|---------|--|--|--|
| 1. | Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. | The company has system in place to process all the accounting transactions through IT system. According to the information and explanations given to us there is no accounting transactions are processed outside IT system. | No impact on financial statements. |
| 2. | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company). | According to the information and explanations given to us, there is no cases of restructuring of an existing loan or cases of waiver /write off the debts / loans / interest etc made by a lender to the company. | No impact on financial statements. |
| 3. | Whether funds received / receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and condition? List the cases of deviation. | According to the information and explanations given to us, no funds were received / receivable for specific scheme from Central /S tate agencies during the financial year 2022-23. | No impact on financial statements. |

For **Pramod & Associate**
Chartered Accountants
Firm Registration No.:001557C

(CA. Ravindra Raniwala)
Partner
(Membership No.: 073191)

UDIN : 23073191BGXCNS5381
PLACE : JAIPUR
DATE : 08.09.2023

Annexure C to the Independent Auditor's Report

Report on the Internal Financial Controls 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 Instrumentation Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date in which are included the Returns for the year ended on that date audited by the branch auditor of the Company's branch located at Palakkad.

Management's Responsibility for Internal Financial Controls

The Company's management 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is

sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Pramod & Associate**
Chartered Accountants
Firm Registration No.:001557C

(**CA. Ravindra Raniwala**)
Partner
(Membership No.: 073191)

UDIN : 22073191BFOBFN6316
PLACE : JAIPUR
DATE : 08.09.2023

BALANCE SHEET AS AT 31st MARCH, 2023

(₹ in Lakhs)

| Particulars | Note No. | As at 31-3-2023 | As at 31-3-2022 |
|--|-------------|-------------------------|-------------------------|
| EQUITY AND LIABILITIES | | | |
| 1. Shareholders' Funds | | | |
| (a) Share Capital | 2 | 2,404.53 | 2,404.53 |
| (b) Reserves & Surplus | 3 | (50,882.35) | (51,368.42) |
| (c) Money received against share warrants | | - | - |
| | | <u>(48,477.82)</u> | <u>(48,963.89)</u> |
| 2. Share Application Money Pending Allotment | 4 | 12,200.96 | 12,200.96 |
| 3. Non-Current Liabilities | | | |
| (a) Long Term Borrowings | 5 | - | - |
| (b) Deferred Tax Liability (Net) | 6 | - | - |
| (c) Other Long Term Liabilities | 7 | 181.18 | 187.80 |
| (d) Long Term Provisions | | - | - |
| | | <u>181.18</u> | <u>187.80</u> |
| 4. Current Liabilities | | | |
| (a) Short Term Borrowings | 8 | - | - |
| (b) Trade Payables | 9 | - | - |
| (A) Total Outstanding dues of micro enterprises and small enterprises ; and | | 1,161.89 | 151.50 |
| (B) Total Outstanding dues of creditors other than micro enterprises and small enterprises | | 429.95 | 592.91 |
| Less: Debit Balance | | <u>16.99</u> | <u>11.13</u> |
| | | <u>1,574.85</u> | <u>733.29</u> |
| (c) Other Current Liabilities | 10 | 58,719.41 | 58,531.15 |
| (d) Short Term Provisions | 11 | 18.69 | - |
| | | <u>60,312.95</u> | <u>59,264.44</u> |
| | | <u>24,217.27</u> | <u>22,689.31</u> |
| ASSETS | | | |
| 1. Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 12 | 704.91 | 768.87 |
| (ii) Intangible Assets | 12 | 51.40 | 64.29 |
| (iii) Capital Work in Progress | 12 | 62.72 | - |
| (iv) Intangible Assets under Development | | - | - |
| | | <u>819.03</u> | <u>833.16</u> |
| (b) Non-Current Investments | 13 | - | - |
| (c) Long Term Loans and Advances | 14 | 903.91 | 1,215.80 |
| (d) Deferred Tax Assets (Net) | 6 | - | - |
| (e) Other Non-Current Assets | 15 | 26.33 | 24.51 |
| | | <u>1,749.27</u> | <u>2,073.47</u> |
| 2. Current Assets | | | |
| (a) Current Investments | 16 | 0.04 | 0.04 |
| (b) Inventories | 17 | 4,258.88 | 3,375.59 |
| (c) System Work (At Sites) | 18 | - | - |
| (d) Trade Receivables | 19 | 4,966.10 | 4,551.46 |
| (e) Cash and Bank Balances | 20 | 7,109.10 | 6,556.36 |
| (f) Short Term Loans and Advances | 21 | 198.75 | 132.09 |
| (g) Other Current Assets | 22 | 5,935.13 | 6,000.30 |
| | | <u>20,468.00</u> | <u>20,615.84</u> |
| | | <u>24,217.27</u> | <u>22,689.31</u> |

Significant Accounting Policies and 1 to 32 Note form integral part of these Financial Statements

For and on behalf of the Board

| | | |
|--|--|--|
| Anjali Gupta Company Secretary M.No.ACS 49251 | Madan Pal Singh Director DIN No. : 08414417 | Thangavelu Ravi Chairman and Managing Director DIN No. 10221443 |
|--|--|--|

In terms of our report of even date attached
For Pramod & Associates
Chartered Accountants
F.R.N. 001557C

C.A. Ravindra Raniwala
Partner
M.No.073191

Place : Palakkad
Date : 08th September, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023

(₹ in Lakhs)

| Particulars | Note No. | 2022-2023 | 2021-2022 |
|---|----------|-----------------|-----------------|
| REVENUE FROM OPERATIONS | 23 | 7,876.92 | 6,963.93 |
| Jobs done for internal use | 24 | - | - |
| Total | | 7,876.92 | 6,963.93 |
| Less :- Excise Duty | | - | - |
| Revenue from Operations (Net) | | 7,876.92 | 6,963.93 |
| Other Income | 25 | 407.51 | 396.49 |
| Total Revenue | | 8,284.43 | 7,360.42 |
| EXPENSES | | | |
| Cost of Materials consumed | 26 | 3,505.61 | 2,901.37 |
| Changes in Inventories of Finished goods & Work-in-process | 27 | (302.63) | (100.47) |
| Employee benefit expenses | 28 | 2,348.01 | 1,856.71 |
| Services & Sub-Contracting | | 629.46 | 515.97 |
| Finance Cost | 29 | - | 0.01 |
| Depreciation and Amortisation Exp. | 30 | 148.68 | 136.34 |
| Other Expenses | 31 | 858.16 | 901.67 |
| Total Expenses | | 7,187.29 | 6,211.60 |
| Profit/(Loss) before exceptional and extraordinary items and tax | | 1,097.14 | 1,148.82 |
| Exceptional items Income/(Expenses) | 32.7 | (611.06) | 1,526.27 |
| Profit/(Loss) before extraordinary items and tax | | 486.07 | 2,675.10 |
| Exceptional items Income/(Expenses) | | - | - |
| Profit/(Loss) before Tax | | 486.07 | 2,675.10 |
| Tax Expenses on Continuing Operations | | - | 449.14 |
| Current Tax | | - | - |
| Deferred Tax | | - | 449.14 |
| Profit/(Loss) for the year | | 486.07 | 2,225.96 |
| Profit/(Loss) from Continuing Operations | | 317.86 | 906.91 |
| Tax Expenses on Continuing Operations | | - | - |
| Profit/(Loss) from Continuing Operations (After Tax) | 32.4 | 317.86 | 906.91 |
| Profit/(Loss) from Discontinuing Operations | | 168.21 | 1,768.18 |
| Tax Expenses on Continuing Operations | | - | 449.14 |
| Profit/(Loss) from Continuing Operations (After Tax) | 32.4 | 168.21 | 1,319.04 |
| Profit/(Loss) for the year (Continuing & Discontinuing Operations) | | 486.07 | 2,225.96 |
| Basic & Diluted EPS | 32.9 | 202.15 | 1,112.52 |
| (Face value of ₹1000/-each) | | 49.75 | 273.82 |

Significant Accounting Policies and Notes 1 to 32 Notes form integral part of these Financial Statements

For and on behalf of the Board

Anjali Gupta **Madan Pal Singh** **Thangavelu Ravi**
Company Secretary Director Chairman and Managing Director
M.No.ACS 49251 DIN No. : 08414417 DIN No. 10221443

In terms of our report of even date attached
For Pramod & Associates
Chartered Accountants
F.R.N. 001557C

C.A. Ravindra Raniwala
Partner
M.No.073191

Place : Palakkad
Date : 08th September, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2023 (₹ in Lakhs)

| | 2022-2023 | 2021-2022 |
|---|-------------------|-------------------|
| A. Cash Flow from Operating Activities | | |
| Net Profit/(Loss) before Tax & Extraordinary items :- | 486.07 | 2,675.10 |
| Depreciation & amortisation | 148.68 | 136.34 |
| Loss on sale of fixed assets | (0.97) | - |
| Provision for doubtful debts | 10.00 | 133.86 |
| Provision - others | - | - |
| Interest Income | (327.32) | (265.56) |
| Dividend Income | - | - |
| Interest Expenses | - | (0.01) |
| Operating Profit before working capital changes | <u>316.46</u> | <u>2,679.75</u> |
| Adjustment for:- | | |
| Investment | - | - |
| Trade Receivable | (424.64) | (647.12) |
| Inventory | (883.29) | (8.02) |
| Loans and Advances and Other Current Assets | (3,364.61) | (6,847.98) |
| Trade payable,Provisions and Other Liabilities | 1,041.88 | (1,009.14) |
| Net cash from/(used in) operating activities before Tax & extraordinary items | <u>(3,314.20)</u> | <u>(5,832.52)</u> |
| Tax | - | (449.14) |
| Net cash from/(used in) operating activities before extraordinary items | <u>(3,314.20)</u> | <u>(6,281.66)</u> |
| Extra ordinary items | - | - |
| Net cash from/(used in) operating activities after extraordinary items | <u>(3,314.20)</u> | <u>(6,281.66)</u> |
| B. Cash flow from investing activities | | |
| Purchase of Fixed Assets | (136.68) | (103.60) |
| Sale of Fixed Assets | 2.12 | 31.23 |
| Loss on Sale of Fixed Assets | 0.97 | - |
| Investments | - | - |
| Interest Received | 327.32 | 265.56 |
| Dividend received | - | - |
| Rent and other Revenue received | - | - |
| Net cash from / (used in) investing activities | <u>193.74</u> | <u>193.19</u> |
| C. Cash flow from financing activities | | |
| Share application money | - | - |
| Long term Loan | - | - |
| Borrowings | - | - |
| Interest Paid | - | (0.01) |
| Net cash from / (used in) financing activities | <u>-</u> | <u>(0.01)</u> |
| D. Net increase in cash & cash equivalent (A+B+C) | (3,120.46) | (6,088.48) |
| Cash & Cash equivalent at the beginning of the year | 4,088.70 | 10,177.18 |
| Cash & Cash equivalent at the end of the year (Refer Note No.20) | <u>968.24</u> | <u>4,088.70</u> |
| Notes:- | | |
| 1. Cash & Cash equivalent at the end of the year comprises:- | | |
| Cash on hand | 1.70 | 1.69 |
| Cheque on Hand | 0.02 | 0.10 |
| Balance with Banks | - | - |
| -On current Accounts | 508.21 | 297.56 |
| -On Deposits Accounts | 458.31 | 3,789.35 |
| Total | <u>968.24</u> | <u>4,088.70</u> |

Note:- 1. Cash Flow Statement has been prepared as per AS-3.

2. Cash & Cash Equivalents consists of cash and bank balance & deposits with banks.

Anjali Gupta
Company Secretary
M.No.ACS 49251

Madan Pal Singh
Director
DIN No. : 08414417

Thangavelu Ravi
Chairman and Managing Director
DIN No. 10221443

In terms of our report of even date attached
For Pramod & Associates
Chartered Accountants
F.R.N. 001557C

C.A. Ravindra Raniwala
Partner
M.No.073191

Place : Palakkad
Date : 08th September, 2023

Notes on Financial Statements for the year ended 31st March, 2023

Note:1. SIGNIFICANT ACCOUNTING POLICIES ACCOUNTING CONVENTION

The Ministry of Heavy Industry & Public Enterprises, Govt. of India vide its letter dated 08.12.2016 intimated the decision of the Union Cabinet in its meeting held on 30.11.2016 for closure of Kota Unit (comprising Corporate Head Quarter, Kota Unit, P-DDC Unit and Marketing Unit viz Kota Complex) and in principle approval for transfer of Palakkad Unit of Instrumentation Limited to Government of Kerala in a time bound manner as per DPE Guideline dated 07.09.2016 of closure. Although assets of Kota Unit have been sold but since Palakkad Unit is going concern and it is only discontinuation of operation of Kota Unit, Instrumentation Limited is a going concern.

Accordingly, the financial statements have been prepared in accordance with the historical cost convention on the basis of a 'going concern' with revenue recognised and expenses accounted for on accrual system of accounting.

Use of Estimates: The preparation of financial Statements requires estimates and assumption which affected the reported amounts of assets, liabilities, revenues & expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

1. **LAND:** The Company values lease-hold land obtained free of cost at the nominal value of Rs. 1/-.
2. **FIXED ASSETS:** Fixed Assets are valued at historical cost on consistent basis and are net of refundable taxes & levies wherever applicable. All cost relating to acquisition of fixed assets till commissioning of such assets are capitalized.
3. **INVESTMENT:** Investments are classified into current and long term investments. Current investments are stated at lower of cost or market value. Long term investments are stated at cost and provision for diminution in value is made only if such decline is other than temporary in the opinion of management.
4. **VALUATIONS**
 - 4.1 Raw materials, stores and spare parts are valued at cost or estimated realisable value whichever is lower.
 - 4.2 Bought-out components and manufactured components (including in process) are valued at cost or estimated realisable value whichever is lower. Components purchased/ manufactured against production orders but declared surplus/ obsolete are valued at estimated scrap value. Work-in-process is valued at cost or estimated realisable value whichever is less.
 - 4.3 Loose tools & implements in stock are valued at cost or estimated realisable value whichever is lower. Those in use costing Rs. 5000/- or less each are charged off to revenue while others are written off over a period of three years.
 - 4.4 Finished goods and completing items are valued at cost or estimated realisable value whichever is lower. Excise duty paid stock at Branch/Regional/Site and

other outstation places are valued at cost or estimated realisable value whichever is lower.

- 4.5 Cost is ascertained using the Weighted Average Method and is the fairest possible approximation to the cost incurred in bringing the inventories to their present location and condition.
- 4.6 System work-in-progress at customer's sites are valued at 95% of the proportionate contract value for work executed based on technical evaluation where work completed more than 20% or more. Where the contracts are under finalisation, the price quoted/under negotiation is considered for such valuation. Necessary adjustments are made in the year of finalisation of the contract.
- 4.7 Scrap is accounted for, to the extent received in Scrap Yard, on estimated realisable value.

5. TURNOVER

- 5.1 Turnover in respect of system-sale contract is ascertained by valuing despatches to the customers/engineering against each contract at the close of the year on proportionate value of such contracts based on technical evaluation at the commencement of the year. Where the contracts are under finalisation, the price quoted/under negotiation is considered for such valuation.
- 5.2 System work contracts completed/handed over are valued at break-up value of the contracts based on technical evaluation. Turnover in respect of system works contracts in progress is ascertained by valuing such contracts as per Accounting Policy No. 4.6 and reducing there from valuation of work-in-progress at the commencement of the year after adjustment of work completed / handed over.
- 5.3 Retail sales are net of adjustments/returns pertaining to earlier years.
- 5.4 Sales are set up based on dispatches/ customer acceptance against valid sales contract.

6. DEPRECIATION

TANGIBLE ASSET :

- 6.1 Depreciation is provided on Straight-Line Method basis. For Fixed Assets put to use upto 01.04.1987 depreciation was provided at the rate specified in Income Tax Rules and at applicable rates specified in Schedule- XIV of the Companies Act, 1956 for the assets added after 01.04.1987 upto 31.03.2014. With effect from 01.04.2014, the depreciation is provided based on useful life of the assets per Schedule-II of the Companies Act, 2013.
- 6.2 Lease Hold Land is amortised over a period of lease.
- 6.3 Fixed assets other than Lease Hold Land were depreciated on Straight-Line Method at the rates computed in terms of Section 205 (2)(b) of the Companies Act, 1956, Fraction of percentage was rounded to the next percent in respect of asset put to use prior to 2.04,1987.

- 6.4 Items of Plant and Machinery costing upto Rs. 5000/- each are depreciated at 100%. Other assets costing upto Rs. 750/- and put to use prior to 16.12.1993 were depreciated at 100% and those costing upto 5000/- each and put to use on or after 16.12.1993 are depreciated at 100%.
- 6.5 Asset at work sites were depreciated at higher rates due to higher wear & tear upto 31.03.2014. With effect from 1.04.2014 depreciation based on useful life of assets as per Part-II of the Companies Act, 2013 is provided.
- 6.6 Residual value in respect of assets capitalized is taken @ of 5% w.ef. 01.4.2014 except for Sino. 6.2 & 6.4 above.

INTANGIBLE ASSET:

- 6.7 The cost of technical knowhow and documents acquired for new production are capitalized and the same are depreciated over a period of five years based on useful life of assets as per part-II of Companies Act, 2013 from the day these are put to use.
- 6.8 Cost of software and documents acquired for other performances are capitalized and the same are depreciated over a period of five years based on useful life of assets as per part-II of Companies Act, 2013 from the day these are put to use.
- 6.9 Residual value in respect of cost of technical knowhow, documents and softwares is considered as Nil.
7. **CONTRACTUAL OBLIGATION:** Provision for contractual obligation in respect of completed/handed over contracts under warranty and executed portion of each system sale contract is kept at 5% of the value excluding excise duty.

The same is written back after fulfillment of contractual obligations. The expenses incurred against contractual obligations including short supplies, replacement, rejections are charged to natural heads of accounts in the year of occurrence.

8. **DISCONTINUING OPERATIONS:-** As per Accounting Standard 24:
- A discontinuing operation is a component of enterprises:
- that the enterprise, pursuant to a single plan is:
 - disposing of substantially in its entirety, such as by selling the component in a single transaction or by demerger or spin-off of ownership of the component to the enterprise's shareholders; or
 - disposing of placement, such as by selling off the component's assets and selling its liabilities individually; or
 - terminating through abandonment; and
 - that represents a separate major line of business or geographical area of operation; and
 - that can be distinguished operationally and for financial reporting purpose.

As mentioned earlier in accounting convention closure order of Kota Complex has been passed, it is satisfying the condition mentioned above, therefore it is

discontinued operation but no disclosure has been made as per AS 24 in Financial Statement.

9. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS:

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and reliable estimates of amount of the obligation can be made. Provisions are determined based on management estimate require to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

10. **IMPAIRMENT OF ASSETS :** The carrying amounts of assets are reviewed at each Balance Sheet date. In case there is any indication of impairment based on Internal / External factors, an Impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

11. **LIQUIDATED DAMAGES:** Price Reduction Schedule, if any, are accounted for as and when recovery is effected and the matter is considered settled by the Management.

12. **CASH FLOW STATEMENT:** Cash Flow Statement: Cash Flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard AS-3 on "Cash Flow Statement".

13. OTHERS:-

- 13.1 **GRATUITY :** The Company contributes an amount equal to the premium for the Cash Accumulation Policy taken with Life Insurance Corporation of India, to Gratuity Trust, for onward payments to the Life Insurance Corporation.

- 13.2 **EARNED LEAVE :** The Company has taken Cash Accumulation Policy from Life Insurance Corporation of India, in accordance with actuarial valuation for encashment of leaves by the employees on retirement or death.

- 13.3 **RESEARCH AND DEVELOPMENT:** All expenditure incurred on Research and Development except on acquisition of fixed assets is charged to revenue.

- 13.4 **TRANSLATION OF FOREIGN CURRENCY ACCOUNTS:** Accounts of overseas Branch in foreign currency are converted for incorporation in annual accounts at the following rates:

- Items of income and expenditure are translated at the average rate except depreciation which is converted at the rate adopted for the fixed assets.
- Assets and Liabilities are translated at the closing rate.
- Translation variations, if debit, are adjusted to reserve/revenue.

- 13.5 **EXCHANGE RATE :** Liability for deferred payments and receivable in foreign currency is accounted for at the exchange rate prevailing at the close of the year except it case of forward exchange contracts / ascertained liability.

Notes on Financial Statements for the year ended 31st March, 2023

2 SHARE CAPITAL

(₹ in Lakhs)

| Particulars | As at 31-3-2023 | As at 31-3-2022 |
|--|-----------------|-----------------|
| AUTHORISED | | |
| 2,50,000 Equity Shares (Previous year 2,50,000) of ₹ 1,000/- each | 2,500.00 | 2,500.00 |
| ISSUED, SUBSCRIBED & PAID-UP | | |
| 2,40,453 Equity Shares (Previous year 2,40,453) of ₹ 1,000/- each | 2,404.53 | 2,404.53 |

2.1 Details of Shareholders holding more than 5% shares :

(₹ in Lakhs)

| Name of the Shareholder | As at 31-3-2023 | | As at 31-3-2022 | |
|-------------------------|-----------------|--|-----------------|--------|
| | No. of Shares | | No. of Shares | % held |
| President of India | 240,450 | | 240,450 | 100 |

2.2 The reconciliation of the number of shares outstanding is set out below :-

(₹ in Lakhs)

| Particulars | As at 31-3-2023 | As at 31-3-2022 |
|--|-----------------|-----------------|
| | No. of Shares | No. of Shares |
| Equity Shares at the beginning of the year | 240,453 | 240,453 |
| Add : Issued during the year | - | - |
| Less : Cancelled during the year | - | - |
| Equity Shares at the end of the year | 240,453 | 240,453 |

2.3 Aggregate number of shares issued for consideration other than cash :

(₹ in Lakhs)

| Particulars | As at 31-3-2023 | As at 31-3-2022 |
|---------------|-----------------|-----------------|
| | No. of Shares | No. of Shares |
| Equity Shares | 753 | 753 |

3 RESERVES & SURPLUS

(₹ in Lakhs)

| Particulars | As at 31.03.2023 | As at 31-3-2022 |
|--|---------------------|--------------------|
| Capital Reserves | | |
| As per last Financial Statement | 101.42 | 101.42 |
| Statement of Profit & Loss | | |
| As per last Balance Sheet | (51,469.84) | (53,695.79) |
| Add : Profit /(Loss) for the year | 486.07 | 2,225.96 |
| Add: Adjustment relating to Fixed Assets | - | - |
| Closing Balance | (50,983.77) | (51,469.84) |
| Less: Miscellaneous Exps. (to the extent not written off) | | |
| As per last Balance Sheet | - | - |
| Add : Expenditure on VRS during year. | - | - |
| | - | - |
| Less : Amortisation during the year | - | - |
| Deferred Revenue Exps. to the extent not written off | - | - |
| Total | (50,882.35) | (51,368.42) |

Notes on Financial Statements for the year ended 31st March, 2023

4. SHARE APPLICATION MONEY PENDING ALLOTMENT

(₹ in Lakhs)

| Particulars | As at 31-3-2023 | | As at 31-3-2022 | |
|---|-----------------|------------------|-----------------|-----------|
| | Non Current | Current | Non Current | Current |
| Share application money pending allotment | | 12,200.96 | | 12,200.96 |
| Share application money pending allotment includes :- | | | | |

- 4.1 Amount of Govt. of India Loan of ₹ 2598.46 Lakhs (previous year ₹ 2598.46, Lakhs) converted into Equity Share Capital awaiting allotment of 2,59,846 (previous year 2,59,846) Equity shares of Rs. 1000/- each.
- 4.2 Amount of ₹ 4836.00 Lakhs (previous year ₹ 4836.00 Lakhs) received by the Company under MRS towards issue of 4,83,600 (previous year 4,83,600) 3.5% Preference Share of Rs. 1000/- each.
- 4.3 Amount of 4766.50 Lakhs (previous year ₹ 4766.50 Lakhs) received by the company from Govt of India for Issue of 4,76,650 (previous year 4,76,650) Equity Shares of Rs. 1000/- each.

5. LONG TERM BORROWINGS

(₹ in Lakhs)

| Particulars | As at 31-3-2023 | | As at 31-3-2022 | |
|-------------------------|-----------------|------------------|-----------------|-----------|
| | Non Current | Current | Non Current | Current |
| Unsecured | | | | |
| (i) Government of India | - | 57,206.19 | - | 57,206.19 |
| Total | - | 57,206.19 | - | 57,206.19 |

- 5.1 As per decision of the Union Cabinet taken in meeting held on 30.11.2016 as informed by Deptt. of Heavy Industry, Ministry of Heavy Industry and Public Enterprises, Govt of India vide letter No. 5(1)/2016-PE-VIII dated 08.12.2016 Kota Unit (Kota Complex) of IL is to be closed and in principle approval of transfer of Palakkad Unit of IL to Govt of Kerala. IL has received funds of ₹ 58457.00 lakhs as a interest free loan which shall be converted into equity later, for meeting liabilities on closure of Kota unit.

6. Deferred Tax Liability/Assets (Net)

Deferred Tax Assets (Net):- As per Accounting Standard-22 "Accounting for taxes on income", deferred tax assets has not been accounted for in the books of accounts" as a matter of prudence as there is no reasonable certainty that the future taxable income will be available against such deferred tax assets. The deferred tax assets/liability work out as under:

(₹ in Lakhs)

| Particulars | As at 31-3-2023 | | As at 31-3-2022 | |
|---------------------------|-----------------|--------------|-----------------|---------|
| | Non Current | Current | Non Current | Current |
| Deferred Tax Assets (Net) | | 14.61 | | 14.61 |

7. OTHER LONG TERM LIABILITIES

(₹ in Lakhs)

| Particulars | As at 31-3-2023 | | As at 31-3-2022 | |
|---|-----------------|---------------|-----------------|-------------|
| | Current | Non-Current | Current | Non-Current |
| Deposits from contractors, Suppliers & others | - | 22.42 | - | 29.04 |
| Employees Benefits | - | 158.76 | - | 158.77 |
| | - | 181.18 | - | 187.80 |

Notes on Financial Statements for the year ended 31st March, 2023

8. SHORT TERM BORROWINGS SECURED

(₹ in Lakhs)

| Particulars | As at 31-3-2023 | | As at 31-3-2022 | |
|-------------------|-----------------|-------------|-----------------|-------------|
| | Current | Non-Current | Current | Non-Current |
| From Banks | | | | |
| Cash Credit A/c | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

8.1 Nature of Security

Secured by way of hypothecation of tangible movable current assets of the Company viz. raw material, stock in process, components, finished goods, consumable stores, tools and implements, work in progress at customer sites & receivables etc.

9. TRADE PAYABLES

(₹ in Lakhs)

| Particulars | As at 31-3-2023 | | As at 31-3-2022 | |
|--|-------------------|-----------------|-----------------|---------------|
| | Trade payables :- | | | |
| - Dues to Micro & Small Enterprises | 1,161.89 | | 151.50 | |
| - Dues to Other than Micro & Small Enterprises | 429.95 | 1,591.84 | 592.91 | 744.41 |
| Acceptances | | - | | - |
| Less : Debit Balance | | 16.99 | | 11.13 |
| Total Trade Payable | | 1,574.85 | | 733.29 |

9.1 Trade Payable ageing schedule:

(₹ in Lakhs)

| Particulars | As at 31-3-2023 | | | | As at 31-3-2022 |
|----------------------|------------------|----------|----------|------------------|-----------------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 year | Total |
| MSME | 1,144.07 | - | - | 17.82 | 1,161.89 |
| Others | 419.23 | 4.20 | 6.52 | - | 429.95 |
| Disputed dues MSME's | - | - | - | - | - |
| Disputed dues Others | - | - | - | - | - |

9.2 (a) The Company owes dues to Micro and Small enterprises to whom outstanding for more than 45 days as on 31st March, 2023 is ₹ 17.82 Lakhs (Includes ₹ Nil Lakhs) relating to Palakkad Unit is not over due or due for more than 45 days (previous year ₹ 151.50 Lakhs includes ₹ 133.68 Lakhs relating Palakkad Unit is not over or due for more than 45 days.) This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been indentified on the basis of information available with the Company.

(b) Disclosure in accordance with section 22 of the Act read with Notification No. GSR 719 (E) dated 16th November 2007 issued by the Ministry of Corporate Affairs:

| Particulars | 31.03.2023 | 31.03.2022 |
|---|------------|------------|
| | ₹ | ₹ |
| (a) Principal amount remaining unpaid and interest due thereon | 1,161.89 | 151,50 |
| (b) Interest paid in term of Sec. 16 | - | - |
| (c) Interest due and payable for the period of delay in payment | - | - |
| (d) Interest accrued and remaining unpaid | - | - |
| (e) Interest due and payable even in the succeeding years | - | - |

Notes on Financial Statements for the year ended 31st March, 2023

10. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|----------------------|----------------------|
| Current maturities of Long Term Loans (Refer Note No.5) | 57,206.19 | 57,206.19 |
| Advance from Customers against:- | | |
| (a) System contracts | - | - |
| Less: On account payments transferred to work in-progress at site (as per contra) | - | - |
| (b) Retail Sale | 340.69 | 186.32 |
| For Expenses | 641.93 | 731.68 |
| Others | 392.26 | 268.63 |
| Employees Benefits | - | 1,000.31 |
| Interest accrued but not due | - | - |
| Deposits from contractors, Suppliers & others | 138.33 | 138.33 |
| Total | 57,719.41 | 58,531.15 |

11. SHORT TERM PROVISIONS

(₹ in Lakhs)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|----------------------|----------------------|
| - Provision for Income Tax | - | - |
| - Provision for Contractual obligations | - | - |
| - Provision for sales tax on works projects | - | - |
| - Provision for Corporate Social Responsibility | 18.69 | - |
| Total | 18.69 | - |

11.1 Adequate provision in respect of project and products where the Company is under obligation of warranties has been made in the books in accordance with AS-29. Details of provision are as under:-

| | Opening Balance as on 01.04.2022 (₹) | Provision made during the year (₹) | Provision Written Back during the year (₹) | Closing Balance as on 31.03.2023 (₹) |
|---------------|--|--|--|--|
| Contingencies | - | - | - | - |
| Sales Tax | - | - | - | - |
| Others | - | - | - | - |
| Total | - | - | - | - |

Notes on Financial Statements for the year ended 31st March, 2023

12. FIXED ASSETS

(₹ in Lakhs)

| Description | GROSS BLOCK | | | | DEPRECIATION | | | | Net-Block | |
|-------------------------------------|---------------------|--------------------------------|---|--------------------|--|-----------------|---|---|--------------------|--------------------|
| | As at 01.04.2022 | Addition during the year | Deduction/ Sales/ write off Adjustment | As at 31.3.2023 | Accumulated Depreciation upto 1.4.2022 | For the year | Deduction/ Sales/ write off Adjustment | Accumulated Depreciation upto 31.3.2023 | As at 31.3.2023 | As at 31.3.2022 |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| TANGIBLE ASSETS | | | | | | | | | | |
| Lland | - | - | - | - | - | - | - | - | - | - |
| Roads,Drains & Culverts | 14.60 | - | - | 14.60 | 13.87 | - | - | 13.87 | 0.73 | 0.73 |
| Buildings | 606.27 | 29.41 | - | 635.68 | 309.40 | 13.65 | - | 323.04 | 312.63 | 296.87 |
| Electric Installations | 196.41 | 0.58 | - | 196.99 | 109.65 | 15.09 | - | 124.74 | 72.25 | 86.76 |
| Drainage,Sewerage & Water Supply | 8.73 | - | - | 8.73 | 8.30 | - | - | 8.30 | 0.44 | 0.44 |
| Furniture & Fittings | 47.49 | 1.22 | - | 48.71 | 46.90 | 0.20 | - | 47.10 | 1.60 | 0.58 |
| Plant & Machinery | 2,073.50 | 15.95 | 11.07 | 2,078.46 | 1,719.34 | 100.47 | 10.52 | 1,809.29 | 269.17 | 354.24 |
| Other Appliances | 176.07 | 6.66 | 21.28 | 161.45 | 158.24 | 2.05 | 19.76 | 140.53 | 20.92 | 17.84 |
| Transport Equipments | 53.21 | 20.14 | 0.97 | 72.38 | 41.78 | 4.34 | 0.92 | 45.21 | 27.17 | 11.42 |
| Total A | 3,176.37 | 73.96 | 33.32 | 3,217.00 | 2,407.49 | 135.79 | 31.20 | 2,512.09 | 704.92 | 768.87 |
| Previous Year | 3,199.29 | 39.14 | 62.06 | 3,176.37 | 2,302.16 | 136.17 | 30.84 | 2,407.49 | 768.87 | |
| INTANGIBLE ASSETS | | | | | | | | | | |
| Technical know-how | 290.69 | 0.00 | - | 290.69 | 226.39 | 12.89 | - | 239.29 | 51.40 | - |
| Softwares | 64.70 | - | - | 64.70 | 64.70 | - | - | 64.70 | - | - |
| Total B | 355.38 | 0.00 | - | 355.39 | 291.09 | 12.89 | - | 303.99 | 51.40 | - |
| Previous Year | 290.92 | 64.47 | - | 355.39 | 290.92 | 0.18 | - | 291.10 | 64.29 | |
| Total A+B | 3,531.75 | 73.96 | 33.32 | 3,572.39 | 2,698.59 | 148.68 | 31.20 | 2,816.07 | 756.31 | |
| Previous Year | 3,490.21 | 103.60 | 62.06 | 3,531.75 | 2,593.08 | 136.34 | 30.84 | 2,698.58 | 833.16 | |
| Capital work in progress | | | | | | | | | | |
| Capital work in progress | | | | | | | | | 62.72 | - |
| Capital items in stock | | | | | | | | | - | - |
| Total C | | | | | | | | | 62.72 | - |

- 12.1 Land at Kota with the built up structure free of all encumbrances handedover to Tehsildhar, Ladpur , Kota, Govt. of Rajasthan on 29.08.2018.
- 12.2 Land at Sitapura, Jaipur is handed over to Govt. of Rajasthan.
- 12.3 As per the decision of the closure of Kota Unit of IL by Union Cabinet dated 30.11.2016, movable assets are disposed off through MSTC as per DPE guidelines on closure issued dated 07.09.2016 and revised on 14.06.2018. The Immovable Assets owned by the Company are also disposed through Land Management Assets Agency (LMA) ie. M/s NBCC with the approval of the Ministry of Heavy Industries and according to DPE guidelines on closure. Sale proceeds has been received and deposited in the Consolidated funds of Govt. of India (MHI).
- 12.4 Office space of Instrumentation Limited at SCOPE Complex, Delhi has been sold to National Medical Commission (NMC) New Delhi on 28.06.2021 for ₹1681.55 Lakhs through the Land Management Agency i.e. M/s NBCC Limited) appointed by GOI. Sale proceeds has been received and deposited in the Consolidated funds of Govt. of India (MHI). Office space at SCOPE Complex, Delhi has been handed over to National Medical Commission (NMC) New Delhi on 02.07.2021.
- 12.5 Buildings Gross Block of ₹ 96.13 lakhs includes 12 flats at Mumbai and 1 flat at Vadodara apart from Building of Palakkad and ₹ 3.32 Lakhs relating to 3 flats at Mumbai for which the Company possess clear title and Stamp duty is paid , However, depreciation at applicable rate has been provided.

Notes on Financial Statements for the year ended 31st March, 2023

- 12.6 Provision for impairment of loss as required under Accounting Standard -28 on impairment of Assets is not necessary as in the opinion of management there is no impairment of the Company's Assets in terms of AS -28.
- 12.7 The land owned by Palakkad Unit, measuring 566,30 acres which was assigned on registry to Instrumentation Limited, Kota for establishment of Precision Instrumentation Project at Pudukkottai Kerala under the Rules of Assignment of Government Land for Industrial Purposes dated 30.03.1964. As per letter dated 01.12.2018, land of 566.30 acres was assigned on registry to Instrumentation Limited, Kota through Patta No 938 dated 12.10.1976 at Pudukkottai, Kerala under the rule of assignment . No lease / hire purchase agreement was executed in the transfer of land. There were resumptions / surrenders / allotments of unused land to other Govt Institutions in the period upto 2009. Vide proceedings No F3-2018/19231/9/500 dated 10.06.2019 of Tehsildar (Land Records), Instrumentation Limited, has possession of 48.9320 hectare (120.91 acres) of land in survey 37/13 Block 35 and category of land is Own property. Land of 88.7920 hectare (219.40 acres) in Survey no 37/2 Block 35 is name of Central Govt. Precision Instrumentation Project and category of land is "Porambockku" (Govt. Land). Appeal against above Tahsildar order was filed before RDO on 23-06-2021, to issue fresh order duly indicating the total extent of 566.30 acres of land as own property of Instrumentation Ltd. Palakkad. The land was allotted by Government of Kerala at free of Cost. Therefore, the land valued at nominal value ₹ 1/-.

13. NON-CURRENT INVESTMENTS (₹ in Lakhs)

| Particulars | As at 31-3-2023 | As at 31-3-2022 |
|---------------------------------|-----------------|-----------------|
| LONG TERM INVESTMENT | | |
| TRADE at Cost (Unquoted) | - | - |
| Total | <u>-</u> | <u>-</u> |

14. LONG TERM LOANS AND ADVANCES (₹ in Lakhs)

| Particulars | As at 31-3-2023 | As at 31-3-2022 |
|---|-----------------|-----------------|
| (Unsecured, considered good unless otherwise stated) | | |
| Advances against Capital items | - | - |
| Security Deposits | | |
| Deposits:- | | |
| - With Govt. Departments | - | - |
| - With Others | - | - |
| Other Loans & Advances | | |
| - Advances recoverable in cash or kind or for value to be recd. | | |
| - Considered good | 877.46 | 1,202.78 |
| - Considered doubtful | - | - |
| 877.46 | <u>877.46</u> | <u>1,202.78</u> |
| Less: Provision | 877.46 | 1,202.78 |
| Prepaid Expenses | 26.45 | 13.02 |
| - Balance with Port Trust, | - | - |
| Customs, excise etc. | - | - |
| Total | <u>903.91</u> | <u>1,215.80</u> |

Notes on Financial Statements for the year ended 31st March, 2023

15. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

| Particulars | As at 31-3-2023 | As at 31-3-2022 |
|---|-----------------|-----------------|
| Deposits:- | | |
| - With Govt. Departments | 11.28 | 11.26 |
| - With Others | 13.04 | 11.56 |
| Interest accrued on deposits & advances | 2.01 | 1.69 |
| Total | <u>26.33</u> | <u>24.51</u> |

16. CURRENT INVESTMENTS

(₹ in Lakhs)

| Particulars | As at 31-3-2023 | As at 31-3-2022 |
|--|-----------------|-----------------|
| OTHERS - TRADE AT COST (UNQUOTED) | | |
| 350 Equity shares of ₹ 10 each (Previous year Nil) fully paid up in Engineering Projects (India) Ltd. | 0.04 | 0.04 |
| Total | <u>0.04</u> | <u>0.04</u> |

16.1 In view of approval of Union Cabinet for closure of Kota Complex, the Investment in Equity Shares of Engineering Projects (India) Ltd. has been handed over to Deptt. of Heavy Industries, Govt of India, New Delhi in May 2017, approval of same is awaited.

17. INVENTORIES

(₹ in Lakhs)

| Particulars | As at 31-3-2023 | As at 31-3-2022 |
|--|-----------------|-----------------|
| 1. Stores & Spare parts | 72.07 | 57.54 |
| 2. Loose Tools & Implements | 68.32 | 69.72 |
| 3. A. Finished Goods. | 571.56 | 450.23 |
| B. Completing Items | - | 450.20 |
| 4. Work In Process | 395.13 | 270.57 |
| 5. A. Raw Materials | 297.46 | 214.27 |
| B. Boughtout Components | 2,274.48 | 1,790.15 |
| C. Manufactured Components | 579.85 | 523.10 |
| Total | <u>4,258.88</u> | <u>3,375.59</u> |
| Less : Provision for Stock Discrepancy | - | - |
| Total | <u>4,258.88</u> | <u>3,375.59</u> |

17.1 The above Inventory includes goods :-
Lying with others

99.49 50.52

17.2 Estimated realisable value of items amounting to ₹ 255.92 Lakhs (previous year ₹ 229.94 Lakhs) included in Finished Goods is based on past order received from customers.

17.3 Raw materials, Stores & Spare parts, Boughtout components, Manufactured components, Loose tools and Implements in stock which are valued at cost are taken as they would be used for manufacture of goods which are expected to be sold at or above cost.

17.4 All Inventory are relating to Palakkad Unit.

Notes on Financial Statements for the year ended 31st March, 2023

18. SYSTEM WORK (at sites) (*)

(₹ in Lakhs)

| Particulars | As at 31-3-2023 | As at 31-3-2022 |
|---|-----------------|-----------------|
| In Progress | - | - |
| Less: On account payment from Customers (as per contra) | - | - |
| Total | - | - |

(*) For mode of valuation refer Accounting Policy No: 4.6.

19. TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars | As at 31-3-2023 | | As at 31-3-2022 | |
|--|-----------------|----------------|-----------------|-----------------|
| (Unsecured, considered good unless otherwise stated) | | | | |
| Outstanding over six months:-* | | | | |
| - Considered good | 1,227.32 | | 1,140.58 | |
| - Considered doubtful | 5,600.92 | | 5,768.16 | |
| Other debts :- | | | | |
| - Considered good | 3,704.95 | | 3,358.35 | |
| - Considered doubtful | - | | - | |
| | 10,533.19 | | 10,267.09 | |
| Less: Provision | 5,600.92 | 4,932.27 | 5,768.16 | 4,498.93 |
| Retention Money ** | | 33.83 | | 52.53 |
| Total | | 4966.10 | | 4,551.46 |

19.1 All Sundry Debtors are relating to Palakkad Unit.

19.2 Provision has been made for the debts considered doubtful.

19.3 An amount of ₹ 7.30Lakhs incurred towards liquidated damages during the year 2022-23, (Previous year ₹ 100.94 Lakhs) has been charged to the Statement of Profit & Loss Account.

19.4 Sundry Debtors, Loans & Advances including interest, balance in Deposit Account with customers, creditors, material with others and at customers sites and other personal accounts are taken as per books.

19.5 Trade Receivable Ageing Details:-

(₹ in Lakhs)

| Particulars | Outstanding for following period from due date of payments | | | | | |
|---|--|-----------------|-----------|-----------|-------------------|----------|
| | Less than 6 Months | 6 Months-1 Year | 1-2 Years | 2-3 years | More than 3 Years | Total |
| Undisputed Trade receivable considered good | 3,705.24 | 230.29 | 284.32 | 279.39 | 466.87 | 4,966.10 |
| Undisputed Trade receivable doubtful and provided | - | - | - | - | 5,600.92 | 5,600.92 |
| Disputed trade receivable considered good | - | - | - | - | - | |
| Disputed trade receivable considered Doubtful | - | - | - | - | - | |

Notes on Financial Statements for the year ended 31st March, 2023

20. CASH AND BANK BALANCES

(₹ in Lakhs)

| Particulars | As at 31-3-2023 | As at 31-3-2022 |
|--|-----------------|-----------------|
| - Cash on Cash equivalents | | |
| - Cash on hand | 1.70 | 1.69 |
| - Cheques, DDs, Stamps on hand including in transit | 0.02 | 0.10 |
| - With scheduled Banks - | | |
| - In current and saving A/c | 508.21 | 297.56 |
| - In Cash Credit A/c | - | - |
| - In Margin Money A/c | - | - |
| - Deposit with original maturity for less than 3 months | 458.31 | 3,789.35 |
| - Other Bank Balances | 968.24 | 4,088.70 |
| - In Fixed Deposit * | | |
| - Deposit with original Maturity for more than 3 months but less than 12 months | 6,140.86 | 2,467.66 |
| - Deposit with original Maturity for more than 12 months | - | 2,467.66 |
| - Others | - | - |
| Total | 7,109.10 | 6,556.36 |
| Of the above, the balances that meet the definition of Cash and Cash equivalents as per AS-3 Cash Flow Statements is | 968.24 | 4088.70 |

Of the above, the balances that meet the definition of Cash and Cash equivalents as per AS-3 Cash Flow Statements is

* Includes amount ₹ 63.27 Lakhs (Previous year ₹ 62.29 Lakhs) pledged as margin money.

21. SHORT TERM LOANS & ADVANCES

| | | |
|--|---------------|---------------|
| - Loans and Advances (Unsecured, considered good unless otherwise stated) | | |
| - Considered good | 16.37 | 4.03 |
| - Considered doubtful | - | - |
| | 16.37 | 4.033 |
| Less: Provision | - | 4.03 |
| Income Tax & Sales Tax payment in advance and deduction at source | 66.48 | 82.86 |
| Balance with Port Trust, Customs, excise etc. | 103.58 | 32.79 |
| Others | - | - |
| Deposits - With Govt. Departments | 12.32 | 12.41 |
| - With Others | - | - |
| Total | 198.75 | 132.09 |

22. OTHER CURRENT ASSETS

(₹ in Lakhs)

| Particulars | As at 31-3-2023 | As at 31-3-2022 |
|--|-----------------|-----------------|
| Interest accrued on deposits & advances | 96.43 | 121.54 |
| Deposits:- | | |
| - With Govt. Departments | - | - |
| - With Others | 0.32 | 0.03 |
| - Claims & other amounts recoverable: | | |
| - Considered good | 127.02 | 167.37 |
| - Considered doubtful | - | - |
| | 127.02 | 167.37 |
| Less: Provision | - | 167.37 |
| Govt. of India | 888.36 | 888.36 |
| Sales Proceeds of Immovable Assets Transferred to Govt. of India | 4,823.00 | - |
| Total | 5,935.13 | 6,000.30 |

22.1 Pursuant to approval of CCEA as informed by Dcptt. of Heavy Industry, Ministry of Heavy Industry and Public Enterprises. Govt of India vide letter No.5(4)/2010-PE-VIII dated 23.02.2016, Govt, of India Loan of ₹ 1675.00 Lakhs and normal & penal interest of ₹ 2252.00 Lakhs as on 31.03.2016 has been adjusted against consideration of ₹ 48.16 Crores transfer of entire shareholding of IL in REIL to Govt, of India. Balance amount of ₹ 8.88 Crores shall be adjusted towards future restructuring / closure liability of IL (₹ 48.16 Crores- ₹ 39.28 Crores).

22.2 Sale Proceeds of Immovable assets includes amount of ₹ 3662.93 Lakhs against sale of Land at Jaipur and amount of ₹ 1160.07 lakhs against sales of office space at SCOPE Complex, New Delhi transferred to the Consolidated funds of Govt. of India.

Notes on Financial Statements for the year ended 31st March, 2023

23. REVENUE FROM OPERATIONS

(₹ in Lakhs)

| Particulars | 2022-2023 | | 2021-2022 | |
|---|-----------------|---|-----------------|---|
| A. Retail Sale | 7,858.35 | | 6,944.87 | |
| B. Execution of System Contracts | | | | |
| 1. System | - | | - | |
| 2. Works | | | | |
| - Completed & Adj. | - | | - | |
| - In progress as on 31-3-2021 | - | | - | |
| | | | | |
| Less: | | | | |
| - In Progress as on 31-3-2022 | - | - | - | - |
| | | | | |
| C. Other Services | 18.56 | | 19.06 | |
| | <u>7,876.92</u> | | <u>6,963.93</u> | |

24. JOBS DONE FOR INTERNAL USE

(₹ in Lakhs)

| Particulars | 2022-2023 | | 2021-2022 | |
|---------------|-----------|--|-----------|--|
| Capital Items | - | | - | |
| Others | - | | - | |
| | | | | |
| Total | <u>-</u> | | <u>-</u> | |

25. OTHER INCOME

(₹ in Lakhs)

| Particulars | 2022-2023 | | 2021-2022 | |
|--------------------------------|---------------|--------|---------------|--------|
| | ₹ | ₹ | ₹ | ₹ |
| Excess Liability written back | 0.95 | | 31.61 | |
| Profit on sale of Fixed Assets | 0.97 | | - | |
| Interest | | | | |
| - Banks | 324.82 | - | 261.99 | |
| - Others | 2.50 | 327.32 | 3.57 | 265.56 |
| | | | | |
| Exchange difference (Net) | 6.53 | | - | |
| Scrap sale | 32.19 | | 9.87 | |
| Rent & Other Revenues | | | | |
| - Township | 2.99 | | 3.00 | |
| - Others | - | 2.99 | 26.64 | 29.64 |
| Miscellaneous income | | 36.56 | | 59.81 |
| DIVIDEND | | | | |
| From Other | | | | |
| Engineering Projects (I) Ltd. | | - | | - |
| | | | | |
| Total | <u>407.51</u> | | <u>396.49</u> | |

Notes on Financial Statements for the year ended 31st March, 2023

26. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

| Particulars | Unit | 2022-2023 | | 2021-2022 | |
|--|------------------|-----------|----------|-----------|----------|
| | | Qty. | | Qty. | |
| (A) RAW MATERIALS CONSUMED | | | | | |
| 1. Stainless Steel and Alloy Steel and other special alloys | Kgs | 44,036 | 117.49 | 33,376 | 96.84 |
| | Mtrs | 4,471 | 8.07 | 2,490 | 4.70 |
| | Nos. | 116 | 2.41 | 36 | 0.57 |
| 2. Mild and Alloy Steel | Kgs | 316 | 0.34 | 33 | 0.05 |
| | Mtrs | 33 | 0.51 | 23 | 0.40 |
| 3. Copper and Copper based alloys & other non-ferrous metals excluding Aluminium | Kgs | 145 | 1.76 | 64 | 0.77 |
| | Mtrs | 1,092 | 1.40 | 670 | 0.85 |
| 4. Aluminium and its alloys | Kgs | - | - | - | - |
| | Mtrs | - | - | - | - |
| 5. Others | Kgs | - | - | - | - |
| | Mtrs | 445 | 0.52 | 240 | 2.16 |
| | Nos. | 5 | 2.19 | 7 | 2.70 |
| | | | 134.69 | | 109.04 |
| Other adjustment | | | - | | - |
| | Total(A) | | 134.69 | | 109.04 |
| (B) BOUGHT OUT COMPONENTS | | | | | |
| 1. Electrical, Electronics and Electro-mechanical components and sub assemblies | | | - | | - |
| 2. Pneumatic fittings | | | - | | - |
| 3. Fastners | | | 37.36 | | 36.13 |
| 4. Other auxiliary components and sub assemblies | | | 0.05 | | 0.29 |
| 5. Mechanical, Metallic components and sub assemblies | | | 3,260.49 | | 2,692.60 |
| 6. Non-metallic components and sub-assemblies | | | 73.02 | | 63.31 |
| | | | 3,370.91 | | 2,792.33 |
| Other uses/adjustment(Net) | | | - | | - |
| | Total(B) | | 3,370.91 | | 2,792.33 |
| (C) COMPLETING ITEMS* | | | | | |
| - Opening Stock | | | - | | - |
| - Purchases | | | - | | - |
| - Other Adjustments | | | - | | - |
| Less: Used for other than sales | | | - | | - |
| Closing Stock | | | - | | - |
| | Total(C) | | - | | - |
| | Total (A) To (C) | | 3,505.61 | | 2,901.37 |

*Includes value of replacement

26.1 Due to varied specification, quantity data has not been given in respect of Components consumed and completing items.

26.2 Expenditure on Materials i.e. Consumption of Raw materials, Boughtout items, Completing items, Store & spares and tools include value reduction on account of obsolescence of Bought out items of ₹ 3.16 Lakhs (Previous year ₹ 2.96 Lakhs). This does not include such value reduction of manufactured items amounting to ₹ 1.45 Lakhs (Previous year ₹ 1.57 Lakhs).

Notes on Financial Statements for the year ended 31st March, 2023

27. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROCESS AND MANUFACTURED COMPONENTS

(₹ in Lakhs)

| Particulars | 2022-2023 | 2021-2022 |
|-----------------------------------|-----------------|-----------------|
| Closing Balance | | |
| (i) Finished goods | 571.56 | 450.23 |
| (ii) Work in process | 395.13 | 270.57 |
| (iii) Manufactured Components | 579.85 | 523.10 |
| Total | <u>1,546.54</u> | <u>1,243.90</u> |
| Less: Opening Balance | | |
| (i) Finished goods | 450.23 | 438.03 |
| (ii) Work in process | 270.57 | 213.41 |
| (iii) Manufactured Components | 523.11 | 492.00 |
| Total | <u>1,243.91</u> | <u>1,143.44</u> |
| Net Accretion/ (Decretion) | <u>302.63</u> | <u>100.47</u> |

28. EMPLOYEES' BENEFIT EXPENSES

(₹ in Lakhs)

| Particulars | 2022-2023 | 2021-2022 |
|-------------------------------------|-----------------|-----------------|
| Salaries, Wages, Bonus & Allowances | 1,904.13 | 1,490.04 |
| PF Contribution | 174.67 | 124.38 |
| Gratuity | 34.79 | 15.40 |
| Staff Welfare Expenses | 234.42 | 226.89 |
| Total | <u>2,348.01</u> | <u>1,856.71</u> |

28.1 During the year the following amounts were paid and provided for Chairman and Managing Director and full time Directors as remuneration :-

| | | |
|-------------------------|----------|----------|
| Salaries and allowances | - | - |
| PF contributions | - | - |
| Other perquisites | - | - |
| | <u>-</u> | <u>-</u> |

Besides the above, use of staff car including for personal use, upto a ceiling of 750kms. per month for Chairman-cum-Managing Director and for full time Directors on payment of ₹ 2000/- per month has been allowed in accordance with the terms of appointment.

28.2 Expenditure on Public Relations are as under:-

(₹ in Lakhs)

| | 2022-2023 | 2021-2022 |
|--|-----------|-----------|
| Salaries wages, Bonus and Allowances included in Note No. 28 | - | - |
| Public Relation Expenses shown in Note No. 31. | - | - |

29. FINANCE COST

(₹ in Lakhs)

| | 2022-2023 | 2021-2022 |
|-----------------|-----------|-------------|
| Bank Borrowings | - | 0.01 |
| Others | - | - |
| Total | <u>-</u> | <u>0.01</u> |

Notes on Financial Statements for the year ended 31st March, 2023
30. DEPRECIATION AND AMORTISATION EXPENSES (₹ in Lakhs)

| Particulars | 2022-2023 | 2021-2022 |
|--|---------------|---------------|
| Depreciation | | |
| Depreciation on Tangible Assets (Pl.see Note No. 12) A | 135.79 | 136.16 |
| Depreciation on Intangible Assets (Pl.see Note No. 12) B | 12.89 | 0.18 |
| Amortisation of Deferred Revenue Exps. | | |
| Amortisation during the year C | - | - |
| Depreciation and Amortisation Expenses (A+B+C) | 148.68 | 136.34 |

31. OTHER EXPENSES (₹ in Lakhs)

| Particulars | 2022-2023 | 2021-2022 |
|---|---------------|---------------|
| Directors fees and expenses | 1.75 | 3.60 |
| Rent | 6.63 | 58.46 |
| Rates & Taxes | 21.75 | 3.45 |
| Insurance | 3.91 | 2.11 |
| Travelling expenses-Directors | 6.90 | 20.08 |
| Travelling expenses-Others | 41.42 | 29.49 |
| Conveyance Charges | 27.38 | 12.14 |
| Vehicle running & maintenance | 19.43 | |
| Payment to Auditors (including Cost Auditors) | | |
| (a) As Auditors | | |
| - Fees | 1.72 | 2.51 |
| - Expenses | 0.36 | 0.17 |
| (b) In other capacity in respect of | | |
| - Certification fee | 0.44 | 0.26 |
| - Tax Audit fee | 0.54 | 0.63 |
| Legal Expenses | 15.81 | 6.96 |
| Repairs & Maintenance(other than salaries & wages) | | |
| - Plant & Machinery | 0.09 | 2.40 |
| - Buildings | 120.06 | 115.62 |
| - Others | 14.93 | 10.21 |
| Advertisement & Publicity | 3.08 | 2.32 |
| Business Promotion | - | - |
| Stores, Spares & Tools Consumed | 151.54 | 102.01 |
| Packing & Forwarding | 200.22 | 164.97 |
| Other selling & distribution Exps. | 22.51 | 4.87 |
| Liquidated Damages | 7.30 | 100.94 |
| Power & Electricity | 67.49 | 60.01 |
| Water Charges | 14.22 | 17.75 |
| Social Welfare exp. | 8.66 | 3.44 |
| Research & Development (other than Salaries & Wages) | 21.63 | - |
| Printing & Stationery | 1.32 | 1.32 |
| Loss on Sale of fixed assets | 26.01 | 18.23 |
| Claims/sundry debit balances | - | - |
| Bank charges | 17.19 | 37.52 |
| Exchange rate variation(Net) | - | - |
| Postage, Telegram, Telex & Telephone Exps | 4.85 | 8.22 |
| Provision for Doubtful debt Loans & Advance and claims -Net | - | - |
| Miscellaneous expenses | 68.62 | 112.78 |
| Prior Period Items (Net) | (39.57) | (0.79) |
| Total | 858.16 | 901.67 |

Notes on Financial Statements for the year ended 31st March, 2023

31.1 Details of PriorPeriod items are as under :-

(₹ in Lakhs)

| Particulars | 2022-2023 | 2021-2022 |
|----------------------------|--------------|-------------|
| DEBITS | | |
| Power Fuel | - | - |
| Rates & Taxes | - | 7.86 |
| Interest | - | - |
| Repair & Maintenance | - | - |
| Others | - | - |
| Misc. Expenses | - | - |
| Total Debits | - | 7.86 |
| CREDIT | | |
| Interest | 39.21 | 8.65 |
| Repair & Maintenance | 0.04 | - |
| Others | 0.31 | - |
| Misc. Expenses | - | - |
| Total Credits | 39.57 | 8.65 |
| NET CREDIT/ (DEBIT) | 39.57 | 0.79 |

32 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :-

(₹ in Lakhs)

| Particulars | 2022-2023 | 2021-2022 |
|---|-----------|-----------|
| (a) Guarantees given by Bankers to Customers and others. | 1,019.83 | 753.75 |
| (b) Service Tax demand disputed in appeals | 389.99 | 389.99 |
| (c) Custom Duty demand disputed in appeals | 191.67 | 191.67 |
| (d) Sales Tax demand disputed in appeals | - | - |
| (e) Estimated liability for 1997 pay-revision arrears for the period w.e.f. 1.1.1997 to 22.2.2009 | 12,583.99 | 12,583.99 |

INFORMATION REGARDING EXPORT & IMPORTS:-

(₹ in Lakhs)

| Particulars | 2022-2023 | | 2021-2022 | |
|--|-----------|--------|-----------|--------|
| (a) Earning in Foreign Exchange | | | | |
| Export of goods | | | | |
| - Retail sale (F.O.B.BASIS)* | 81.64 | | 67.24 | |
| (b) Value of Imports(CIF) | | | | |
| - Raw Materials | 3.10 | | 1.16 | |
| - Components, Completing items & Spare Parts | 213.88 | | 85.05 | |
| - Capital Goods | - | | - | |
| (c) Expenditure in foreign currency (does not include expenditure of Branch abroad) | | | | |
| - Technical know how and documents | - | | - | |
| - Others | - | | - | |
| (d) Value of Consumption | | | | |
| Raw materials | | % | | % |
| - Imported | 5.70 | 4.23 | 4.83 | 4.43 |
| - Indigenous | 128.99 | 95.77 | 104.21 | 95.57 |
| Boughtout components | | | | |
| - Imported | 198.45 | 5.89 | 96.73 | 3.46 |
| - Indigenous | 3,172.46 | 94.11 | 2,695.59 | 96.54 |
| Stores & Spares | | | | |
| - Imported | - | - | - | - |
| - Indigenous | 151.54 | 100.00 | 102.01 | 100.00 |

* Excludes deemed export ₹ Nil/- (Previous year ₹ Nil/-)

32.2 Disclosure of Applicable Key Financial Ratio:

| Particulars | Unit of Measurem | As on 31.03.2023 | As on 31.03.2022 | Variation in % | Reason for Change |
|---------------------------------|------------------|------------------|------------------|----------------|---|
| Current Ratio | In Multiple | 0.37 | 0.35 | 7.09 | NA |
| Debt-Equity Ratio | In Multiple | 23.79 | 23.79 | 0.00 | NA |
| Inventory Turnover Ratio | In Days | 197. | 177 | 11.81 | NA |
| Trade Receivable Turnover Ratio | In Days | 230 | 212 | 8.72 | NA |
| Trade Payable Turnover Ratio | In Days | 73 | 38 | 89.87 | NA |
| Net Capital Turnover Ratio | In Days | 354 | 350 | 1.36 | NA |
| Net Profit Ratio | In % | 6.17 | 31.96 | (80.69) | Net Profit decrease due to increase in material cost and pay revision |

Notes on Financial Statements for the year ended 31st March, 2023

32.2 The Company is engaged in manufacturing of multiple products using many common inputs and plant and machinery. It is extremely difficult to apportion common infrastructure of manufacturing, assembling and testing of such multiple products. Due to diverse nature of company's activities and that the risks and returns of the Company are not affected by geographical or economic factors and can be determined from aggregate data, therefore, provision of segment reporting is not required in accordance with AS 17.

32.3 As per Accounting Standard 18 (AS 18) issued by ICAI, the disclosures of transactions with related parties as defined in the AS 18 are given below :-

Key Management personnel :-

| Sl.No. | Name | Nature of Relationship |
|--------|--------------------|--|
| 1 | B. Balasubramanian | Chairman and Managing Director (Addl. Charge) up to 24.03.2023 |
| 2 | Thangavelu Ravi | Chairman and Managing Director (Addl. Charge) from 25.03.2023 |

Transactions during the year with the related parties are as under:-

ii) Key Management personnel :-

| | Nature of Transaction | Value of Transaction (₹) | Balance with related parties as at 31.03.2023 (₹) |
|--|-----------------------|--------------------------|---|
| B. Balasubramanian | Remuneration | - | |
| (Additional charge for the post of CMD) up to 24.03.2023 | | | |
| Thangavelu Ravi | Remuneration | | |
| (Additional charge for the post of CMD) from 25.03.2023 | | | |

32.4 The Ministry of Heavy Industry & Public Enterprises, Govt. of India vide its letter dated 08.12.2016 intimated the decision of the Union Cabinet in its meeting held on 30.11.2016 for closure of Kota Unit (comprising Corporate Head Quarter, Kota Unit, P-DDC Unit and Marketing Unit viz Kota Complex) and in principle approval for transfer of Palakkad Unit of Instrumentation Limited to Government of Kerala in a time bound manner as per DPE Guideline dated 07.09.2016 of closure. In compliance of directives of Govt. of India, all employees of Kota have been relieved under VRS/VSS on 18.04.2017. Immovable and Movable assets of Kota complex, are under the process of sale through M/s. NBCC, (a PSU under Ministry of Steel) and M/s. MSTC, as per Govt. guidelines. Accordingly, the Finance statement have been prepared on the basis of a 'going concern' for Palakkad Unit and 'not on going concern' basis of Kota Complex. Standalone Profit & Loss Accounts and Balance Sheet of Kota Complex and Palakka Unit as below :-

Statement of Profit & Loss for the year ended 31st March, 2023

(₹ in Lakhs)

| Particular | Kota Complex | | Palakkad Unit | | Total | |
|---|--------------|----------|---------------|----------|----------|----------|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| REVENUE FROM OPERATIONS | - | - | 7,876.92 | 6,963.93 | 7,876.92 | 6,963.93 |
| Jobs done for internal use | - | - | - | - | - | - |
| Total | - | - | 7,876.92 | 6,963.93 | 7,876.92 | 6,963.93 |
| Less :- Excise Duty | - | - | - | - | - | - |
| Revenue from Operations (Net) | - | - | 7,876.92 | 6,963.93 | 7,876.92 | 6,963.93 |
| Other Income | 190.25 | 210.87 | 217.26 | 185.62 | 407.51 | 396.49 |
| Finished Goods Transfer | - | - | - | - | - | - |
| Total Revenue | 190.25 | 210.87 | 8,094.18 | 7,149.55 | 8,284.43 | 7,360.42 |
| EXPENSES | | | | | | |
| Cost of Materials consumed | - | - | 3,505.61 | 2,901.37 | 3,505.61 | 2,901.37 |
| Changes in Inventories of Finished goods & Work-in-process | - | - | (302.63) | (100.47) | 302.63 | (100.47) |
| Employees Benefit Expenses | 2.64 | - | 2,345.37 | 1,856.71 | 2,348.01 | 1,856.71 |
| Services & Sub-Contracting | 1.15 | 1.18 | 628.31 | 514.79 | 629.46 | 515.97 |
| Finance Cost | - | - | - | 0.01 | - | 0.01 |
| Depreciation and Amortisation Expense | 1.47 | 1.70 | 147.22 | 134.64 | 148.69 | 136.34 |
| Other Expenses | 19.88 | 99.94 | 838.28 | 801.73 | 858.16 | 901.67 |
| Total Expenses | 25.14 | 102.82 | 7,162.15 | 6,108.78 | 7,187.30 | 6,211.60 |
| Profit/(Loss) before exceptional and, extraordinary items and tax | 165.11 | 108.05 | 932.03 | 1,040.77 | 1,097.13 | 1,148.82 |
| Exceptional item | 3.10 | 1,660.13 | (614.16) | (133.86) | (611.06) | 1,526.27 |
| Profit/(Loss) before extraordinary items and tax | 168.21 | 1,768.18 | 317 | 906.91 | 486.07 | 2,675.10 |
| Extraordinary items | - | - | - | - | - | - |
| Profit/(Loss) before Tax | 168.21 | 1,768.18 | 317 | 906.91 | 486.07 | 2,675.10 |
| Tax Expenses | | | | | | |
| Current Tax | - | 449.14 | - | - | - | 449.14 |
| Deferred Tax | - | - | - | - | - | - |
| Profit/(Loss) for the year | 168.21 | 1,319.04 | 317.87 | 906.91 | 486.07 | 2,225.96 |

Notes on Financial Statements for the year ended 31st March, 2023

Balance Sheet

(₹ in Lakhs)

| Partieula | Kota Complex | | Palakkad Unit | | Total | |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | As on 31.03.2023 | As on 31.03.2022 | As on 31.03.2023 | As on 31.03.2022 | As on 31.03.2023 | As on 31.03.2022 |
| 1. Source Of Funds | | | | | | |
| 1. Shareholders' Funds | | | | | | |
| Share Capital | 2,404.53 | 2,404.53 | - | - | 2,404.53 | 2,404.53 |
| Reserves & Surplus | (50,882.35) | (51,368.42) | - | - | (50,882.35) | (51,368.42) |
| 2. Share Application Money | | | | | | |
| Pending Allotment | 12,200.96 | - | - | - | - | 12,200.96 |
| 3. Non-Current Liabilities | | | | | | |
| (a) Long Term Borrowings | - | - | - | - | - | - |
| (b) Deferred Tax Liability | - | - | - | - | - | - |
| (c) Other Long Term Liabilities | - | - | 181.18 | 187.80 | 181.80 | 187.80 |
| Long Term Provisions | - | - | - | - | - | - |
| 4. Current Liabilities | | | | | | |
| (a) Short Term Borrowings | - | - | - | - | - | - |
| (b) Trade Payables | 17.82 | 17.82 | 1,557.03 | 715.47 | 1,574.85 | 733.28 |
| (c) Other Current Liabilities | 57,575.23 | 57,565.74 | 1,44,18 | 965.41 | 58,719.41 | 58,531.15 |
| (d) Short Term Provisions | - | - | - | - | 18.69 | - |
| 3. Inter Unit Transfer | (11,240.89) | (10,579.35) | 11,240.89 | 10,579.35 | - | - |
| Total | 10,075.30 | 10,241.28 | 14,141.97 | 12,448.03 | 24,217.27 | 22,689.31 |
| ASSETS | | | | | | |
| 1. Non-Current Assets | | | | | | |
| (a) Fixed Assets | | | | | | |
| (i) Tangible Assets | 57.41 | 58.89 | 647.50 | 709.99 | 704.91 | 768.87 |
| (ii) Intangible Assets | - | - | 51.40 | 64.29 | 51.40 | 64.29 |
| (ii) Capital Work in Progress | - | - | 62.72 | - | 62.72 | - |
| (b) Non-Current Investments | - | - | - | - | - | - |
| (c) Long Term Loans and Advances | - | - | 903.91 | 1,215.80 | 903.91 | 1,215.80 |
| (d) Other Non-Current Assets | - | - | 26.33 | 24.51 | 26.33 | 24.51 |
| Total | 57.41 | 58.89 | 1,691.86 | 2,014.59 | 1,749.27 | 2,073.47 |
| 2. Current Assets | | | | | | |
| (a) Current Investments | 0.04 | 0.04 | - | - | 0.04 | 0.04 |
| (b) Inventories | - | - | 4,258.88 | 3,375.59 | 4,258.88 | 3,375.59 |
| (c) System Work (At Sites) | - | - | - | - | - | - |
| (d) Trade Receivables | - | - | 4,966.10 | 4,551.46 | 4,966.10 | 4,551.46 |
| (e) Cash and Bank Balances | 4,110.49 | 4,296.25 | 2,998.60 | 2,260.11 | 7,109.09 | 6,556.36 |
| (f) Short Term Loans and Advances | 95.17 | 99.30 | 103.58 | 32.79 | 198.75 | 132.09 |
| (g) Other Current Assets | 5,812.18 | 5,786.81 | 122.95 | 213.50 | 5,935.13 | 6,000.30 |
| Total | 10,017.88 | 10,182.39 | 12,450.11 | 10,433.45 | 22,468.00 | 20,615.84 |
| Total | 10,075.29 | 10,241.28 | 14,141.97 | 12,448.03 | 24,217.27 | 22,689.31 |

Notes on Financial Statements for the year ended 31st March, 2023

32.5 Cash Flow Statement for the year ended 31st March,2023:-

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2023

(₹ in Lakhs)

| | Particulars | Discounting Operation | | Continuing Operation | | Total | |
|----|---|-----------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
| | | Kota Complex | | Palakkad Unit | | As at 31.03.2023 | As at 31.03.2022 |
| | | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2023 | As at 31.03.2022 | | |
| A. | Net Profit(Loss) before Tax & Extraordinary items:- | 168.21 | 1,768.18 | 317.86 | 906.91 | 486.07 | 2,675.10 |
| | Depreciation & amortisation | 1.46 | 1.70 | 147.22 | 134.64 | 148.68 | 136.34 |
| | Loss on sale of fixed assets | - | - | - | - | - | - |
| | Provision for doubtful debts | - | - | (0.97) | 133.86 | (0.97) | 133.86 |
| | Provision - others | - | - | 10.00 | - | 10.00 | - |
| | Interest Income | (190.05) | (180.26) | (137.27) | (85.30) | (327.32) | (265.56) |
| | Dividend Income | - | - | - | - | - | - |
| | Rent and other Revenue | - | - | - | - | - | - |
| | Interest Expenses | - | - | - | - | - | - |
| | Operating Profit before working capital changes | (20.38) | 1,589.62 | 336.84 | 1,090.12 | 316.46 | 2,679.74 |
| | Adjustment for:- | | | | | | |
| | Investment | - | - | - | - | - | - |
| | Trade Receivable | - | - | (424.64) | (647.12) | (424.64) | (647.12) |
| | Inventory | - | - | (883.29) | (8.02) | (883.29) | (8.02) |
| | Loans and Advances and Other Current Assets | (1,201.75) | (6,783.11) | (2,162.86) | (64.87) | (3,364.61) | (6,847.98) |
| | Trade payable,Provisions and Other Liabilities | (334.18) | (1,319.92) | 1,376.07 | 310.78 | 1,041.89 | (1,009.14) |
| | Net cashfroml (used in) operating activities before Tax & extraordinary items | (1,556.31) | (6,513.41) | (1,757.88) | 680.88 | (3,314.20) | (5,832.53) |
| | Tax | - | (449.14) | - | - | - | (449.14) |
| | Net cash fr om/(used in) operating activities before extraordinary items | (1,556.31) | (6,513.41) | (1,757.88) | 680.88 | (3,314.20) | (6,281.67) |
| | Extra ordinary items | - | - | - | - | - | - |
| | Nel cash froml(used in) operating activities after extraordinary uems | (1,556.31) | (6,513.41) | (1,757.88) | 680.88 | (3,314.20) | (6,281.67) |
| B. | Cash flow from investing activities | | | | | | |
| | Purchase of Fixed Assets | - | - | (136.68) | (103.60) | (136.68) | (103.60) |
| | Sale of Fixed Assets | - | 31.23 | 2.12 | - | 2.12 | 31.23 |
| | Loss on Sale of Fixed Assets | - | - | 0.97 | - | 0.97 | - |
| | Investments | - | - | - | - | - | - |
| | Interest Received | 190.05 | 180.26 | 137.27 | 85.30 | 327.32 | 265.56 |
| | Dividend received | - | - | - | - | - | - |
| | Rent and other Revenue received | - | - | - | - | - | - |
| | Net cash from l (used in) investing activities | 190.05 | 211.49 | 3.68 | (18.30) | 193.73 | 193.18 |
| C. | Cash flow from financing activities | | | | | | |
| | Share application money | - | - | - | - | - | - |
| | Long term Loan | - | - | - | - | - | - |
| | Borrowings | - | - | - | - | - | - |
| | Interest Paid | - | - | - | - | - | - |
| | Net Cash from (used in) finacing activities | - | - | - | - | - | - |
| D. | Net increase in cash & cash equivalent (A+B+C) | (1,366.26) | (6,751.07) | (1,754.20) | 662.58 | (3,120.46) | (6,088.48) |
| | Cash & Cash equivalent at the beginning of the year | 1,855.65 | 8,606.72 | 1,233.04 | 1,570.46 | 4,088.70 | 10,177.18 |
| | Cash & Cash equivalent at the end of the year (Refer Note No.20) | 489.40 | 1,855.65 | 478.84 | 2,233.04 | 968.24 | 4,088.70 |

Notes:-

1.Cash & Cash equivalent ar the end of the year comprises:-

| | | | | | | |
|---|--------|----------|--------|----------|--------|----------|
| Cash on hand | - | - | 1.70 | 1.69 | 1.70 | 3.39 |
| Cheques on Hand | 0.02 | 0.02 | - | 0.08 | 0.02 | 0.08 |
| Balance with Banks | | | | | | |
| -On Current Accounts | 41.79 | 98.18 | 466.42 | 199.38 | 508.21 | 665.80 |
| -On Deposits Accounts | 447.59 | 1,757.46 | 10.72 | 2,031.89 | 458.31 | 2,042.61 |
| Total Cash & Cash Equivalent at the end of the year | 489.40 | 1,855.65 | 478.84 | 2,233.04 | 968.24 | 4,088.70 |

1.Cash Flow Statement has been prepared as per AS-3.

2.Cash & Cash Equivalent consists of cash and bank balance & deposits with banks



Notes on Financial Statements for the year ended 31st March, 2023

(₹ in Lakhs)

32.6 Exceptional item :-

| | 2022-2023 | 2021-2022 |
|--|--|------------|
| | Amount (₹) | Amount (₹) |
| Amount required to be spend by Company during the year | 22.16 | - |
| Amount of expenditure incurred | 3.47 | - |
| Shortfall at the end of the year | 18.69 | - |
| Previous year Shortfall | - | - |
| Reason of Shortfall | Difficulty in indentification of approved CSR Activities | |
| Nature of CSR Activity | Renovation of Mannan Charitable Trust, Bhiwani, Haryana, CCTV installation at Vivekananda Kendriya Vidyalaya, Kitpi, Arunanchal Pradesh. | |

Details of related party transactions Not Applicable

During the financial year 2022-23 an amount of ₹ 18.69 Lakhs been earmarked as Fixed Deposit with Bank for carrying out shortfall CSR activities in the next financial year.

32.7 Exceptional item :-

| | (₹ in Lakhs) | |
|---|--------------|------------|
| | 2022-2023 | 2021-2022 |
| 1. Write off Sundry Debtors (Net) (Collection Received from Customers against Write off Sundry Debtors) | (3.10) | (14.60) |
| 2. Write back of Credit balance (Net) (Payment to Party against write back of Liability due to non demanding) | | 4.49 |
| 3. Capital Gain on Sale of Land & Building (Sale of Office space at SCOPE Complex New Delhi) | - | (1,650.32) |
| 4. Liability for Salary Revision of earlier years (Palakkad Unit) | 604.16 | |
| 5. Doubtful Debts Provision Prior Period (Palakkad Unit) | 10.00 | 133.86 |
| (A Doubtful Debts Provision prior periof of ₹10 Lakhs has been made in the accounts of 2022-23 towards trade receivable other than LD for the year 2017-18 i.e. receivable more than 5 years old) | 604.16 | (1,526.57) |
| 32.8 As per actuarial valuation Company has provided for Earned Leave Encashment of ₹ 158.77 Lakhs upto 31.03.2021. No additional provision is deemed necessary to be created this year towards Eamed Leave Encashment expenses realted to the financial year 2022-23 since the Company has not adjusted any amount against the above liability for the past years and has been setting the EL dues by charging off to P&L Account every year. The amount settled in the financial year 2022-23 is ₹102.99 Lakhs, | | |

32.9 Earning per share calculated in accordance with the provisions of AS-20 :-

| | As on | As on |
|--|------------|------------|
| | 31.03.2023 | 31.03.2022 |
| | (₹) | (₹) |
| EPS on Profit | | |
| Profit after tax as per Statement of Profit & Loss (Used as denominator) | 486.07 | 2,675.10 |
| Number of Equity shares (Face value 1000/- each) | 240,453 | 240,453 |
| Weighted Average number of equity shares for calculating Basic earning per share | 976,453 | 240,453 |
| Weighted Average number of equity shares for calculating Diluted earning per share | 976,949 | 976,949 |
| Basic earning per share (Rs. per share) | 202.15 | 1,112.52 |
| (Face value of Rs.1000/- each) | | |
| Diluted earning per share (Rs. per share) | 49.75 | 273.82 |
| (Face value of Rs. 1000/- each) | | |

32.10 Figures have been rounded off to the nearest rupee, wherever considered necessary. Figures in brackets () indicate deduction.

32.11 The figures of the previous year have been regrouped/reclassified wherever necessary.

32.12 The figures of Palakkad Unit have been regrouped/reclassified wherever necessary.

32.13 Note No.1 to 32 form integral part of the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement.

For and on behalf of the Board

Anjali Gupta **Madan Pal Singh** **Thangavelu Ravi**
 Company Secretary Director Chairman and Managing Director
 M.No.ACS 49251 DIN No. : 08414417 DIN No. 10221443

In terms of our report of even date attached
For Pramod & Associates
 Chartered Accountants
 F.R.N. 001557C

C.A. Ravindra Raniwala
 Partner
 M.No.073191

Place : Palakkad
 Date : 08th September, 2023

OUR PLANTS AND OFFICES

| | Address | Telephone | E-mail/Website |
|---|--|----------------------------------|--|
| CORPORATE HEAD-QUARTER & REGISTERED OFFICE | Sitapura Industrial Area, Jaipur- 302 022 | 0141-2771885 | |
| PLANT | Kanjikode West Palakkad-678 623 Kerala | 0491-2566127-30 04931-2566132 | contact@ilpgt.com gm@ilpgt.com www.ilpgt.com |





एक कदम स्वच्छता की ओर



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