



GUINDY MACHINE TOOLS LIMITED

**ANNUAL REPORT
2021 - 2022**



An ISO 9001 & 14001 Company
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GUINDY MACHINE TOOLS LIMITED

Incorporated under the Companies Act, 1956

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GENERAL INFORMATION

(i) **BOARD OF DIRECTORS:**

Chairperson cum Whole Time Director	-	Smt. Leela Venkat Raman
Executive Vice Chairperson	-	Smt. Jayashree S. Mani
Managing Director	-	Shri. B. Venugopal
Director	-	Shri. K. Jagannathan
Director	-	Shri. R.Venkatakrishnan

(ii) **AUDITORS:**

M/s. Vijayaraghavan & Associates,
Chartered Accountants,
New no. 51, (Old no. 23), Giri Road,
T. Nagar, Chennai – 600 017

(iii) **BANKERS:**

M/s. State Bank of India,
SME Branch (Branch Code: 04327),
Guindy, Chennai – 600 032.

(iv) **OUR DIVISIONS:**

- 1. Work Holding & Machine Tools Division,**
No. 214, Velachery – Tambaram Main Road,
Pallikaranai, Chennai – 600100.
- 2. Metrology Division**
Plot No. 104/2, SIPCOT Industrial Complex,
Hosur – 635126.



GUINDY MACHINE TOOLS LIMITED

CIN: U29130TN1959PLC003951 | MSME Regn. No.: UDYAM-TN-02-0000806

Regd. Off. & Works: 214 (Old No.196), Velachery –Tambaram Main Road,
Pallikaranai, Chennai – 600 100, India.

To
The Members of
Guindy Machine Tools Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2022

Dear Shareholders,

Your Directors' have pleasure in presenting this 63rd Annual Report on the business and operations of the Company and Audited Financial Statements of the company for the financial year 2021-22 along with the Auditors' Report thereon.

1. FINANCIAL PERFORMANCE & STATE OF COMPANY'S AFFAIRS :

During the year under review, the first quarter started a little slower but in the remaining quarters business is healthy and the company has achieved a Sales turnover of **Rs. 3678.07** Lakhs and Company's Profit is **Rs.613.45** Lakhs as compared to **Rs. 2159.66** Lakhs and **Rs. 146.20** Lakhs in the year 2020-2021, respectively.

The Results of the year's operation are as under :

(Rs. In Lakhs)

Sl. No.	Particulars	FY 2021-22	FY 2020-21
1	Revenue from Operation	3678.07	2159.66
2	Other Income	123.10	131.06
3	Total Income	3801.17	2290.72
4	Less : Expenditure	3086.16	2025.13
5	Profit before Depreciation	715.01	265.59
6	Less : Depreciation	101.56	119.39
7	Profit before Tax	613.45	146.20
8	Less : Income Tax Provision	182.93	60.00
9	Loss from Discontinued Operation	-	-
10	Net Surplus available for Appropriation	430.52	86.20

2. DIVIDEND:

During the year under review, your Company had declared an Interim Dividend of Rs.2 per equity share of Rs.10/- each amounting to Rs.72,63,612/- in the Board of Directors meeting held on 29th March 2022. Further your directors are pleased to propose a final dividend of Rs. 5/- per equity share of Rs.10/- each amounting to Rs. 1,81,59,030/- to the members for the financial year ended 31st March, 2022.

3. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013:

No sum will be proposed to transfer to the Reserves.



4. APPROPRIATION:

The Board of Directors has resolved to appropriate the balance surplus as under:

Rs. In Lakhs

Particulars	FY 2021-22	FY 2020-21
Profit as per Current Year's Profit and Loss Account	430.52	86.20
Add: C/o. from last year Profit and Loss Account	1588.24	1569.34
Less: Deferred Tax Asset	- 0.41	-11.77
Prior period short provision for Taxation (Net)	- 8.78	6.43
Surplus available for appropriation	2027.95	1660.88
Interim / Special Dividend including Tax	72.64	-
Provision for Dividend	-	72.64
Transfer to General Reserve	-	-
Balance in Profit and Loss Account carry forward to next year	1955.31	1588.24

5. MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR:

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report.

6. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year under review, there have been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in the future.

7. DETAILS OF SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY :

As on March 31, 2022, the Company does not have any Subsidiary / Joint ventures / Associate Companies.

8. CHANGES IN NATURE OF BUSINESS:

There is no change in the nature of the business of the Company.

9. STATUTORY AUDITORS & AUDITORS' REPORT:

At the Annual General Meeting held on 26-11-2020, M/s. Vijayaraghavan & Associates, Chartered Accountants, (FRN: 005699S) was appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2025.

There are no observations (including any qualifications, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes of accounts referred to in the Auditor's Report are self-explanatory.

10. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Secretarial Audit is not applicable to the Company as it is not covered under the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

11. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company is not required to form such a policy.

12. CORPORATE SOCIAL RESPONSIBILITY:

The Company is not required to formulate policy on corporate social responsibility and to constitute a Corporate Social Responsibility Committee as it does not fall within the purview of Section 135(1) of the Companies Act, 2013.

13. ACCOUNTING POLICIES:

All significant accounting policies adopted in the preparation and presentation of financial statements are disclosed in **Annexure - I**. There is no change in the accounting policies adopted.

14. DEPOSITS:

The Company has not invited / accepted any deposits from the public during the year ended March 31, 2022. There were no unclaimed or unpaid deposits as on March 31, 2022.

15. DIRECTORS:

The Present Directors of the Board are Smt. Leela Venkat Raman (Chairperson), Smt. Jayashree S. Mani (Executive Vice Chairperson), Shri. B. Venugopal (Managing Director), Shri. K. Jagannathan (Director) and Shri. R. Venkatakrishnan (Director).

Smt. Leela Venkat Raman (Chairperson) and Shri. R. Venkatakrishnan (Director) will retire by rotation at the Annual General Meeting of the Company as per the provisions of the Articles of Association of the Company and being eligible to offer themselves for re-appointment.

16. APPOINTMENT OF INDEPENDENT DIRECTORS: -

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

17. NUMBER OF MEETINGS OF THE BOARD: -

The following Meetings of the Board of Directors were held during the year 2021-22,

Sl. No.	Date of Meeting	Board Strength	No. of Directors Present
1	23-06-2021	5	5
2	09-09-2021	5	5
3	20-11-2021	5	5
4	19-01-2022	5	3
5	29-03-2022	5	5

PRESENCE / ATTENDANCE OF DIRECTORS IN THE MEETINGS

Sl. No.	Name of Director	Board Meeting			Stake Holders Relationship Committee Meeting			AGM
		No. of Meetings held	No. of Meeting attended	%	No. of Meetings held	No. of Meeting attended	%	
1	Mrs. Leela Venkat Raman	5	4	80	4	-	-	Yes
2	Mrs. Jayashree S Mani	5	5	100	4	-	-	Yes
3	Mr. B. Venugopal	5	5	100	4	4	100	Yes
4	Mr. K. Jagannathan	5	4	80	4	4	100	Yes
5	Mr. R. Venkatakrishnan	5	5	100	4	4	100	Yes

18. DIRECTORS' RESPONSIBILITY STATEMENT: -

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors 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;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The directors prepared the annual accounts on a going concern basis; they devised proper systems to ensure compliance with the provisions of all applicable laws and ensured that such systems were adequate and operating effectively.

19. NOMINATION AND REMUNERATION COMMITTEE:

The Company's Nomination and Remuneration Committee comprises of Managing Director and two Non-executive Directors. The table sets out the composition of the Committee:

Name of the Director	Position held in the Committee	Category of the Director
Mr. B. Venugopal	Chairman	Managing Director
Mr. K. Jagannathan	Member	Director
Mr. R. Venkatakrishnan	Member	Director

Terms of Reference

The Terms of Reference of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out the evaluation of every Director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

3. The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
 - a. the level and composition of remuneration are reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
4. Regularly review the Human Resource function of the Company
5. Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
6. Make reports to the Board as appropriate.
7. Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
8. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

REMUNERATION POLICY

Remuneration to Executive Directors:

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board in the Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as the financial position of the Company.

Remuneration to Non-Executive Directors:

The Non-Executive Directors are paid remuneration by way of Sitting Fees and Commission. The Non-Executive Directors are paid sitting fees for each meeting of the Board and Committee of Directors attended by them.

20. PARTICULARS OF LOAN GUARANTEE (OR) INVESTMENTS :

The Company has not made / given / advanced any Loan, Guarantee and Investment during the financial year covered under section 186 of the Companies Act, 2013.

21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as ***Annexure-II***.

22. ENVIRONMENT AND CERTIFICATION: -

Earlier your Company retained the accreditation of its Quality systems in line with ISO 9001 – 2008 and Environmental systems in line with ISO 14001:2004, now it was combined and managed as an Integrated Management System. The Company has obtained accreditation for its management system in line with ISO 9001-14001:2015 certification.



Several activities such as Rainwater Harvesting, Sewage Treatment, and separation and disposal of scrap as per government guidelines have been initiated already. Requirements of the Environment Management System (EMS), for the protection of the environment are under periodic review and improvement.

23. MANAGERIAL REMUNERATION:

Computation of Managerial Remuneration is furnished in **Annexure – III** and it is attached to this Report.

24. RELATED PARTY TRANSACTIONS:

The Company is required to enter various Related Party Transactions as defined under Section 188 of the Companies Act, 2013 with related parties as defined under Section 2 (76) of the said Act. Further, all the necessary details of transactions entered with the related parties are attached herewith in Form No. AOC-2 for your kind perusal and information. (**Annexure – IV**).

25. RISK MANAGEMENT:

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to managing uncertainty. A formal enterprise-wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines and make use of these in their decision-making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time will become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.

26. INTERNAL FINANCIAL CONTROLS

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company. The system should be designed and operated effectively. Rule 8(5) (viii) of Companies (Accounts) Rules, 2014 requires the information regarding the adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report. To ensure effective Internal Financial Controls the Company has laid down the following measures:

- The internal financial control systems are commensurate with the size and nature of its operations.
- All legal and statutory compliances are ensured on a monthly basis. Non-compliance, if any, is seriously taken by the management, and corrective actions are taken immediately. Any amendment is regularly updated by internal as well as external agencies in the system.
- Approval of all transactions is ensured through a pre-approved Delegation of Authority Schedule which is reviewed periodically by the management.
- The Company follows a robust internal audit process. Transaction audits are conducted regularly to ensure the accuracy of financial reporting, and to safeguard and protection of all the assets. Verification of assets is done on an annual basis. The audit reports for the above audits are compiled and submitted to Board of Directors for review and necessary action.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your director's further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

27. ACKNOWLEDGEMENT:

Your Directors wish to express their appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

// By Order of the Board //

Sd/-

Sd/-

Place : Chennai
Date : 29.08.2022

(B. VENUGOPAL)
Managing Director
DIN: 00186010

(JAYASHRREE S MANI)
Executive Vice-Chairperson
DIN: 00186174



ANNEXURE – I

SIGNIFICANT ACCOUNTING POLICIES

A. Corporate information:

Guindy Machine Tools Limited with CIN No: U29130TN1959PLC003951 was originally incorporated as a Private Limited Company on October 28, 1959 under the Companies Act, 1956 and subsequently sought conversion as a Public Limited Company with effect from 19th January 1993. The Company is primarily engaged in the manufacturing of Work Holding, Work Positioning, Machine Tools and Metrology equipment. The Corporate and Registered Office of the Company is situated at Chennai.

B. Basis of Preparation:

- a. The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India with Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounting) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis under the historical cost convention and they are also consistent with those used in the previous year.

b. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Property, Plant & Equipment:

- I. **Tangible Assets:** Assets are stated at cost of acquisition or construction less accumulated depreciation. The cost includes all incidental expenses related to acquisition and installation. Any subsidy/ reimbursement/ contribution received for installation and acquisition of any assets shown as a deduction in the year of receipt. Any trade discounts and rebates are deducted in arriving at the purchase price.

Borrowing Costs relating to the acquisition of tangible assets which takes a substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work-in-Progress.

- II. **Intangible Assets:** Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

d. Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date, if 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. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

e. Depreciation and Amortisation:

Pursuant to the notification of Schedule II [read with Notification G.S.R.627(E) dated 29 August 2014], the Company has revised the estimated useful life of the assets to align with those specified in Schedule II. The details of previously applied depreciation/useful life are as follows:

Category of asset	Depreciation / Useful life
Buildings	09.50% ~ 30 years
Plant & machinery	18.10% ~ 15 years
Office Equipment	45.07% ~ 5 years
Computer	63.16% ~ 3 years
Motor Cars	31.23% ~ 8 years
Motor bus/van	31.23% ~ 8 years
Two Wheelers	25.89% ~ 10 years
Furniture & Fixtures	25.89% ~ 10 years
Electrical fittings	25.89% ~ 10 years

Depreciation is calculated in a manner that amortizes the cost of the assets (or other amount substituted for cost), less its residual value (5% of the cost), over their useful lives as specified above. Pursuant to the transition provision prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of its residual value, where the remaining useful life of the asset was determined to be NIL as on April 01, 2015. Further, the assets purchased prior to 01-April-2000 are fully written down to their salvage value. Assets costing Rs.5,000/- or less are depreciated at 100% in the year of acquisition.

f. Operating Cycle:

Based on the nature of business activities of the Company and the normal time between the acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities, as current and non-current.

g. Valuation of Inventories:

Stock in trade, stores and spares are valued at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Cost of stock in trade procured for specific projects is assigned by specific identification of individual costs of each item. Costs of stock in trade, that are interchangeable and not specific to any project is determined using the weighted average cost formula. Cost of stores and spare parts is determined using weighted average cost.

h. Revenue Recognition:

Income and Expenditure, unless otherwise stated, are accounted on accrual basis.

Revenue from Operations:

- Sale and operating income includes sale of products, services, profit from partnership firms, income from job work services, export incentives, etc.
- Sale of goods are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer. Sales include excise duty but exclude sales tax and value added tax.
- Sale of services are recognised when services are rendered and related costs are incurred.



- Profit from partnership firms which are in the same line of operation is considered as operating Income.
- Revenue from job work services is recognised based on the services rendered in accordance with the terms of contracts.
- Export benefits are accounted for in the year of exports based on eligibility and when there is no
- Uncertainty in receiving the same.

Other income:

- Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- Dividend income is recognised when right to receive is established.
- Rent income is booked as per terms of contracts.

i. Foreign Currency Transactions

Foreign currency transactions are recorded at the rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currency are translated at closing rate. Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the statement of Profit and Loss in the period it arises.

j. Employees Benefits:

Short Term Employees Benefits are recognized in the year during which the services have been rendered.

a) Long Term Employee Benefits:

Employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employees and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. Also, eligible employees of the Company are covered under the Employees' State Insurance Schemes, which are also defined contribution schemes recognized and administered by the Government of India.

b) Gratuity & Leave Salary:

The liability for Gratuity & Leave Salary to eligible employees is being accounted on accrual basis. The liability is on the basis of actuarial valuations.

k. Income Taxes:

Tax expense comprises of current & deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized on account timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, are recognized at the rate of income tax prevailing or substantively enacted tax rate at the reporting date.

l. Provision, contingent liabilities & contingent assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, and it is provable that there will be an out flow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the Financial Statements.

m. Foreign Currency Transactions:

Foreign Currency Transactions were accounted at the Exchange rates prevailing at the date of transactions and the Closing Balance was revalued at the exchange rate as of 31-Mar-2022

n. Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o. Cash Flow Statement:

Cash Flow is reported using the indirect method, whereby profit or loss before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated based on available information including taxes paid relating to these activities.



ANNEXURE - II

Information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors

A. Conservation of Energy:

(I) the steps taken or impact on conservation of energy:

This process is under constant review and systems are currently at optimum.

B. Technology Absorption:

(i) the benefits derived like product improvement, cost reduction, product development or import substitution:

- a. New Special Product line was developed to reduce the risks of dependence on a limited number of market segments and improve the profitability.
- b. To render our products affordable for small and medium scale engineering units and automobile ancillary units.
- c. To enhance the durability of our products and their application by user industries.

(ii) In case of imported technology (imported in the last three years reckoned from the beginning of the financial year:

There was no import of Technology. Technology is developed in-house and is regularly used in the lines of production and periodically updated.

C. Foreign Exchange Earnings and Outgo:

The Company's main line of business is manufacturing work holding, work positioning, machine tools and metrology products. The Company has achieved an Export Turnover of Rs.31.68 Lakhs during the year 2021 – 2022, as compared to Rs.10.04 Lakhs in the previous year, 2020 – 2021.

(Rs. In Lakhs)

Particulars	2021-22	2020-21
Total Foreign Exchange Received		
On Sale of Products and Services	31.68	10.04
On Agency Commission	10.95	3.89
Total Foreign Exchange used:		
i) Raw Materials	5.36	-
ii) Consumable Stores	-	0.84
iii) Capital Goods	-	-
iv) Foreign Travels	-	-
v) Others	82.59	-

ANNEXURE - III

COMPUTATION OF CEILING OF MANAGERIAL REMUNERATION

I. COMPUTATION OF NET PROFIT AS PER SEC.198 OF COMPANIES ACT, 2013

Particulars		Amount in Rs.	
Profit before Tax as per P&L Statement			6,13,44,527
Add:	Managerial Remuneration	69,82,500	
	Provision for Bad Doubtful Debts	-	69,82,500
Less:	Profit on sale / Disposal / Discarding of Assets	5,34,139	
	Gain in the value of Foreign currency monetary Assets	-2,82,052	2,52,087
Net profit as per Sec. 198 of Companies Act, 2013			6,80,74,940

1. Ceiling of Managerial Remuneration as per Companies Act, 2013:

11% of the Net Profit computed above: Rs.74,88,243/-

Managerial Remuneration paid is within the Ceiling of Managerial Remuneration as per Companies Act, 2013:

ANNEXURE - IV

RELATED PARTY TRANSACTIONS

A. Details of Remuneration of Executive Directors for the financial year ended 31st March, 2022

Name	Salary	Bonus	Contribution to EPF	Perquisites	Total (Rs. In Lakhs)
Mrs. Leela VenkatRaman	29.00	0.17	-	-	29.17
Mrs. Jayashree S Mani	23.20	0.17	-	-	23.37
Mr. B. Venugopal	17.40	0.17	-	1.05	18.62
	69.60	0.51	-	1.05	71.16

B. Details of Remuneration of Non-Executive Directors for the financial year ended 31st March, 2022

Name	Sitting Fees	Commission	Total (Rs. In Lakhs)
Mr. K. Jagannathan	0.10	-	0.10
Mr. R. Venkatakrisnan	0.13	-	0.13

INDEPENDENT AUDITOR'S REPORT

**To the Members of
GUINDY MACHINE TOOLS LIMITED.**

Report on the Audit of the Financial Statements

Opinion:

We have audited the Financial Statements of GUINDY MACHINE TOOLS LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2022, 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 [hereinafter referred to as "the Financial Statements"].

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit and its cash flows for the year ended on that date.

Basis of Opinion:

We conducted our audit of the Financial Statements 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.

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

The Company's Board of Directors is responsible for the other information. The other information but does not include the Financial Statements and our auditor's report thereon.

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

Management's Responsibility for the 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements:

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

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

- a. 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.
- b. 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
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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.
- e. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) Planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received .
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. Rs. 1,74,425 which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d.
 - i. The management has represented that, to the best of 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.
 - ii 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;

- iii Based on such audit procedures which we have 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) contain any material mis-statement.
- e The company has declared and paid the dividend during the year is in accordance with section 123 of the Companies Act 2013.

for **VIJAYARAGHAVAN & ASSOCIATES**

Chartered Accountants

Sd/-

P.B.VIJAYARAGHAVAN

Partner

Membership No: 15103

Firm Reg. No: 005699S

UDIN : 22015103ARAVTG9906

Place : Chennai

Date : 29.08.2022

“Annexure - A” to the Auditors’ Report

The Annexure referred to in our report to the members of GUINDY MACHINE TOOLS LIMITED for the year ended 31st March, 2022.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) A. The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
B. The company is maintaining proper records showing full particulars of intangible assets.
(b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals, any material discrepancies were noticed on such verification and if so, the same have been properly dealt with in the books of account.
(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the company.
(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year .
(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions(Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate.
(b) During any point of time of the year, the company has not sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
3. During the year the company has not made investments in any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
4. In respect of loans, investments, guarantees, and security, provisions of sections 185 and 186 of the Companies Act have been complied with.
5. The Company has not accepted any deposits or amounts which are deemed to be deposits, hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 are not applicable.
6. The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies is not applicable to the company.
7. The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities .

According to the information and explanations given to us, there were some disputed statutory dues in the books of the company for which they have an appeal with the Authority and the details of the same are provided below:

Sl. No.	Financial Year	Value Rs. In Lakhs	Particulars	Authority
1	2012-13	5.50 lakhs	Income Tax Demand	Commissioner of Income-Tax (Appeals)
Total		5.50 lakhs		

8. There were no transactions which not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
(b) The company has not declared as 'wilful defaulter' by any bank or financial institution or other lender.
(c) There were no term loan obtained during the year;
(d) No funds raised on short term basis .
(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
10. (a) No moneys raised by way of initial public offer or further public offer (including debt instruments) during the year .
(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year .
11. Neither no fraud by the company nor any fraud on the company has been noticed during the year.
12. Since it is not a Nidhi Company , Provision relating to Nidhi Company is not applicable .
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.
14. The company is not having an internal audit system.
15. The company has not entered into any non-cash transactions with directors or persons connected with .
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
17. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
18. There were no resignation of the statutory auditors during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
20. Corporate Social Responsibility is not applicable to the company as per the provision of section 135 of the Companies Act 2013;

for **VIJAYARAGHAVAN & ASSOCIATES**

Chartered Accountants

Sd/-

P.B.VIJAYARAGHAVAN

Partner

Membership No: 15103

Firm Reg. No: 005699S

UDIN : 22015103ARAVTG9906

Place : Chennai
Date : 29.08.2022

“Annexure – B” to the Auditors’ 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 **GUINDY MACHINE TOOLS LIMITED**. (“The Company”) as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls:

The 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.

Auditors’ 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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, 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 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **VIJAYARAGHAVAN & ASSOCIATES**

Chartered Accountants

Sd/-

P.B.VIJAYARAGHAVAN

Partner

Membership No: 15103

Firm Reg. No: 005699S

UDIN : 22015103ARAVTG9906:

Place : Chennai

Date : 29.08.2022

**AUDITED BALANCE SHEET AS ON 31ST MARCH, 2022**

Particulars	Note No	2021-22 ₹	2020-21 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	3,63,18,060	3,63,18,060
(b) Reserves and Surplus	2	37,40,75,488	33,74,50,042
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(4) Current Liabilities			
(a) Short-term borrowings	3	4,45,000	6,20,000
(b) Trade payables	4	1,78,25,970	1,72,40,647
(c) Other current liabilities	5	2,05,12,060	1,82,84,644
(d) Short-term provisions	6	5,28,69,364	4,49,56,391
Total		50,20,45,942	45,48,69,784
II. ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipment including Intangible Assets			
(i) Tangible assets	7	7,89,16,981	6,92,09,251
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	4,05,000
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)	8	1,53,38,421	1,53,79,045
(d) Long term loans and advances	9	12,74,755	19,99,232
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments	10	-	1,08,82,271
(b) Inventories	11	9,86,54,829	9,33,66,084
(c) Trade receivables	12	3,86,89,819	1,86,72,767
(d) Cash and cash equivalents	13	23,98,54,385	23,01,93,018
(e) Short-term loans and advances	14	1,64,38,835	68,43,233
(f) Other current assets	15	1,28,77,917	79,19,883
Total		50,20,45,942	45,48,69,784

As per our Report Annexed

for **GUINDY MACHINE TOOLS LTD**for **VIJAYARAGHAVAN & ASSOCIATES**

Chartered Accountants

Sd/-

P.B.VIJAYARAGHAVAN

Partner

Membership No. 15103

Firm Reg No. 005699S

UDIN : 22015103ARAVTG9906

Place : Chennai

Date : 29.08.2022

Sd/-

JAYASHREE S MANI

Executive Vice-Chairperson

Sd/-

B.VENUGOPAL

Managing Director

**AUDITED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022**

Particulars	Note No	2021-22 ₹	2020-21 ₹
I. Revenue from operations	16	43,31,38,223	25,41,32,027
Less : Duties & Taxes		6,53,31,125	3,81,66,300
Net Revenue from Operations		36,78,07,098	21,59,65,727
II. Other Income	17	1,23,09,678	1,31,06,345
III. Total Revenue (I +II)		38,01,16,776	22,90,72,072
IV. Expenses:			
Cost of materials and Tools consumed	18	8,81,57,457	4,87,10,703
Purchase of Stock-in-Trade			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	3,62,365	(1,51,24,092)
Employee benefit expense	20	13,52,48,519	10,88,45,527
Financial costs	21	2,95,337	3,49,265
Depreciation and amortization expenses	22	1,01,55,910	1,19,39,490
Other expenses	23	8,45,52,661	5,97,31,458
Total Expenses		31,87,72,249	21,44,52,351
V. Profit before exceptional and extraordinary items and tax (III - IV)		6,13,44,527	1,46,19,721
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		6,13,44,527	1,46,19,721
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		6,13,44,527	1,46,19,721
X. Tax expense:			
(1) Current tax		1,82,93,090	60,00,000
(2) Prior-period Short Provision of Tax (Net)		(8,78,245)	6,42,550
(3) Deferred tax (Asset)		(40,624)	(11,76,994)
XI. Profit/(Loss) from the period from continuing operations (VII - VIII)		4,38,89,058	68,00,177
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		4,38,89,058	68,00,177
XVI. Earning per equity share:			
(1) Basic		12.08	1.87
(2) Diluted		-	-

As per our Report Annexed

for **GUINDY MACHINE TOOLS LTD**for **VIJAYARAGHAVAN & ASSOCIATES**

Chartered Accountants

Sd/-

P.B.VIJAYARAGHAVAN

Partner

Membership No. 15103

Firm Reg No. 005699S

UDIN : 22015103ARAVTG9906

Place : Chennai

Date : 29.08.2022

Sd/-

JAYASHREE S MANI

Executive Vice-Chairperson

Sd/-

B.VENUGOPAL

Managing Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	2021-22 ₹	2020-21 ₹
I. Cash Flows from Operating Activities		
Net Income before Taxation and Extraordinary Items	6,13,44,527	1,46,19,721
Adjustments for:		
Income Tax	(1,74,14,845)	(6,642,550)
Depreciation	1,01,55,910	1,19,39,490
Interest Income	(1,17,53,230)	(1,25,23,780)
Profit / (Loss) from Sale of Assets	-	(43,715)
Profit / (Loss) from Sale of Investments	(5,34,139)	-
Interest Expenses	1,29,980	1,76,217
Operating profit before working capital changes	4,19,28,203	75,25,383
(Increase) / Decrease in Trade Receivables	(2,00,17,052)	(3,93,729)
(Increase) / Decrease in Inventory	(52,88,745)	(1,51,00,371)
Increase / (Decrease) in Trade Payable	5,85,323	80,07,328
Changes in other Current Assets	(1,45,53,636)	71,53,937
Changes in other Current Liabilities	99,65,389	1,28,41,922
Changes in other Non-Current Assets	7,24,477	(57,935)
Cash Generated from Operations	1,33,43,959	1,99,76,535
Net Cash from Operating Activities	1,33,43,959	1,99,76,535
II. Cash Flows from Investing Activities		
Purchase of Property, Plant & Equipment	(1,94,58,640)	(16,84,634)
Proceeds from Sale of Property, Plant & Equipment	-	84,745
Proceeds from Sale of Investments	1,14,16,410	-
Investments in Mutual Funds	-	(1,08,82,271)
Interest received	1,17,53,230	1,25,23,780
Net Cash from / (Used in) Investing Activities	37,11,000	41,620
III. Cash Flows from Financing Activities		
Dividends & Interim Dividends paid	(72,63,612)	(72,63,612)
Interest paid	(1,29,980)	(1,76,217)
Net Cash from / (Used in) Financing Activities	(73,93,592)	(74,39,829)
Net increase in cash and cash equivalents	96,61,367	1,25,78,326
Cash and cash equivalents at beginning of the period	23,01,93,018	21,76,14,692
Cash and cash equivalents at end of the period	23,98,54,385	23,01,93,018

As per our Report Annexed

for **GUINDY MACHINE TOOLS LTD**

for **VIJAYARAGHAVAN & ASSOCIATES**

Chartered Accountants

Sd/-

P.B.VIJAYARAGHAVAN

Partner

Membership No. 15103

Firm Reg No. 005699S

UDIN : 22015103ARAVTG9906

Place : Chennai

Date : 29.08.2022

Sd/-

JAYASHREE S MANI

Executive Vice-Chairperson

Sd/-

B.VENUGOPAL

Managing Director

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	2021-22 ₹	2020-21 ₹
1	Share Capital		
	Equity Share Capital		
	Authorised Share capital (40,00,000 Shares Rs.10 Each)	4,00,00,000	4,00,00,000
	Issued, subscribed & fully paid share capital		
	Opening	3,63,18,060	3,63,18,060
	Addition : Issue of Bonus Share	-	-
	Closing	<u>3,63,18,060</u>	<u>3,63,18,060</u>
	(of the above 32,00,418 shares were allotted as fully paid up by issue of bonus shares by way of capitalisation of reserves)		
	Calls unpaid	-	-
	Forfeited shares	-	-
	Total	<u>3,63,18,060</u>	<u>3,63,18,060</u>
	Number of shares held by each shareholder holding more than 5 percent of the Issued share capital:		
(i)	Name of the Share Holder	% of Issued Capital/ Number of Shares	% of Issued Capital/ Number of Shares
	(a) Mrs.Leela Venkat Raman	54.44% 19,77,300	54.44% 19,77,300
	(b) Mrs.Jayashree S.Mani	15.86% 5,76,000	15.86% 5,76,000
(ii)	Name of the Share Holder	Number of Shares	% of Total Shares
	(a) Mrs.Leela Venkat Raman	19,77,300	54.44%
	(b) Mrs.Jayashree S.Mani	5,76,000	15.86%
			% of Change during the year
	(a) Mrs.Leela Venkat Raman		-
	(b) Mrs.Jayashree S.Mani		-
(iii)	Information regarding issue of shares in last five years		
	(a) The company has not issued any shares without payment being received in cash.		
	(b) The company has not undertaken any buy back of shares		
2	Reserves and Surplus		
	Capital Reserves	9,800	9,800
	General Reserves		
	Opening	17,86,17,220	17,86,17,220
	Deletion: Issue of Bonus Shares		
	Addition : Transfer from Profit & Loss A/c	-	-
	Closing Balance	<u>17,86,17,220</u>	<u>17,86,17,220</u>
	Other Reserve / fund		
	P & L A/c		
	Opening	15,88,23,022	15,69,32,469
	Addition		
	Current year's Profit	4,38,89,058	91,54,165
	Deduction		
	General Reserves	-	-
	Special Dividend for Diamond Jubilee year (GMT 60s)	72,63,612	-
	Dividend Distribution Tax on Special Dividend	-	-
	Appropriation for Dividend	-	72,63,612
	Closing Balance	<u>19,54,48,468</u>	<u>15,88,23,022</u>
	Total	<u>37,40,75,488</u>	<u>33,74,50,042</u>



NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	2021-22 ₹	2020-21 ₹			
3	Short-term borrowings					
	Unsecured					
	Deposits (Dealership Deposits - Refundable)	4,45,000	6,20,000			
	Other loan and advances					
	Total	4,45,000	6,20,000			
4	Trade payables					
	Trade payables	1,78,25,970	1,72,40,647			
	Total	1,78,25,970	1,72,40,647			
Outstanding for following periods from due date of payment						
	Particulars	Less than 1 year	1 to 2 Years	2 to 3 Years	More than 3 years	Total
	(a) MSME	3,68,024	-	-	-	3,68,024
	(b) Others	1,74,57,946	-	-	-	1,74,57,946
	(c) Disputed - MSME	-	-	-	-	-
	(d) Disputed - Others	-	-	-	-	-
		1,78,25,970	-	-	-	1,78,25,970
5	Other Current liabilities					
	Unclaimed dividends	6,49,220				7,20,970
	Duties, Taxes & Statutory Dues	30,68,531				8,97,278
	Advance received from customer	64,90,303				65,47,484
	Salaries & Wages Payable	81,40,780				78,27,877
	Outstanding Liability	21,63,226				22,91,035
	Total	2,05,12,060				1,82,84,644
6	Short-term provisions					
	Provision for employee benefits	2,85,09,304				3,14,01,404
	Provision for Income Tax	1,82,93,090				60,00,000
	Audit Fee Payable	2,83,500				2,91,375
	Dividend Payable	57,83,470				-
	Provision for Dividend	-				72,63,612
	Total	5,28,69,364				4,49,56,391
7	Property, Plant & Equipment including Intangible Assets					
	Property, Plant & Equipment	7,89,16,981				6,92,09,251
	In-Tangible Assets	-				-
	Capital Work-in-progress	-				4,05,000
	Total	7,89,16,981				6,96,14,251

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	2021-22 ₹	2020-21 ₹
8	Deferred Tax - (Net)		
	Deferred Tax (Asset)		
	On Depreciation	48,46,183	38,72,925
	Deletion	2,85,007	9,73,258
	On Disallowance U/s 43 B of IT Act	1,09,94,274	1,08,52,591
	Addition	24,26,382	23,64,517
	Deletion - Reversal of Timing Difference	27,97,997	22,22,834
		1,57,53,849	1,58,40,457
	Deferred Tax (Liability)		
	On Research and Development Expenditure	4,61,412	5,23,465
	Deletion - Reversal of Timing Difference	45,984	62,053
	Total	4,15,428	4,61,412
		1,53,38,421	1,53,79,045
9	Long Term Loans and Advances		
	Unsecured considered good		
	Security Deposits	12,74,755	19,99,232
	Total	12,74,755	19,99,232
10	Current Investments		
	Investments in Mutual funds	-	1,08,82,271
	Total	-	1,08,82,271
11	Inventories		
	Raw materials	1,37,12,635	85,59,098
	Work in progress	4,58,79,827	4,33,16,389
	Finished goods	3,34,90,358	3,64,16,161
	Stores and spares	55,72,009	50,74,436
	Total	9,86,54,829	9,33,66,084
	Valuation of Raw Materials, Stores & spares, Work-In-Progress and Finished Goods is at Cost		
12	Trade receivables		
	Unsecured considered good		
	a) Outstanding for less than 6 Months	3,84,15,558	1,83,06,861
	b) Outstanding for 6 Months to 1 Year	2,74,261	3,65,906
	c) Outstanding for 1 Year to 2 Years	-	-
	d) Outstanding for 2 Years to 3 Years	-	-
	e) Outstanding for more than 3 Years	-	-
	Sub Total	3,86,89,819	1,86,72,767
	Unsecured considered doubtful		
	a) Doubtful Debts	-	-
	Total	3,86,89,819	1,86,72,767



NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	2021-22 ₹	2020-21 ₹
13	Cash and cash equivalents		
	a) Balances with banks - Current A/c.	64,34,890	2,28,31,803
	b) Balances with banks - Dividend & Unclaimed Dividend A/c	8,91,277	7,84,608
	c) Cash on hand	66,232	41,785
	d) Fixed Deposit	18,74,61,986	15,42,12,088
	e) Fixed Deposit (Given as Collateral Security for SBI Cash Credit A/c.)	4,50,00,000	5,23,22,734
	Total	23,98,54,385	23,01,93,018
14	Short term loans and advances		
	Unsecured considered good		
	Capital Advances	76,58,803	46,80,100
	Advance Taxes	82,08,099	20,29,297
	Advance Money Paid to Creditors	5,71,933	1,33,836
	Total	1,64,38,835	68,43,233
15	Other Current Assets		
	Prepaid Expenses	54,976	2,62,308
	Deffered Liability for Gratuity	60,75,990	75,94,988
	Other Current Assets	67,46,951	62,587
	Total	1,28,77,917	79,19,883
16	Revenue from Operations		
	Revenue from - Sale of products	42,88,90,987	25,07,55,989
	Sale of services	31,52,770	25,82,231
	Agency Commission	10,94,466	7,93,807
	Other operating revenues	-	-
	Total	43,31,38,223	25,41,32,027
17	Other Income		
	Interest income	1,17,53,230	1,25,23,780
	Other non-operating income	22,309	5,56,070
	Profit / (Loss) on Investments	5,34,139	-17,220
	Profit / (Loss) on Sale of Asset	-	43,715
	Total	1,23,09,678	1,31,06,345
18	Consumption of Material and Tools		
	Consumption of Material		
	Opening Stock	85,59,098	1,02,48,325
	Add: Purchase	8,50,69,284	4,36,99,498
		9,36,28,382	5,39,47,823
	Closing Stock	1,37,12,635	85,59,098
	Sub Total - A	7,99,15,747	4,53,88,725

NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	2021-22 ₹	2020-21 ₹
	Consumption of Tools and Stores		
	Opening Stock	50,74,436	34,08,927
	Add: Purchase	87,39,283	49,87,487
		<u>1,38,13,719</u>	<u>83,96,414</u>
	Closing Stock	55,72,009	50,74,436
	Sub Total - B	<u>82,41,710</u>	<u>33,21,978</u>
	Cost of Materials & Tools Consumed	<u>8,81,57,457</u>	<u>4,87,10,703</u>
19	Changes in Inventory		
	Increase/Decrease in Stock		
	Opening Stock		
	Work in Progress	4,33,16,389	2,91,54,742
	Finished Goods	3,64,16,164	3,54,53,719
		<u>7,97,32,553</u>	<u>6,46,08,461</u>
	Closing Stock		
	Work in Progress	4,58,79,827	4,33,16,389
	Finished Goods	3,34,90,361	3,64,16,164
		<u>7,93,70,188</u>	<u>7,97,32,553</u>
	(Increase) / Decrease in Stock	<u>3,62,365</u>	<u>(1,51,24,092)</u>
20	Employee Benefits Expense		
	Salaries and wages	10,56,00,807	8,72,18,173
	Contribution to provident and other funds	63,81,148	61,90,987
	Gratuity and Leave Salary	48,89,712	40,14,776
	Director Remuneration	69,82,500	61,50,000
	Staff welfare expenses	1,13,94,352	52,71,591
	Total	<u>13,52,48,519</u>	<u>10,88,45,527</u>
21	Finance Costs		
	Interest Expenses	1,29,980	1,76,217
	Bank Charges and Commission	1,65,357	1,73,048
	Applicable net gain/ loss on foreign currency transactions/ traslation		
	Total	<u>2,95,337</u>	<u>3,49,265</u>
22	Depreciation	1,01,55,910	1,19,39,490



NOTES TO THE FINANCIAL STATEMENTS

Note No.	Particulars	2021-22 ₹	2020-21 ₹
23	Other Expenses		
	Sub-Contract Charges for WDO	2,31,23,851	1,06,29,187
	Power and fuel	1,05,37,793	67,07,317
	Repairs and Maintenance to Machinery	74,69,437	45,43,100
	Consulting Charges/Professional Charges	77,78,251	51,66,733
	Repairs and Maintenance to Building and Premises	44,77,520	30,70,551
	Travelling Expenses	36,35,146	19,25,860
	Packing & Forwarding Charges	38,29,050	25,42,883
	Conveyance	34,79,019	29,10,227
	Other Maintenance Expenses	64,50,748	24,38,902
	Vehicle Expenses	19,32,314	14,97,387
	Establishment & Administration Expenses	29,72,856	28,08,362
	Office Expenses	3,64,099	5,87,987
	Software Expenses	39,53,816	47,92,891
	Postage & Telephones	11,99,489	11,78,473
	Rates and Taxes, excluding taxes on income	1,29,784	71,10,498
	Printing & Stationery	10,08,137	6,90,428
	Insurance	16,14,299	6,96,691
	Audit Fee- Audit	3,15,000	3,15,000
	Bad Debts	-	68,006
	Forex Fluctuation Loss (Realised)	48,170	6,944
	Forex Fluctuation Loss (Un-Realised)	2,33,882	41,271
	Sales Promotion Expenses	-	2,760
	Total	8,45,52,661	5,97,31,458

Property, Plant & Equipment including Intangible Assets Schedule for the FY 2021-22											
	Gross Block				Depreciation				Written Down Value as on		
	Opening	Addition	Deletion	Closing	Opening	Addition	Deletion	Closing	31-03-2022	31-03-2021	
PROPERTY, PLANT & EQUIPMENT											
LAND	1,16,35,987	-	-	1,16,35,987	-	-	-	-	1,16,35,987	1,16,35,987	
BUILDINGS	3,94,77,808	-	-	3,94,77,808	2,39,95,689	13,97,150	-	2,53,92,839	1,40,84,969	1,54,82,119	
BUILDINGS - FACTORY	1,10,05,095	-	-	1,10,05,095	94,13,994	1,05,397	-	95,19,391	14,85,704	15,91,101	
BUILDING-RAW MATERIAL SHED	38,79,605	-	-	38,79,605	20,94,445	1,69,590	-	22,64,035	16,15,570	17,85,160	
COMPUTERS AND SOFTWARE	3,19,99,444	25,58,640	-	3,45,58,084	3,13,17,655	11,20,392	-	3,24,38,047	21,20,037	6,81,789	
MACHINERY & EQUIPMENTS	17,87,30,767	1,73,05,000	-	19,60,35,767	14,51,06,659	61,66,606	-	15,12,73,265	4,47,62,502	3,36,24,108	
PRECISION INSTRUMENTS	7,42,182	-	-	7,42,182	7,39,664	456	-	7,40,120	2,062	2,518	
PATTERNS AND DIES	17,51,376	-	-	17,51,376	14,08,166	62,121	-	14,70,287	2,81,089	3,43,210	
JIGS AND FIXTURES	23,88,780	-	-	23,88,780	23,79,382	1,701	-	23,81,083	7,697	9,398	
ELECTRICAL INSTALLATION	53,37,632	-	-	53,37,632	49,11,327	1,10,371	-	50,21,698	3,15,934	4,26,305	
VEHICLES	1,01,98,350	-	-	1,01,98,350	79,77,859	6,92,125	-	86,69,984	15,28,366	22,20,491	
OFFICE EQUIPMENT	56,45,631	-	-	56,45,631	55,60,330	38,446	-	55,98,775	46,856	85,301	
FURNITURE AND FITTINGS	32,71,218	-	-	32,71,218	30,59,456	54,826	-	31,14,282	1,56,936	2,11,762	
COMPUTER SERVER & NETWORKS	16,31,756	-	-	16,31,756	15,32,788	54,021	-	15,86,809	44,947	98,968	
RESEARCH AND DEVELOPMENT											
BUILDINGS	52,655	-	-	52,655	49,296	319	-	49,615	3,040	3,359	
MACHINERY	2,30,60,251	-	-	2,30,60,251	2,20,52,577	1,82,389	-	2,22,34,966	8,25,285	10,07,674	
WORK IN PROCESS											
HIGH PRECISION SLOT GRINDING M/C.**	4,05,000	1,17,00,000	1,21,05,000	-	-	-	-	-	-	4,05,000	
Total	33,12,13,537	3,15,63,640	1,21,05,000	35,06,72,177	26,15,99,287	1,01,55,910	-	27,17,55,196	7,89,16,981	6,96,14,250	
Previous Year FY 2020 - 21	32,97,28,903	16,84,634	2,00,000	33,12,13,537	24,98,18,766	1,19,39,490	1,58,969	26,15,99,287	6,96,14,250	7,99,10,137	

** High Precision Slot Grinding M/c. purchased during the year was capitalised and put to use during the year.



NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2022

GENERAL:-

- 1 Expenditure in respect of Foreign Travel is Rs. 3,03,420/- (Previous Year- Nil).
- 2 C.I.F. Value of imported components for the products of the Company is Rs. 5,36,080/- (Previous Year Rs.92,073/-)
- 3 F.O.B. Value of exports made during the year is Rs.25,84,500/- (Previous year Rs.10,04,235/-)
- 4 Receipts in Foreign Exchange as Commission is Rs. 10,94,466/- (Previous Year Rs.7,93,806/-)
- 5 Staff Welfare includes reimbursement of Medical Expenses to all the Directors amounting to Rs.3,90,381/-
- 6 Contingent liability in respect of disputed IT Demand to the extent of Rs.5.50 Lakhs pending before Commissioner of Income Tax (Appeals).
- 7 Money due to the Companies covered under MSME Act, for more than thirty days is Nil
- 8 Money due to Tiny, Micro and SSI Units for Value of Rs.1 lakh and above for more than thirty days is Nil
- 9 Commitment towards Capital Expenditure is Rs.1.90 Crores for the financial year 2022-23, out of which Rs. 76,58,803/- is paid as advance during the FY 2021-22.
- 10 Foreign Letter of Credit outstanding on account of Import of Capital Goods is Nil.
- 11 As we are Small and Medium sized company, Segment Reporting is not mandatory to us
- 12 Previous year's figures have been regrouped wherever necessary.
13. Statement showing yearly financial ratios

Ratios	Numerator	Denominator	2020-21	2021-22	Variance
Current Ratios	Current Assets	Current Liabilities	4.54	4.44	-0.10
Debt-Equity Ratio	Long-term Debt	Shareholders' fund + Long term Debt	-	-	-
Debt Service Coverage Ratio	Earnings available for Debt service	Debt Service	-	-	-
Return on Equity	Net Earnings	Shareholder Equity	0.02	0.11	0.09
Inventory Turnover Ratio	Cost of Sales	Average Stock carried or Inventory	1.44	2.21	0.77
Trade Receivable Turnover Ratio	Credit Sales	Accounts Receivables	11.57	9.51	-2.06
Trade Payables Turnover Ratio	Credit Purchases	Accounts Payables	2.82	5.26	2.44
Net Capital Turnover Ratio	Sales or Cost of Sales	Net Working Capital	0.75	1.17	0.42
Return on Capital Employed	Earnings before Interest and Tax	Capital Employed	0.04	0.15	0.11
Fixed Charges Cover	Net Profit before Interest and Tax	Interest on Long-term loans and debentures	-	-	-
Total Capital Turnover Ratio	Sales or Cost of Sales	Capital Employed	0.58	0.90	0.32
Fixed Asset Turnover Ratio	Sales or Cost of Sales	Net Fixed Assets	3.10	4.66	1.56
Fixed Asset Ratio	Fixed Assets	Net Worth	0.19	0.19	0.01
Liquidity Ratio	Quick Assets	Current Liabilities	4.22	4.12	-0.10
Fixed Assets to Current Assets	Fixed Assets	Current Assets	0.19	0.19	0.00
Net Profit Ratio (%)	Net Operating Profit	Sales	3.15%	11.93%	8.78%
Return on Investment (%)	Net Profit after interest, taxes and dividends	Shareholder's Equity	0.51%	8.92%	8.42%
Gross profit Ratio (%)	Gross Profit	Sales	42.84%	42.30%	-0.55%
Operating Ratio (%)	Operating Profit	Sales	0.7%	13.3%	12.6%

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2022

A) Product-wise Turnover in Value (₹)

Products	FY 2021-22	FY 2020-21
a) Chuck and Chuck Components and Other Machine,spares & Cutting Tools	39,44,61,398	22,53,54,020
b) Cast Iron & Granite Surface Plates	3,13,68,199	2,37,37,753
c) Scrap Sales	30,61,390	16,54,216
Total	42,88,90,987	25,07,55,989

B) Consumption of Raw Materials (₹)

Products	FY 2021-22	FY 2020-21
a) Castings & Forgings of Various Sizes	3,29,84,233	1,88,44,580
b) Granite Slabs (Nos)	79,75,144	55,49,146
c) Other Steels, etc	3,89,56,370	2,09,94,999
Total	7,99,15,747	4,53,88,725

C) Consumption of Raw-materials & Consumables (₹)

	FY 2021-22	FY 2020-21
Total Consumption	8,81,57,457	4,87,10,703
Imported Items	5,36,080	84,316
% of Imported Items	0.61%	0.17%
Indigenous Items	8,76,21,377	4,86,26,387
% of Indigenous Items	99.39%	99.83%



GUINDY MACHINE TOOLS LIMITED

CIN: U29130TN1959PLC003951

Regd. Off. & Works : 214 (Old No.196), Velachery – Tambaram Main Road,
Pallikaranai, Chennai – 600 100, India.