

# ANNUAL REPORT

2022-23

P. N. GADGIL  
& SONS

1832

Gold | Silver | Diamonds

P. N. GADGIL & SONS LIMITED

(Formerly known as "P. N. Gadgil & Sons")

CIN: U36911PN2017PLC173262

# we believe in principles



Late. Purushottam Narayan Gadgil



Late. Vishwanath Vasudev Gadgil



## Directors



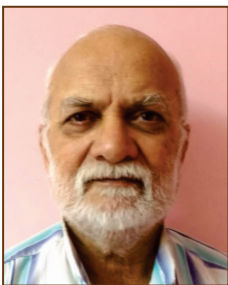
Mr. Govind Vishwanath Gadgil  
Chairman and Whole Time Director



Mrs. Renu Govind Gadgil  
Whole Time Director



Mr. Amit Yeshwant Modak  
Whole Time Director - CEO



Mr. Udaya Narayan Kalkundrikar  
Non-Executive Director



CA. Ashish Chandrakant Khandelwal  
Independent Director



CA. Ranjeet Sadashiv Natu  
Independent Director



Mr. Ashok Namdeo Gokhale  
Independent Director

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# P. N. GADGIL & SONS

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1832

## 6<sup>TH</sup> ANNUAL GENERAL MEETING

### BOARD OF DIRECTORS:

#### **Executive Directors:**

Govind Vishwanath Gadgil  
*(Chairman & Whole Time Director)*

Renu Govind Gadgil  
*(Whole Time Director)*

Amit Yeshwant Modak  
*(Whole Time Director & Chief Executive Officer)*

#### **Independent Directors:**

Ashish Chandrakant Khandelwal

Ranjeet Sadashiv Natu

Ashok Namdeo Gokhale

#### **Non-Executive Director:**

Udaya Narayan Kalkundrikar

#### **Company Secretary**

Neha Dhirendra Boid

#### **Chief Financial Officer:**

Aditya Amit Modak

<b>Auditors:</b>	M/s Khandelwal Jain & Associates, Chartered Accountants 1 <sup>st</sup> Floor, Alankar Cinema Building, Agarkar Nagar, Pune - 411001
<b>Secretarial Auditor:</b>	M/s Bokil Punde & Associates, Company Secretaries Prajaktali Apartments, Flat No- 1, 1A & 1B, Ground Floor, City Survey. No 5/17B, Opp Jain Temple Erandwana, Pune - 411004
<b>Bankers:</b>	HDFC Bank Limited ICICI Bank Limited Bank of Baroda Federal Bank Yes Bank Limited RBL Bank Limited
<b>Registered Office:</b>	Abhiruchi Mall, S. No. 59/1-C, Wadgaon (BK), Sinhagad Road, Pune-411041
<b>Contact Details:</b>	Email Id: <a href="mailto:info@pngsl.com">info@pngsl.com</a> Website: <a href="http://www.pngadgilandsons.com">www.pngadgilandsons.com</a> Phone No. : 020-24612000 Fax No. : 020-24612185

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## NOTICE

**NOTICE** is hereby given that the Sixth Annual General Meeting (AGM) of P. N. GADGIL & SONS LIMITED (the Company) will be held at 4<sup>th</sup> floor, Abhiruchi Mall, S.No.59/1-C, Wadgaon (BK), Sinhgad Road Pune 411041 on Monday, 7<sup>th</sup> August, 2023 at 12:00 pm to consider and transact the following business:

### ORDINARY BUSINESS:

- 1** To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 and the reports of the Board of Directors and Auditors thereon.
- 2** To appoint a Director in place of Mr. Udaya Narayan Kalkundrikar (DIN: 08007781), who retires by rotation and has confirmed his eligibility and willingness to accept the office, if re-appointed.
- 3** Re-appointment of M/s Khandelwal Jain & Associates, Chartered Accountants, as statutory auditors of the company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof for the time being in force) and based on the recommendation of the Audit Committee and the Board of Directors, M/s Khandelwal Jain & Associates, Chartered Accountants, Pune (Firm Reg. No. 139253W), be and are hereby re-appointed as the Statutory Auditors of the Company, for the term of 5 years i.e. from the conclusion of this 6<sup>th</sup> Annual General Meeting until the conclusion of 11<sup>th</sup> Annual General Meeting to be held in the year 2028 at a remuneration as may be recommended by the Audit Committee and as may be determined by the Board of Directors of the company.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.

### SPECIAL BUSINESS:

- 4** Revision in Remuneration of Mr. Govind Vishwanath Gadgil (DIN: 00616617), Whole time Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** in partial modification of resolution passed in the Annual General Meeting of the Company held on **25<sup>th</sup> July, 2022** for change in terms and conditions of appointment of **Mr. Govind Vishwanath Gadgil** (DIN: 00616617), as Whole time Director of the Company and pursuant to provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, if any, (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time read with Schedule V of the Act and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors and subject to such consent(s), approval(s) and permission(s) of various authorities, as may be required, the approval of members be and is hereby accorded for revision in the terms of remuneration of Mr. Govind Vishwanath Gadgil, Whole time Director by way of increase in remuneration (which includes salary, perquisites, performance based rewards / incentives etc.) payable to him from an amount not exceeding Rs. 15,00,00,000/- (Rupees Fifteen Crores) p.a. to an amount not exceeding Rs. 20,00,00,000/- (Rupees Twenty Crores ) p.a., for a period of 3(three) years from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2026, with other terms and conditions of employment as approved at the Annual General Meeting of the Company held on **25<sup>th</sup> July, 2022** remaining unchanged.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to fix the remuneration of Mr. Govind Vishwanath Gadgil within the aforesaid revised limit of Rs. 20,00,00,000/- (Rupees Twenty Crores ) p.a. with effect from 1<sup>st</sup> April, 2023 to the extent the Board may consider appropriate, at its sole discretion.

**RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. Govind Vishwanath Gadgil, Whole Time Director, the remuneration by way of salary, perquisites, performance based rewards / incentives etc. as mentioned above subject to the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits, as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

**RESOLVED FURTHER THAT** Mr. Amit Yeshwant Modak, Whole Time Director & CEO (DIN: 00396631) and Mrs. Neha Boid, (M. No. A54111) Company Secretary of the Company be and are hereby severally authorised to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution.”

**5 Revision in Remuneration of Mrs. Renu Govind Gadgil (DIN: 07412955), Whole time Director**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in partial modification of resolution passed in the Annual General Meeting of the Company, held on **25<sup>th</sup> July, 2022**, for change in terms and conditions of appointment of **Mrs. Renu Govind Gadgil** (DIN: 07412955), as Whole time Director of the Company and pursuant to provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, if any, (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time read with Schedule V of the Act and as per the recommendation of the

Nomination & Remuneration Committee and the Board of Directors and subject to such consent(s), approval(s) and permission(s) of various authorities, the approval of members be and is hereby accorded for revision in the terms of remuneration of Mrs. Renu Govind Gadgil, Whole time Director by way of increase in remuneration (which includes salary, perquisites, performance based rewards / incentives etc.) payable to her from an amount not exceeding Rs. 12,00,00,000/- (Rupees Twelve Crores) p.a. to an amount not exceeding Rs. 17,50,00,000/- (Rupees Seventeen Crores Fifty Lacs) p.a., for a period of 3(three) years from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2026, with other terms and conditions of employment as approved at the Annual General Meeting of the Company held on **25<sup>th</sup> July, 2022** remaining unchanged.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to fix the remuneration of Mrs. Renu Govind Gadgil within the aforesaid revised limit of Rs. 17,50,00,000/- (Rupees Seventeen Crores Fifty Lacs) p.a. with effect from 1<sup>st</sup> April, 2023 to the extent the Board may consider appropriate, at its sole discretion.

**RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year during her tenure, the Company shall pay to Mrs. Renu Govind Gadgil, Whole Time Director, the remuneration by way of salary, perquisites, performance based rewards / incentives etc. as mentioned above subject to the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits, as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

**RESOLVED FURTHER THAT** Mr. Amit Yeshwant Modak, Whole Time Director & CEO (DIN: 00396631) and Mrs. Neha Boid, (M. No. A54111) Company Secretary of the Company be and are hereby severally authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution.”

**6** Revision in Remuneration of Mr. Amit Yeshwant Modak (DIN: 00396631), Whole time Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in partial modification of resolution passed in the Annual General Meeting of the Company, held on **25<sup>th</sup> July 2022**, for change in terms and conditions of appointment of **Mr. Amit Yeshwant Modak** (DIN: 00396631), as Whole time Director of the Company and pursuant to provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, if any, (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time read with Schedule V of the Act and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors and subject to such consent(s), approval(s) and permission(s) of various authorities, the approval of members be and is hereby accorded for revision in the terms of remuneration of Mr. Amit Yeshwant Modak, Whole time Director by way of increase in remuneration (which includes salary, perquisites, performance based rewards / incentives etc.) payable to him from an amount not exceeding Rs. 3,50,00,000/- (Rupees Three Crores Fifty Lacs) p.a. to an amount not exceeding Rs. 4,00,00,000/- (Rupees Four Crores) p.a., for a period



of 3(three) years from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2026, with other terms and conditions of employment as approved at the Annual General Meeting of the Company held on **25<sup>th</sup> July 2022** remaining unchanged.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to fix the remuneration of Mr. Amit Yeshwant Modak within the aforesaid revised limit of Rs. 4,00,00,000/- (Rupees Four Crores) p.a. with effect from 1<sup>st</sup> April, 2023 to the extent the Board may consider appropriate, at its sole discretion.

**RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. Amit Yeshwant Modak, Whole Time Director, the remuneration by way of salary, perquisites, performance based rewards / incentives etc. as mentioned above subject to the limits and conditions specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits, as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

**RESOLVED FURTHER THAT** Mr. Govind Vishwanath Gadgil, Whole Time Director (DIN: 00616617) and Mrs. Neha Boid, (M. No. A54111) Company Secretary of the Company be and are hereby severally authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution.”

Date: 24.06.2023  
Place: Pune

By order of the Board of Directors  
Of **P. N. GADGIL & SONS LIMITED**

Sd/-  
**Neha Boid**  
**Company Secretary**  
M. No. A54111  
D 2103, Shubh Kalyan,  
Nanded City, Sinhgad Road,  
Pune – 411041

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS/ AUTHORITY, AS APPLICABLE. A COPY OF PROXY FORM HAS BEEN ENCLOSED HEREWITH.
2. Members desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.
3. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice and the Annual Report of the Company for the financial period ending 31<sup>st</sup> March, 2023 are being sent by e-mail to those Members who have registered their e-mail address with the Company, unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode. The Company requests those Members who have not yet registered their e-mail addresses, to register the same directly with their DP's, in case shares are held in electronic form or with the Company, in case shares are held in physical form.
4. Relevant documents referred to in the Notice, Register of Directors / Key Managerial Personnel (KMP) and their shareholding maintained under Section 170 of the Companies Act 2013 and Register of Contracts maintained under Section 189 of the Companies Act 2013 and other relevant registers and the copies of agreement i.e. Letter of appointment as mentioned in Section 190 are available for inspection by the members at the Registered Office of the Company during normal business hours on working days up to the date of the Annual General Meeting.
5. The Statement relating to ordinary business as mentioned in the Notice pursuant to provisions of Section 102 of the Companies Act, 2013 (the Act) is annexed hereto.
6. The detailed address of venue of meeting with route map and nearest landmark is attached herewith. Pick up and drop facility will be available half an hour before and after the conclusion of the meeting from/to the registered office of the Company.
7. Members are requested to notify the Company immediately the changes, if any, in the address in full with the postal area, pin code number, quoting their folio no. to the Company for shares held in physical form and/or to Company's Registrar and Share Transfer Agent, 'LINK INTIME INDIA PRIVATE LIMITED' at 247 Park, C – 101, 1st Floor, L.B.S. Marg, Vikhroli – (West) Mumbai – 400 083 and to their respective Depository Participants (DP) for shares held in electronic form.

8. Members / proxies should carry valid ID proof such as PAN, Voter ID, Passport, Driving License, Aadhar card etc. along with duly filled Attendance Slip enclosed herewith for attending the meeting.
9. Members are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company, for admission to the meeting venue.
10. Members may also note that the notice of the 6<sup>th</sup> Annual General Meeting and the Annual Report will be available on the Company's website [www.pngadgilandsons.com](http://www.pngadgilandsons.com).
11. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

By order of the Board of Directors  
for **P. N. GADGIL & SONS LIMITED**

Date: 24.06.2023

Place: Pune

Sd/-

**Neha Boid**

**Company Secretary**

M. No. A54111

D 2103, Shubh Kalyan,  
Nanded City, Sinhgad Road,  
Pune - 411041

## **Explanatory Statement**

### **Item No. 2 (Ordinary Business)**

Details of Director seeking re-appointment at the Annual General Meeting  
(In pursuance of Secretarial Standard 2 of ICSI)

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Mr. Udaya Narayan Kalkundrikar</b>
1.	<b>DIN</b>	08007781
2.	<b>Designation</b>	Non-Executive Director
3.	<b>Date of Birth</b>	08/04/1949
4.	<b>Age</b>	74
5.	<b>Nationality</b>	Indian
6.	<b>Date of first appointment on the Board</b>	26/12/2017
7.	<b>Change in Designation</b>	NA
8.	<b>Shareholding in P. N. Gadgil &amp; Sons Limited</b>	NIL
9.	<b>List of Directorship held in other Companies</b>	NA
10.	<b>Qualifications</b>	He holds a bachelor's degree in engineering from the College of Engineering, Pune. He is a fellow member of the Institution of Valuers and a member of the Institution of Engineers (India).
11.	<b>Experience</b>	Worked in Pune, Belgaum. Later in Saudi Arabia for 7 years as Project Manager. At present working as Structural Consultant, Chartered Engineer and Gazzetted Valuer. He is also Chairman for K L S Gogte Institute of Technology, Governing Council. Chairman, Management Board for Dhee Global School, Bangalore, Vice President for Bhavan's School Belgaum.
12.	<b>Terms and conditions of revision in remuneration</b>	NA
13.	<b>Terms and Conditions of appointment or re-appointment</b>	He is liable to retire by rotation and offer himself for re-appointment. Other terms and conditions will remain same
14.	<b>No of Board meetings attended during the previous financial year ended 31<sup>st</sup> March, 2023</b>	5
15.	<b>Chairman/ Member in the Committees of the Board of Companies in which he is a director</b>	NA

16.	<b>Relationship with other Directors, manager and other Key managerial personnel of the Company</b>	NA
17.	<b>Details of remuneration sought to be paid</b>	As a Non-Executive Director, he is entitled to receive sitting fees for attending meetings of the Board.
18.	<b>Last drawn remuneration</b>	As a Non-Executive Director, he is entitled to sitting fees for attending meetings of the Board at Rs. 10,000/- per meeting. During the year 2022-23, he received Rs. 50,000/- towards sitting fees.

### Item No.3 (Ordinary Business)

In the Extra Ordinary General Meeting of the Company held on 10<sup>th</sup> October, 2022, the members had passed the resolution and approved appointment of M/S Khandelwal Jain & Associates, Chartered Accountants, Pune (Registration No. 139253W) as Statutory Auditors of the Company to fill up casual vacancy caused by the company's auditors viz. M/s. Shah & Taparia, Chartered Accountants, (Firm Registration Number 109463W), Mumbai and to hold office as such till the conclusion of this 6<sup>th</sup> Annual General Meeting of the Company. Based on the recommendation of audit committee, the Board of Directors, at its meeting held on 24<sup>th</sup> June, 2023, approved the reappointment of M/S Khandelwal Jain & Associates, Chartered Accountants, Pune (Registration No. 139253W) as Statutory Auditors of the Company to hold office for the term of five years from the conclusion of 6<sup>th</sup> Annual General Meeting till the conclusion of 11<sup>th</sup> Annual General Meeting of the company. The reappointment is subject to approval of the shareholders of the Company.

### Item No. 4

The Nomination and Remuneration Committee, in its meeting held on 24<sup>th</sup> June 2023 recommended and the Board of Directors in its meeting held on 24<sup>th</sup> June 2023, approved the revision in remuneration of Mr. Govind Vishwanath Gadgil (DIN: 00616617) Whole Time Director of the Company from an amount not exceeding Rs. 15,00,00,000/- (Rupees Fifteen crores) p.a. to an amount not exceeding Rs. 20,00,00,000/- (Rupees Twenty crores) p.a., for a period of 3(three) years from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2026, with other terms and conditions of employment as approved in the Annual General Meeting held on 25<sup>th</sup> July 2022, remaining unchanged.

The revision in remuneration as recommended by Nomination and Remuneration Committee and approved by the Board is based on industry standards, responsibilities handled by the Whole time Director of the Company.

The relevant disclosure as required in pursuance of Secretarial Standard 2 of ICSI and disclosure as per Section II of Part II of Schedule V of the Companies Act, 2013 have been given in **Annexure 1** and **Annexure 2** respectively.

The draft Agreement i.e. Letter altering terms and conditions of appointment may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act and it will be available

for inspection at the registered office of the Company on all working days of the Company during business hours up to the date of the Annual General Meeting.

The approval of Members is being sought by way of a Special resolution, for revision in remuneration of Mr. Govind Vishwanath Gadgil (DIN: 00616617) Whole Time Director of the Company. Your Directors recommend the proposed Special resolution for your approval.

Except Mrs. Renu Govind Gadgil, being relative of Director and Mr. Govind Vishwanath Gadgil, recipient of the revised remuneration, none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution proposed under item No. 4 of the notice.

#### **Item No. 5**

The Nomination and Remuneration Committee, in its meeting held on 24<sup>th</sup> June 2023 recommended and the Board of Directors, in its meeting held on 24<sup>th</sup> June 2023, approved the revision in remuneration of Mrs. Renu Govind Gadgil (DIN: 07412955) Whole Time Director of the Company from an amount not exceeding Rs. 12,00,00,000/- (Rupees Twelve crores) p.a. to an amount not exceeding p.a. 17,50,00,000/- (Rupees Seventeen crores Fifty Lacs) for a period of 3(three) years from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2026, with other terms and conditions of employment as approved in the Annual General Meeting held on 25<sup>th</sup> July 2022, remaining unchanged.

The revision in remuneration as recommended by Nomination and Remuneration Committee and approved by the Board is based on industry standards, responsibilities handled by the Whole time Director of the Company.

The relevant disclosure as required in pursuance of Secretarial Standard 2 of ICSI and disclosure as per Section II of Part II of Schedule V of the Companies Act, 2013 have been given in **Annexure 1** and **Annexure 2** respectively.

The draft Agreement i.e. Letter altering terms and conditions of appointment may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act and it will be available for inspection at the registered office of the Company on all working days of the Company during business hours up to the date of the Annual General Meeting.

The approval of Members is being sought by way of a Special resolution, for revision in remuneration of Mrs. Renu Govind Gadgil (DIN: 07412955), Whole Time Director of the Company. Your Directors recommend the proposed Special resolution for your approval.

Except Mrs. Renu Govind Gadgil, being recipient of the revised remuneration and Mr. Govind Vishwanath Gadgil, being relative, none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution proposed under item no. 5 of the notice.

**Item no. 6**

The Nomination and Remuneration Committee, in its meeting held on 24<sup>th</sup> June 2023 recommended and the Board of Directors, in its meeting held on 24<sup>th</sup> June 2023, approved the revision in remuneration of Mr. Amit Yeshwant Modak (DIN: 00396631) Whole Time Director of the Company from an amount not exceeding Rs. 3,50,00,000/- (Rupees Three Crores Fifty Lakhs) p.a. to an amount not exceeding Rs. 4,00,00,000/- (Rupees Four Crores ) for a period of 3(three) years from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2026, with other terms and conditions of employment as approved in the Annual General Meeting held on 25<sup>th</sup> July 2022, remaining unchanged.

The revision in remuneration as recommended by Nomination and Remuneration Committee and approved by the Board is based on industry standards, responsibilities handled by the Whole time Director of the Company.

The relevant disclosure as required in pursuance of Secretarial Standard 2 of ICSI and disclosure as per Section II of Part II of Schedule V of the Companies Act, 2013 have been given in **Annexure 1** and **Annexure 2** respectively.

The draft Agreement i.e. Letter altering terms and conditions of appointment may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act and it will be available for inspection at the registered office of the Company on all working days of the company during business hours up to the date of the Annual General Meeting.

The approval of Members is being sought by way of a Special resolution, for revision in remuneration of Mr. Amit Yeshwant Modak (DIN: 00396631), Whole Time Director of the Company. Your Directors recommend the proposed Special resolution for your approval.

Except Mr. Amit Yeshwant Modak, being recipient of the revised remuneration and Mr. Aditya Amit Modak, CFO of the Company being relative, none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution proposed under Item no. 6 of the notice.

By order of the Board of Directors  
Of **P. N. GADGIL & SONS LIMITED**

Date: 24.06.2023

Place: Pune

Sd/-

**Neha Boid**

**Company Secretary**

M. No. A54111

D 2103, Shubh Kalyan,

Nanded City, Sinhgad Road,

Pune - 411041

**Annexure 1 to Statement pursuant to section 102 dated 24<sup>th</sup> June 2023 to Item Nos. 04, 05 and 06 of the Notice**

Details of Directors seeking revision in terms of remuneration of Whole Time Directors at the Annual General Meeting  
(In pursuance of Secretarial Standard 2 of ICSI)

Sr. No.	Name of Director	Mr. Govind Gadgil	Mrs. Renu Gadgil	Mr. Amit Modak
1	DIN	00616617	07412955	00396631
2	Designation	Chairman and Whole Time Director	Whole Time Director	Chief Executive Officer and Whole Time Director
3	Date of Birth	08/08/1959	13/05/1961	11/05/1960
4	Age	63	62	63
5	Nationality	Indian	Indian	Indian
6	Date of first appointment on the Board	06/11/2017(since incorporation)	06/11/2017(since incorporation)	06/11/2017(since incorporation)
7	Change in Designation	05/12/2017	05/12/2017	05/12/2017
8	Date of reappointment on the Board (As approved by Members in Annual General Meeting held on 25 <sup>th</sup> July 2022)	05/12/2022	05/12/2022	05/12/2022
9	Shareholding in P. N. Gadgil & Sons Limited as on 24 <sup>th</sup> June 2023	1,85,31,856 equity shares	152,07,342 equity shares	2,372 equity shares
10	List of Directorship held in other Companies	1. Puneet Shares and Finance Private Limited 2. PNGS Gargi Fashion Jewellery Limited 3. P. N. Gadgil Art & Culture Foundation	1. Puneet Shares and Finance Private Limited 2. P. N. Gadgil Art & Culture Foundation	1. Puneet Shares and Finance Private Limited 2. PNGS Gargi Fashion Jewellery Limited
11	Qualifications	F. Y. B. Com	BHMS	B.com, DTL, LLB, PGDIFM



<p><b>12</b></p>	<p><b>Experience</b></p>	<p>In jewellery business for more than 40 years</p>	<p>In jewellery business for more than 10 years as one of the owners</p>	<p>He has considerable experience as a Financial consultant and acting as intermediary in stock, market for more than 30 years. He worked as head finance and CEO of one of the leading jewellery houses for more than 19 years. He has been involved in day to day operations of the Company and has been responsible for marketing, finance, HR functions, corporate affairs, sales and purchases of the Company</p>
<p><b>13</b></p>	<p><b>Terms and conditions of revision in remuneration</b></p>	<p>A. Term of appointment: - He will serve as a Whole Time Director for 5 (Five years) from 05<sup>th</sup> December, 2022 up to and including 04<sup>th</sup> December, 2027</p> <p>B. His remuneration is being sought to be revised from Rs. 15,00,00,000/- p.a. to Rs. 20,00,00,000/- p.a. with an authority to the Board to fix up the remuneration within the aforesaid limit</p> <p>C. His remuneration is being sought to be revised and fixed for the period commencing from 01<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2026</p>	<p>A. Term of appointment: - She will serve as a Whole Time Director for 5 (Five years) from 05<sup>th</sup> December, 2022 up to and including 04<sup>th</sup> December, 2027</p> <p>B. Her remuneration is being sought to be revised from Rs. 12,00,00,000/- p.a. to Rs. 17,50,00,000/- p.a. with an authority to the Board to fix up the remuneration within the aforesaid limit</p> <p>C. Her remuneration is being sought to be revised and fixed for the period commencing from 01<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2026</p>	<p>A. Term of appointment: - He will serve as a Whole Time Director for 5 (Five years) from 05<sup>th</sup> December, 2022 up to and including 04<sup>th</sup> December, 2027</p> <p>B. His remuneration is being sought to be revised from Rs. 3,50,00,000/- p.a. to Rs. 4,00,00,000/- p.a. with an authority to the Board to fix up the remuneration within the aforesaid limit</p> <p>C. His remuneration is being sought to be revised and fixed for the period commencing from 01<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2026</p>

		<p>D. He will not be liable to retire by rotation during the tenure of his reappointment as Whole Time Director of the Company.</p> <p>E. Subject to the superintendence, control and direction of the Board, he will have the general control of the business of the Company and he will be vested with the powers of general management and day to day affairs of the Company, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business, he may consider necessary or proper or in the best interests of the Company.</p> <p>F. The term of his employment will forthwith determine if he becomes insolvent or make any composition or arrangement with his creditors or he will cease to be a Director of the Company.</p> <p>G. If he is guilty of negligence in the</p>	<p>D. She will be liable to retire by rotation during the tenure of her reappointment as Whole Time Director of the Company.</p> <p>E. Subject to the superintendence, control and direction of the Board, she will have the general control of the business of the Company and she will be vested with the powers of general management and day to day affairs of the Company, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business, she may consider necessary or proper or in the best interests of the Company.</p> <p>F. The term of her employment will forthwith determine if she becomes insolvent or make any composition or arrangement with her creditors or she will cease to be a Director of the Company.</p> <p>G. If she is guilty of negligence in the</p>	<p>D. He will be liable to retire by rotation during the tenure of his reappointment as Whole Time Director of the Company.</p> <p>E. Subject to the superintendence, control and direction of the Board, he will have the general control of the business of the Company and he will be vested with the powers of general management and day to day affairs of the Company, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business, he may consider necessary or proper or in the best interests of the Company.</p> <p>F. The term of his employment will forthwith determine if he becomes insolvent or make any composition or arrangement with his creditors or he will cease to be a Director of the Company.</p> <p>G. If he is guilty of negligence in the</p>
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		<p>conduct of the business of the Company or of any misconduct or any breach of these terms and conditions, if any, as in the opinion of the Board renders his retirement from the office of Whole Time Director desirable, the Company may intimate to him, by not less than 30 days' notice in writing, about his cessation, he will be ceased to be a Director and Whole Time Director of the Company upon the expiration of such notice.</p> <p>Kindly refer draft Letter altering terms and conditions which is available for inspection at the Registered Office of the Company during business hours on all working days up to the date of the AGM.</p>	<p>conduct of the business of the Company or of any misconduct or any breach of these terms and conditions, if any, as in the opinion of the Board renders her retirement from the office of Whole Time Director desirable, the Company may intimate to her, by not less than 30 days' notice in writing, about her cessation, she will be ceased to be a Director and Whole Time Director of the Company upon the expiration of such notice.</p> <p>Kindly refer draft Letter of altering terms and conditions for inspection at the Registered Office of the Company during business hours on all working days up to the date of the AGM.</p>	<p>conduct of the business of the Company or of any misconduct or any breach of these terms and conditions, if any, as in the opinion of the Board renders his retirement from the office of Whole Time Director desirable, the Company may intimate to him, by not less than 30 days' notice in writing, about his cessation, he will be ceased to be a Director and Whole Time Director of the Company upon the expiration of such notice.</p> <p>Kindly refer draft Letter of altering terms and conditions which is available for inspection at the Registered Office of the Company during business hours on all working days up to the date of the AGM.</p>
14	No of Board meetings attended during the previous financial year ended 31 <sup>st</sup> March 2023	10	10	10
15	Number of Board Meetings attended during April & May 2023	1	1	1
16	Chairman/ Member in the Committees of the Board of	P. N. GADGIL & SONS LIMITED : Member of Nomination and Remuneration	P. N. GADGIL & SONS LIMITED : Member of Borrowing Committee	P. N. GADGIL & SONS LIMITED: Member of Audit Committee, Corporate Social Responsibility

	<b>Companies in which he is a director</b>	Committee, Corporate Social Responsibility Committee, Borrowing Committee and Stakeholder Relationship Committee <b>PNGS GARGI FASHION JEWELLERY LIMITED:</b> Member of Nomination and Remuneration Committee and member of Borrowing Committee	and Internal Complaints Committee	Committee, Stakeholder Relationship Committee. Chairman and member of Borrowing Committee <b>PNGS GARGI FASHION JEWELLERY LIMITED:</b> Member of Borrowing Committee
<b>17</b>	<b>Relationship with other Directors, manager and other Key managerial personnel of the Company</b>	Relative of Mrs. Renu Govind Gadgil, Whole time Director of the Company	Relative of Mr. Govind Vishwanath Gadgil, Chairman and Whole time Director of the Company	Relative of Mr. Aditya Amit Modak, CFO of the Company
<b>18</b>	<b>Details of remuneration sought to be paid</b>	The members are being approached for - 1. The Approval of revision of remuneration from Rs. 15,00,00,000/- to Rs. 20,00,00,000/- p.a. in compliance with the provisions of Section 197, 198 and Schedule B of the Act with a power to Board of Directors to fix up the remuneration within the aforesaid revised limit. 2. The approval of remuneration of Rs. 20,00,00,000/- p.a. for three years from 1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2026	The members are being approached for- 1. The Approval of revision of remuneration from Rs. 12,00,00,000/- to Rs. 17,50,00,000/- p.a. in compliance with the provisions of Section 197, 198 and Schedule B of the Act with a power to Board of Directors to fix up the remuneration within the aforesaid revised limit. 2. The approval of remuneration of Rs. 17,50,00,000/- p.a. for three years from 1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2026	The members are being approached for - 1. The Approval of revision of remuneration from Rs. 3,50,00,000/- to Rs. 4,00,00,000/- p.a. in compliance with the provisions of Section 197, 198 and Schedule B of the Act with a power to Board of Directors to fix up the remuneration within the aforesaid revised limit 2. The approval of remuneration of Rs. 4,00,00,000/- p.a. for three years from 1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2026

<b>19</b>	<b>Last drawn remuneration</b>	<p>The Company has paid Rs. 9,40,00,000/- for the period commencing from 01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022.</p> <p>The Company has paid Rs.14,80,00,000/- for the period commencing from 01<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023.</p> <p>The Company has paid Rs. 1,00,00,000/- for the period 01<sup>st</sup> April, 2023 to 31<sup>st</sup> May, 2023</p>	<p>The Company has paid Rs. 5,90,00,000/- for the period commencing from 01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022.</p> <p>The Company has paid Rs. 11,80,00,000/- for the period commencing from 01<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023.</p> <p>The Company has paid Rs. 80,00,000/- for the period 01<sup>st</sup> April, 2023 to 31<sup>st</sup> May, 2023</p>	<p>The Company has paid Rs. 1,24,05,479/- for the period commencing from 01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022.</p> <p>The Company has paid Rs. 3,47,00,000/- for the period commencing from 01<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023.</p> <p>The Company has paid Rs. 10,79,200 /- for the period 01<sup>st</sup> April, 2022 to 31<sup>st</sup> May, 2023</p>
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**Annexure 2 to Statement pursuant to section 102 dated 24<sup>th</sup> June 2023 to Item Nos. 04, 05 and 06 of the Notice**

**STATEMENT PURSUANT TO THE PROVISIONS OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 (INCLUDING SECRETARIAL STANDARD – 2)**

**I. GENERAL INFORMATION –**

(1) Nature of Industry:

We are one of the leading and trusted retail jewellery companies in Maharashtra, Gujarat and Karnataka. The legacy of the “P. N. Gadgil” brand traces back over six generations to the year 1832. Prior to the incorporation of our Company in the year 2017, consequent to conversion of the Erstwhile Partnership Firm into the Company, the current business was carried on by our Promoters in the name of such Erstwhile Partnership Firm.

Our offerings include gold jewellery, silver jewellery, idols and other silverware, diamonds and diamond jewellery and other gemstones jewellery and related gift items.

(2) Date or expected date of commencement of Commercial Production: Commercial production commenced in the year 2012 when the Company was a partnership firm in the name of “P. N. Gadgil & Sons”. In other words the activities or business continued in the Company after the aforesaid conversion.

- (3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: **Not applicable.**

The Company has been incorporated pursuant to the conversion of the Erstwhile Partnership Firm under Part I of Chapter XXI of the Companies Act, 2013 on 6<sup>th</sup> November, 2017. The Company inherited the running business of the firm and hence the business has been continued after the conversion.

- (4) Financial performance based on given indicators:-

Particulars	As at 31 <sup>st</sup> March, 2023 (Rs. in millions)
Total Income	1,01,249.45
Depreciation and amortization expense	158.90
Total expenses	99,741.43
Profit before tax	1,508.01
Net profit/ Profit after Tax	1,115.94
Paid up capital	337.71

- (5) Foreign Investments or collaborations, if any – There is no foreign investment and no foreign collaboration in the Company.

## II. INFORMATION ABOUT THE APPOINTEES

	<b>Mr. Govind Gadgil Whole Time Director</b>	<b>Mrs. Renu Gadgil Whole Time Director</b>	<b>Mr. Amit Modak Whole Time Director</b>
<b>Background details</b>	Govind Gadgil is one of the Promoters of our Company and has been a member of our Board since inception. He holds a senior secondary certificate from Maharashtra State Board of Secondary and Higher Secondary Education. He has over 40 year's experience in the jewellery business. In the past he was associated with P.N. Gadgil & Sons, in the capacity of a Partner.	Renu Gadgil is one of the Promoters of our Company and has been a member of our Board since inception. She passed the Licentiate of Court of Examiners in Homeopathy. She has more than 10 years of experience in the jewellery business. In the past, she was associated with P. N. Gadgil & Sons, in the capacity of a Partner.	Amit Modak is the CEO and has been member of our Board since inception. He has completed B.COM, DTL, LL.B. and PGDIFM. He has considerable experience as a Financial consultant and acting as intermediary in stock, market for more than 30 years. He worked as head finance and CEO of one of the leading jewellery houses for more than 19 years. He has been involved in day to day operations of the Company and has been responsible for marketing, finance, HR functions, corporate affairs, sales and purchases of the Company
<b>Past Remuneration</b>	The Company has paid Rs. 94.00 (in millions) for the period commencing from 01 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022 The Company has paid Rs.148.00 (in millions) for the period commencing from 01 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023 The Company has paid Rs. 10.00 (in millions) for the period 01 <sup>st</sup> April, 2023 to 31 <sup>st</sup> May, 2023	The Company has paid Rs. 59.00 (in millions) for the period commencing from 01 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022 The Company has paid Rs. 118.00 (in millions) for the period commencing from 01 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023 The Company has paid Rs. 8.00 (in millions) for the period 01 <sup>st</sup> April, 2023 to 31 <sup>st</sup> May, 2023	The Company has paid Rs. 12.40 (in millions) for the period commencing from 01 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022 The Company has paid Rs. 34.70 (in millions) for the period commencing from 01 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023 The Company has paid Rs. 1.08 (in millions) for the period 01 <sup>st</sup> April, 2023 to 31 <sup>st</sup> May, 2023
<b>Recognition or Awards</b>	-	-	-

<p><b>Job profile and his /her suitability</b></p>	<p>Govind Gadgil was appointed as the Whole-time Director of the Company for a period of five years with effect from 05th December 2017, provides leadership, strategic vision, gives attention for maintaining legacy benefit to the organization and directions to the Company business operations.</p> <p>Considering his vast experience and knowledge of the business in which company operates, the remuneration proposed is commensurate with his job profile and is justified.</p>	<p>Renu Gadgil was appointed as the Whole-time Director of the Company for a period of five years with effect from 05th December 2017. She has been involved in day to day operations of the Company and has been responsible for the functions and administration of the Company. She also pays attention for maintaining legacy benefit to the organization.</p> <p>Considering her vast experience and knowledge of the business in which company operates, the remuneration proposed is commensurate with her job profile and is justified.</p>	<p>Amit Modak was appointed as the Whole-time Director of the Company for a period of five years with effect from 05th December 2017, provides leadership, strategic vision, gives attention for maintaining legacy benefit to the organization and directions to the Company business operations.</p> <p>Considering his vast experience and knowledge of the business in which company operates, the remuneration proposed is commensurate with his job profile and is justified.</p>
<p><b>Remuneration proposed</b></p>	<p>The remuneration proposed to be paid is provided in Item Nos. 04 of the Notice.</p>	<p>The remuneration proposed to be paid is provided in Item Nos. 05 of the Notice.</p>	<p>Remuneration proposed to be paid is provided in Item Nos. 06 of the Notice.</p>
<p><b>Comparative remuneration profile with respect to industry. Size of the Company, profile of the position and person (in case of expatriates the relevant details would</b></p>	<p>The revised remuneration payable have been benchmarked with the remuneration being drawn by peers in similar capacity in Jewellery Companies of comparable size in the Jewellery industry and has been approved by the Nomination and Remuneration Committee and by the Board of the Company respectively. The profile of Mr. Govind Vishwanath Gadgil, his responsibilities, complex</p>	<p>The revised remuneration payable have been benchmarked with the remuneration being drawn by peers in similar capacity in Jewellery Companies of comparable size in the Jewellery industry and has been approved by the Nomination and Remuneration Committee and by the Board of the Company respectively. The profile of Mrs. Renu Govind Gadgil, her responsibilities, complex</p>	<p>The revised remuneration payable have been benchmarked with the remuneration being drawn by peers in similar capacity in Jewellery Companies of comparable size in the Jewellery industry and has been approved by the Nomination and Remuneration Committee and by the Board of the Company respectively. The profile of Mr. Amit Modak, his responsibilities, complex</p>



<p><b>be with respect to the country of his / her origin)</b></p>	<p>business operations, industry benchmark and size of the Company justify the payment of said remuneration.</p> <p>The remuneration payable to Mr. Govind Gadgil is in line with the industry standards.</p>	<p>complex business operations, industry benchmark and size of the Company justify the payment of said remuneration.</p> <p>The remuneration payable to Mrs. Renu Gadgil is in line with the industry standards.</p>	<p>business operations, industry benchmark and size of the Company justify the payment of said remuneration.</p> <p>The remuneration payable to Mr. Amit Modak is in line with the industry standards.</p>
<p><b>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other directors if any for the previous financial year ended 31<sup>st</sup> March, 2023</b></p>	<ul style="list-style-type: none"> <li>• Sale of Goods of Rs. 0.73 (in millions) to Mr. Govind Gadgil in the financial year ended 31<sup>st</sup> March, 2023</li> <li>• Received Rent and maintenance of Rs. 52 (in millions) and security deposit of Rs. 13.53 (in millions) from the Company, for providing shops on leave and license basis, in the financial year ended 31<sup>st</sup> March, 2023</li> <li>• Company accepted unsecured loan Rs. 485.00 (in millions)</li> <li>• Company repaid unsecured loan of Rs. 510.00 (in millions) to Mr. Govind Vishwanath Gadgil, in the previous financial year ended 31<sup>st</sup> March, 2023</li> <li>• Company paid Interest on unsecured loan of Rs. 0.89 (in millions) to Mr. Govind Vishwanath Gadgil, in the financial year ended 31<sup>st</sup> March, 2023</li> </ul>	<ul style="list-style-type: none"> <li>• Sale of Goods of Rs. 0.06 (in millions) to Mrs. Renu Gadgil in the financial year ended 31<sup>st</sup> March, 2023</li> <li>• Received Rent and maintenance of Rs. 16.57 (in millions) and security deposit of Rs. 3.30 (in millions) from the Company, for providing shops on leave and license basis, in the financial year ended 31<sup>st</sup> March, 2023</li> <li>• Company accepted unsecured loan Rs. 1010.00 (in millions)</li> <li>• Company repaid unsecured loan of Rs. 1090.00 (in millions) to Mrs. Renu Govind Gadgil in the financial year ended 31<sup>st</sup> March, 2023</li> <li>• Company paid Interest on unsecured loan of Rs. 1.84 (in millions) to Mrs. Renu Govind Gadgil in the financial year ended 31<sup>st</sup> March, 2023</li> </ul>	<ul style="list-style-type: none"> <li>• Sale of Goods of Rs. 0.02 (in millions) to Mr. Amit Modak in the financial year ended 31<sup>st</sup> March, 2023</li> <li>• Company accepted unsecured loan Rs. 34.03 (in millions)</li> <li>• Company repaid unsecured loan of Rs. 26.05 (in millions) to Mr. Amit Modak in the financial year ended 31<sup>st</sup> March, 2023</li> <li>• Company paid Interest on unsecured loan of Rs. 0.90 (in millions) to Mr. Amit Modak in the financial year ended 31<sup>st</sup> March, 2023</li> </ul>

### III. OTHER INFORMATION:

1. Reasons of loss or inadequate profits: Reasons for inadequate profits is primarily due to the following:
  - i) The revenue during the period ending 31<sup>st</sup> March 2023 is majorly contributed for expansion of business, the benefits of which are yet to be accrued to the Company.
  - ii) Seasonal fluctuations and Natural Calamities may have a material adverse effect on our business, financial condition and results of operations.
2. Steps taken or proposed to be taken for improvement:

The Company is focusing on strengthening its core competency in core jewellery retail operations, by optimizing store networks and assures that the demand for our products with end-consumers will continue to grow or that Company will be able to continue to develop appealing styles or meet rapidly changing consumer demands in the future.

3. Expected increase in productivity and profits in measurable terms:

In addition to steps proposed to be taken for improvement as detailed hereinabove, key focus areas would be increasing top-line, profit maximization, conservation of cash and operational efficiencies. While it is difficult to give precise figures, the above initiatives are expected to improve further the productivity and profitability.

By order of the Board of Directors  
Of **P. N. GADGIL & SONS LIMITED**

Date: 24.06.2023

Place: Pune

Sd/-

**Neha Boid**

**Company Secretary**

M. No. A54111

D 2103, Shubh Kalyan,

Nanded City, Sinhgad Road,

Pune - 411041



**P. N. GADGIL & SONS LIMITED**  
 (CIN - U36911PN2017PLC173262)  
 Regd. Office: Abhiruchi Mall, S.No.59 /1-C, Wadgaon (BK),  
 Sinhgad Road Pune - 411041  
 Email Id: [info@pngadgilandson.com](mailto:info@pngadgilandson.com) website: [www.pngadgilandsons.com](http://www.pngadgilandsons.com)  
 Phone No. – +91 20 24612000 Fax No. – 020 24612185

**ATTENDANCE SLIP**  
 [To be presented at the entrance]

Annual General Meeting on Monday, 7<sup>th</sup> August, 2023 at 12:00 P.M.  
 at 4<sup>th</sup> Floor, Abhiruchi Mall, S.No.59 /1-C, Wadgaon (BK), Sinhgad Road Pune - 411041

Folio No/DP ID No/Client ID: .....

No. of Shares held: .....

Name of the Member: .....Signature.....

Name of Proxy Holder: .....Signature.....

I / We hereby record my / our presence at the Annual General Meeting of the Company held on Monday, 7<sup>th</sup> August, 2023 at 12:00 P.M. at 4<sup>th</sup> Floor, Abhiruchi Mall, S.No.59 /1-C, Wadgaon (BK), Sinhgad Road Pune 411041

- Note:
1. Only Member / Proxy holder can attend the Meeting.
  2. Please fill up the attendance slip and hand it over at the entrance of the meeting hall.

**P. N. GADGIL & SONS LIMITED**  
(CIN - U36911PN2017PLC173262)

Regd. Office: Abhiruchi Mall, S.No.59 /1-C, Wadgaon (BK), Sinhgad Road Pune - 411041  
 Email Id: [info@pngadgilandson.com](mailto:info@pngadgilandson.com) website: [www.pngadgilandsons.com](http://www.pngadgilandsons.com)  
 Phone No. – +91 20 24612000 Fax No. – 020 24612185

**Form No. MGT-11**

**Proxy form**

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

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

I/We being the Member(s) holding .....shares of above-named Company, hereby appoint:

1. Name:

Address:

E-mail Id:

Signature:

or failing him

2. Name

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 6<sup>th</sup> Annual General Meeting of members of the Company, to be held on Monday, 7<sup>th</sup> August, 2023 at 12:00 P.M. at 4<sup>th</sup> Floor, Abhiruchi Mall, S.No.59 /1-C, Wadgaon (BK), Sinhgad Road Pune – 411041 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Summary of Businesses to be transacted at the 6 <sup>th</sup> Annual General Meeting
<b>Ordinary Business</b>	
1.	To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31 <sup>st</sup> March, 2023 and the reports of the Board of Directors and Auditors thereon
2.	Re-appointment of Mr. Udaya Narayan Kalkundrikar (DIN: 08007781), who retires by rotation and has confirmed his eligibility and willingness to accept the office, if re-appointed
3.	Re-appointment of M/s Khandelwal Jain & Associates, Chartered Accountants, Pune (Firm Reg. No. 139253W) as a Statutory Auditor of the Company
<b>Special Business</b>	
4.	Revision in Remuneration of Mr. Govind Vishwanath Gadgil (DIN: 00616617), Whole time Director
5.	Revision in Remuneration of Mrs. Renu Govind Gadgil (DIN: 07412955), Whole time Director
6.	Revision in Remuneration of Mr. Amit Yeshwant Modak (DIN: 00396631), Whole time Director

Signed this .....day of..... 2023

Affix  
Revenue  
Stamp of Re.  
1/-

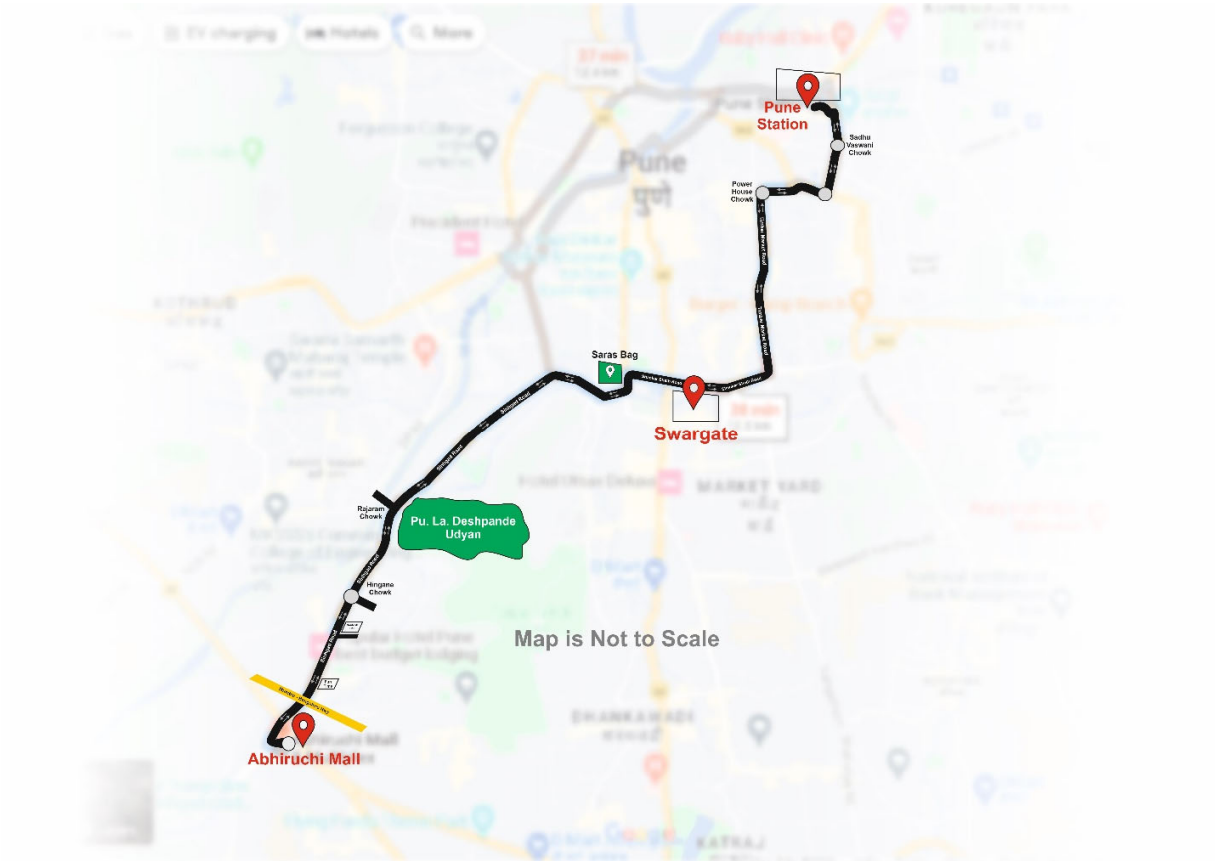
Signature of Shareholder:

Signature of Proxy holder(s):

**Note:**

- 1. This form of proxy in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.**

**Route Map for 6<sup>th</sup> Annual General Meeting venue**



P. N. Gadgil & Sons Limited  
4<sup>th</sup> Floor, Abhiruchi Mall, S.No.59 /1-C,  
Wadgaon (BK), Sinhgad Road Pune - 411041

## BOARDS' REPORT

To  
The Members,

Your Directors have pleasure in presenting the 6<sup>th</sup> Annual Report together with the audited financial statements for the year ended **31<sup>st</sup> March, 2023**.

### 1. FINANCIAL RESULTS

(Rs. In Millions)

Particulars	For the Financial Year ended 31 <sup>st</sup> March, 2023	For the Financial Year ended 31 <sup>st</sup> March, 2022
Turnover	1,01,138.85	56,499.43
Other Income	110.60	79.18
<b>Gross Income</b>	<b>1,01,249.45</b>	<b>56,578.61</b>
EBIDTA	1944.02	1,854.09
Interest & Finance Expenses	277.11	279.52
Depreciation & Amortization	158.90	155.44
<b>Profit / <del>(Loss)</del> before Tax</b>	<b>1,508.01</b>	<b>1,393.10</b>
Less : Current Tax	390.22	370.62
(Less) / Add : Previous Year's Tax	(0.18)	--
(Less) / Add: Deferred Tax	2.04	(5.03)
<b>Profit / <del>(Loss)</del> after Tax</b>	<b>1,115.94</b>	<b>1,027.51</b>
<b>Other Comprehensive Income</b>		
- Re-measurement gain/(loss) on defined benefit plans	(0.09)	10.48
- Effect of income tax	0.02	(2.64)
<b>Other Comprehensive Income, net of tax</b>	<b>(0.07)</b>	<b>7.84</b>
<b>Total Income, net of tax</b>	<b>1,115.87</b>	<b>1,035.35</b>
<b>Basic and Diluted Earnings Per share (EPS)</b>	<b>33.04</b>	<b>30.43</b>

#### P. N. Gadgil & Sons Limited

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## 2. OPERATIONS OF THE COMPANY AND THE STATE OF COMPANY'S AFFAIRS

We are one of the leading and trusted organized retail Jewellery entity in Maharashtra. The legacy of the "P. N. Gadgil" brand traces back over six generations to the year 1832.

This year your Company crossed the turnover of Rs. 1,00,000 (in millions) which is a milestone for the Company. After the crucial time we all faced during COVID-19 pandemic, this financial year 2022-23 was outstanding year for the Company. The B2B bullion trading business of the company has increased from Rs. 31,217.12 (in millions) in previous year to Rs. 68,711.93 (in millions).

To promote our brand we are creating 360 degree brand communication and marketing as a part of this initiative we are associated with TV serials, films, web series, celebrity integration and further to connect with the youth we are using digital platforms such as Facebook, Instagram and YouTube. In many serials, we have integration which gives us better response over and above normal commercial advertisements. The Company has opted for television serials and other programs for marketing which will have impact on the larger geographical area.

As decided earlier, no new branch was introduced this year in order to consolidate operations and to create smooth working of backend operations after rapid expansion during March, 2017 to March, 2019.

### CURRENT SCENARIO

As of 31<sup>st</sup> March, 2023, we have 27 stores in Maharashtra and one store in Gujarat and Karnataka each.

This year we witnessed wide fluctuations in gold price behavior. Gold prices have moved almost by 15% as compared to last year and same may impact on quantity of sale negatively.

Bullion trading business of the company is concentrated, to the extent of 90%, with 5 customers. And hence, if any of them get discontinued, same may result in sizable reduction in quantity and value of bullion sale.

In fourth quarter of the year 2022-23, the company had surrendered the WCDL limit of SVC Bank Limited and availed part of such WCDL limit from RBL bank Limited. As a result, as on 31<sup>st</sup> March 2023, net debt level has come down at very comfortable level.

## 3. EXPANSION

The company plans to open one or two new showrooms in coming period. One of these branches will be of size approx. 2500 sq. ft. and above carpet area, for Gold, Fine gold Jewellery and Diamond Jewellery at Nagar Road, Pune.

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During the year under review, the Company had purchased premises at Solapur for relocating its existing showroom which is functioning in rental premises. Construction of the said premises is in progress and shifting of existing showroom in owned premises will take place once the construction work get completed. Further Nashik Road branch of the company was functioning in rental premises consisting of two (2) adjoining shops, one of these shops had been purchased by the company.

#### **4. CHANGE IN NATURE OF BUSINESS, IF ANY**

The Company has not changed its nature of business during the financial year ended 31<sup>st</sup> March, 2023.

#### **5. MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL PERIOD OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There is no material change or commitment after end of the financial period till the date of the report.

#### **6. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANIES OPERATIONS IN FUTURE**

There are no significant and material orders passed by the regulators, courts or tribunals, which affect the going concern status of the Company and its operations in future.

#### **7. RESERVES**

During the year under review, the Company has transferred an amount of Rs. 25.00 (in millions) to General Reserves and Rs. 10.00 (in millions) to Inventory Price Risk Reserve.

#### **8. DIVIDEND**

The Company has earned a profit of Rs. 1,115.94 (in millions) in the financial year 2022-23. However, the Board of Directors do not recommend any dividend in the current financial year in order to conserve resources and to maintain liquidity required for smooth running of existing setup which may require due to increasing Gold prices.

#### **9. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

As on 31<sup>st</sup> March, 2023, the Board of your Company comprises of 7 Directors including 3 Whole Time Directors, 3 Independent Directors and 1 Non-Executive Director. Mr. Ashutosh Nanal resigned as Independent Director of the company with effect from 13<sup>th</sup> March, 2023. Mrs. Apurva Joshi, Company Secretary of the Company had resigned and Mrs. Neha Boid was appointed as Company Secretary of the Company with effect from 1<sup>st</sup> November, 2022.

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According to the provisions of the Companies Act, 2013, and based on the recommendation of the Nomination and Remuneration Committee, the Board and as approved by the members in the 5<sup>th</sup> Annual General Meeting of the company, Mr. Govind Vishwanath Gadgil (DIN: 00616617), Mrs. Renu Govind Gadgil (DIN: 07412955) and Mr. Amit Yeshwant Modak (DIN: 00396631), Whole Time Directors of the Company are re-appointed as Whole Time Directors of the Company for another term of five consecutive years with effect from 05<sup>th</sup> December, 2022 up to and including 04<sup>th</sup> December, 2027.

In the opinion of the Board, Mr. Ranjeet Natu, Mr. Ashish Khandelwal and Mr. Ashok Gokhale, Independent Directors of the Company possess requisite expertise, integrity and experience (including proficiency) for appointment as an Independent Directors of the Company and the Board considers that, given their professional background, experience and contributions made by them during their tenure, the continued association with them would be beneficial to the Company.

According to the provisions of the Companies Act, 2013, and based on the recommendation of the Nomination and Remuneration Committee, the Board and as approved by the members in the 5<sup>th</sup> Annual General Meeting of the company, Mr. Ranjeet Natu (DIN: 02892084), Mr. Ashok Gokhale (DIN: 02415119) and Mr. Ashish Khandelwal (DIN: 00098473), were re-appointed as Independent Directors of the Company for another term of five consecutive years with effect from 10<sup>th</sup> November, 2022 up to 09<sup>th</sup> November, 2027.

#### **10. RETIREMENT OF DIRECTOR**

Pursuant to Section 152 of the Companies Act 2013 read with Article 94 of Articles of Association of the Company, Mr. Udaya Narayan Kalkundrikar (DIN: 08007781) Director of the Company is liable to retire by rotation and being eligible has offered himself for reappointment at this Annual General Meeting.

#### **11. DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013**

The Company has received declarations from the Independent Directors of the Company under section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as Independent Directors.

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## 12. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial period 2022-23, the Board of Directors met **10** times, the details of which are as under.

Sr. No.	Dates on which Board Meetings were held	Total Strength of the Board	No. of Directors present
1.	2 <sup>nd</sup> April, 2022	8	7
2.	9 <sup>th</sup> April, 2022	8	7
3.	21 <sup>st</sup> May, 2022	8	4
4.	11 <sup>th</sup> June, 2022	8	6
5.	25 <sup>th</sup> July, 2022	8	7
6.	5 <sup>th</sup> August, 2022	8	6
7.	28 <sup>th</sup> October, 2022	8	6
8.	12 <sup>th</sup> December, 2022	8	8
9.	6 <sup>th</sup> February, 2023	8	6
10.	18 <sup>th</sup> March, 2023	7*	4

\*Mr. Ashutosh Nanal Resigned as Independent Director of the Company with effect from 13<sup>th</sup> March 2023.

### Attendance of Directors at Board Meetings

Name of the Directors	No of Board meetings held	No of Board Meetings attended
Mr. Govind Gadgil	10	10
Mrs. Renu Gadgil	10	10
Mr. Amit Modak	10	10
Mr. Ashish Khandelwal	10	8
Mr. Ashok Gokhale	10	8
Mr. Ranjeet Natu	10	8
Mr. Udaya Kalkundrikar	10	5
Mr. Ashutosh Nanal	9*	2

\*Mr. Ashutosh Nanal Resigned as Independent Director of the Company with effect from 13<sup>th</sup> March 2023.

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### 13. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134 (3) (c) of the Companies Act, 2013, your Directors state as under –

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period and of the profit of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively. The Company is a non-listed entity; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Further the Management of the company has detected a fraud at one of the branches of the company. Point number 38 of this report provides the details of the same.

### 14. EXTRACT OF THE ANNUAL RETURN

In terms of Section 92(3) read with Section 134(3)(a) of the Act, the annual return of the Company for the financial year ended 31st March, 2022 shall be available on the Company's website: <https://www.pngadgilandsons.com>

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## 15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has entered into contracts / arrangements / transactions with the related parties during the financial year 2022-23, which were on arm's length basis and also done in the ordinary course of business. Further, the Company has not entered into any contracts / arrangements / transactions with the related parties under Section 188(1) of the Act, which are material in nature. Thus, the provisions of Section 188(1) of the Companies Act, 2013 are not applicable and the disclosure in Form AOC 2 is not required.

Your attention is drawn to the related party disclosure made in the note contained in the financial statements of the Company.

## 16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has neither granted any loans nor given any guarantees during the financial period under consideration. Investments form part of the Notes to the financial statements provided in the Annual Report.

For the purpose of insulating the Company from shock resulting from fluctuations in the gold, silver and other precious metals it was decided to invest 5% of the valuation of the inventory owned by the Company as at the end of the year 31<sup>st</sup> March, 2023, in the liquid financial assets such as GILT, Liquid funds and as fixed deposit with any scheduled and/or commercial banks etc. upto or before 31<sup>st</sup> March, 2023. It was further decided that the Provisions made at end of every year should be backed by actual Investment on or before 31<sup>st</sup> December of respective year. Hence Company has transferred Rs. 10.00 (in millions) to Inventory Price Risk Reserve.

## 17. DEPOSITS

During the period under report, your Company has accepted deposit from the public or other eligible entities within the meaning of Section 73 to 76 of the Companies Act, 2013. Allowable deposits for Financial year 2022-23 were Rs. 1,64,92,93,974/- and Deposits as on 31<sup>st</sup> March, 2023 were Rs. 16,17,50,000/-

Sr. No.	The details relating to deposits, covered under Chapter V of the Act -	Amount in Rs.
(a)	accepted during the year;	8,29,00,000/-
(b)	Withdrawals / Prematured Withdrawals	1,39,00,000/-

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(c)	remained unpaid or unclaimed as at the end of the year;	NIL
(d)	whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-	NIL
(i)	at the beginning of the year;	
(ii)	maximum during the year;	
(iii)	at the end of the year;	

## 18. UNSECURED LOANS

During the year under reporting the Company has accepted Unsecured Loan from Mr. Govind Vishwanath Gadgil, Mrs. Renu Govind Gadgil and Mr. Amit Yeshwant Modak Whole-time Directors of the Company. Pursuant to rule 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014 a declaration has been received from them that the amount has not been given out of the funds acquired by them, either by borrowings or by accepting loans or deposits from other. Details of unsecured loan from Whole-time Directors are as follows:

(Amount Rupees in Millions)

Name of the Director	Outstanding loan as on 01.04.2022	Total Addition during the year from time to time	Total Repayment during the year from time to time	Outstanding as on 31.03.2023
Mr. Govind Gadgil	25.00	485.00	510.00	0
Mrs. Renu Gadgil	80.00	1010.00	1090.00	0
Mr. Amit Modak	0	34.03	26.05	7.98

## 19. REMUNERATION OR COMMISSION RECEIVED BY MANAGING DIRECTOR OR WHOLE TIME DIRECTOR FROM HOLDING OR SUBSIDIARY COMPANIES

As there are no subsidiary or holding company whole time director has not received any remuneration or commission during the year under report.

## 20. CORPORATE SOCIAL RESPONSIBILITY (CSR)/CSR COMMITTEE

Your Directors have constituted a CSR Committee as per Section 135 of the Companies Act 2013 to identify, monitor and review CSR activities of the Company and provide strategic directions for implementation of the CSR policy of the Company which can be accessed on the **website of the Company at <https://www.pngadgilandsons.com>**.

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The members of the CSR committee are as follows:

1. Mr. Ashok Namdeo Gokhale, Independent Director, Chairman of the Committee
2. Mr. Amit Yeshwant Modak, Whole Time Director & CEO
3. Mr. Govind Vishwanath Gadgil, Whole Time Director

Five (5) meeting of the Committee were held during the period ended 31<sup>st</sup> March, 2023 on 09<sup>th</sup> April, 2022, 03<sup>rd</sup> May, 2022, 20<sup>th</sup> July, 2022, 15<sup>th</sup> September, 2022 and 06<sup>th</sup> February, 2023 detailed as under:

<b>Names of Members</b>	<b>No of meetings attended</b>
Mr. Amit Yeshwant Modak	5
Mr. Govind Vishwanath Gadgil	5
Mr. Ashok Namdeo Gokhale	5

The brief outline of the Corporate Social Responsibility Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year, in the prescribed format, as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as “Annexure A” to this Report.

The Company was required to spend Rs. 27.24 (in millions) towards CSR activities during the financial year under review as per the applicable provisions. However, the Company has spent Rs. 28.75 (in millions). Out of the Rs. 28.75 (in millions), Rs. 1.33 (in millions) is unspent amount of previous year, spent during the year on ongoing project with Chhatrapati Shivaji Maharaj Vastu Sangrahalaya.

## 21. AUDIT COMMITTEE

Your Directors have constituted the Audit committee in accordance with Section 177 of the Companies Act, 2013 read with rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 as follows:

1. Mr. Ashish Chandrakant Khandelwal, Independent Director, Chairman of the Committee
2. Mr. Ranjeet Sadashiv Natu, Independent Director
3. Mr. Amit Yeshwant Modak, Whole Time Director

Seven (7) meetings of the Committee were held during the period ended 31<sup>st</sup> March, 2023 on 23<sup>rd</sup> May, 2022, 11<sup>th</sup> June 2022, 19<sup>th</sup> July, 2022, 05<sup>th</sup> August, 2022, 12<sup>th</sup> December, 2022, 06<sup>th</sup> February, 2023 and 30<sup>th</sup> March, 2023 detailed as under:

<b>Names of Members</b>	<b>No of meetings attended</b>
Mr. Ashish Chandrakant Khandelwal	7
Mr. Ranjeet Sadashiv Natu	7
Mr. Amit Yeshwant Modak	7

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## 22. NOMINATION AND REMUNERATION COMMITTEE

Your directors have constituted a Nomination and Remuneration Committee in the year 2017-18 as required under the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration committee consisted of following members:

1. Mr. Ranjeet Sadashiv Natu, Independent Director, Chairman of the Committee
2. Mr. Ashok Namdeo Gokhale, Independent Director
3. Mr. Govind Vishwanath Gadgil, Whole Time Director
4. Mr. Ashish Chandrakant Khandelwal, Independent Director

Three(3) of the Committee meetings were held during the period ended 31<sup>st</sup> March 2023 on 21<sup>st</sup> May, 2022, 11<sup>th</sup> June, 2022 and 25<sup>th</sup> July, 2022 detailed as under :

Names of Members	No. of meetings attended
Mr. Ranjeet Sadashiv Natu	3
Mr. Ashok Namdeo Gokhale	2
Mr. Govind Vishwanath Gadgil	3
Mr. Ashish Chandrakant Khandelwal	3

Policy on Nomination and Remuneration can be accessed on the website of the Company at <https://www.pngadgilandsons.com>.

## 23. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee formed under the provisions of Section 178(5) of Companies Act, 2013, consists of following members:

1. Mr. Ashish Chandrakant Khandelwal, Independent Director, Chairman of the Committee
2. Mr. Amit Yeshwant Modak, Whole Time Director
3. Mr. Govind Vishwanath Gadgil, Whole Time Director

This Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholder's / investor's / security holder's complaints.

The Committee members met twice during the period ended 31<sup>st</sup> March 2023 on 25<sup>th</sup> July 2022 and on 30<sup>th</sup> March 2023. All members of the committee attended both meetings.

Policy on Stakeholders Relationship is available on the website of the Company at <https://www.pngadgilandsons.com>.

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#### **24. BORROWING COMMITTEE**

The Borrowing committee formed in view of need for operational convenience consist of following members:

1. Mr. Govind Vishwanath Gadgil (DIN: 00616617)
2. Mrs. Renu Govind Gadgil (DIN: 07412955)
3. Mr. Amit Yeshwant Modak (DIN: 00396631)

This Committee is authorized to borrow in the form of fund based and non-fund credit facilities from Bankers, financial institutions, bodies corporate and other eligible entities upto the amount approved by the Board of Directors of the Company.

#### **25. NAME OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE PERIOD**

No companies have become or ceased to be subsidiaries, joint ventures or associate companies during the year under review.

#### **26. PERFORMANCE OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY**

As the Company does not have Subsidiary/Joint Ventures/Associates Companies as on 31<sup>st</sup> March, 2023, this clause is not applicable.

#### **27. SECRETARIAL STANDARDS**

The Company generally complies with all applicable secretarial standards, issued by the Council of the Institute of Company Secretaries of India.

#### **28. COST RECORDS**

The provisions of Section 148 of the Companies Act, 2013 read with Notifications/ Circulars issued by the Ministry of Corporate affairs from time to time, regarding maintenance of Cost records, are not applicable to the company.

#### **29. STATEMENT ON RISK MANAGEMENT POLICY**

Every business is subject to risks, uncertainties that could cause actual results to differ materially from those contemplated. The Company is aware of all these risk factors and has accordingly formulated various policies and procedures to face the challenges ahead. The Company has such policy in place since its inception and is under regular improvements. A Risk Management Policy is available on the website of the Company at <https://www.pngadgilandsons.com>.

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### 30. CASES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy for prevention of sexual harassment at workplace. This inter alia provides a mechanism for the resolution, settlement or prosecution of acts or instances of Sexual Harassment at work and ensures that all employees are treated with respect and dignity. The Internal Complaints Committee(s) (ICC) has been set up by the Company to redress complaints received regarding sexual harassment and No complaint has been received till date.

Policy is available on the website of the Company at <https://www.pngadgilandsons.com>.

During the year under review, in this regard, the Company has no cases. The Company is in compliance under the said Act.

In terms of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rule 2013, the report for the year ended on March 31, 2023.

No. of Complaints received in the year; Nil

No. of complaints disposed off in the year; Nil

Cases pending for more than 90 days; Nil

No. of workshops and awareness programmes conducted in the year; Nil

Nature of action by employer or District Officer, if any; Nil

### 31. FORMAL ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The formal evaluation mechanism has been adopted for evaluating the performance of the Board as well as performance of its Committees and Individual Directors of the Board.

The exercise was carried out through a structured evaluation process covering various aspects such as composition of the Board & Committees, experience and competencies, performance of specific duties and obligations, attendance and contribution at Board meetings / Committee meetings / General meetings, preparedness for meetings, effective decision making ability, knowledge of sector where company operates, understanding and avoidance of risk while executing functional duties, successful negotiating ability, initiative to maintain corporate culture, commitment, dedication of time, leadership quality, attitude, initiatives and responsibilities undertaken, achievements etc.

In a separate meeting of Independent Directors held on 20<sup>th</sup> March, 2023, performance of non-independent Directors, performance of Board as a whole and performance of the Chairman were evaluated taking into account the views of executive and non-executive Directors and appreciated for well managing Company's cash flow and successful performance of the new activity of Bullion on B2B trading. The said meeting was attended by all the Independent Directors.

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Further, the Board has expressed their satisfaction and has been thankful to all its Independent Directors for sharing their knowledge and expertise which has been proved beneficial towards the progress of the Company.

### **32. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

There is nothing to be reported with respect to conservation of energy, technology absorption and foreign exchange as required to be disclosed under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

### **33. WHISTLE BLOWER POLICY AND VIGIL MECHANISM**

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail such mechanism and also provide for direct access to the Chairman of the Audit Committee. The Policy can be accessed at the website of the Company at <https://www.pngadgilandsons.com>

### **34. INTERNAL FINANCIAL CONTROL**

The Company has well devised Internal Control systems adopted by the Management to assist in achieving management's objective of ensuring the orderly and efficient conduct of its business, including, adherence to management policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The system of internal control is under continuing supervision by management to determine that it is functioning as prescribed and is modified, as appropriate, for changes in conditions. The Company endeavors to create the control environment with budgetary controls and an effective internal audit function.

### **35. STATUTORY AUDITORS**

In the Extra Ordinary General Meeting of the Company held on 10<sup>th</sup> October, 2022, the members had passed the resolution and approved appointment of M/s Khandelwal Jain & Associates, Chartered Accountants, Pune (Registration No. 139253W) as Statutory Auditors of the Company to fill up casual vacancy caused by the company's auditors viz. M/s. Shah & Taparia, Chartered Accountants, (Firm Registration Number 109463W), Mumbai and to hold office as such till the conclusion of this 6<sup>th</sup> Annual General Meeting of the Company. M/s Khandelwal Jain & Associates, Chartered Accountants, Pune (Registration No. 139253W) will be re-appointed as Statutory Auditors of the Company subject to the approval of members, for the period of five years from the conclusion of 6<sup>th</sup> Annual General Meeting till

#### **P. N. Gadgil & Sons Limited**

**Address:** Abhiruchi Mall, S.No.59 /1-C, Wadgaon (BK), Sinhgad Road Pune 411041, Maharashtra, India

**CIN:** U36911PN2017PLC173262 **Contact:** 020-24612000, 020-67520200 **Email:**

[info@pngadgilandsons.com](mailto:info@pngadgilandsons.com)

**Website:** [www.pngadgilandsons.com](http://www.pngadgilandsons.com).

the conclusion of 11<sup>th</sup> Annual General Meeting of the company. (Vide notification dated 7<sup>th</sup> May, 2018, the Ministry of Corporate Affairs has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting).

### 36. REPLIES TO COMMENTS IN AUDITORS REPORT

The replies to the Auditor's Comments are as per "Annexure B" which forms part of this report.

### 37. REPLIES TO COMMENTS IN SECRETARIAL AUDITOR REPORT

The reply to the Secretarial Auditor's Comment are as per "Annexure C" which forms part of this report

### 38. LOST BY THEFT

The management of the company had detected fraud, having details as follows:

Nature of Fraud	Amount involved	Parties involved	Remedial action taken
Misappropriation of inventory	Rs. 37.10 million	The manager of one of the branches of the company	The F.I.R. has been filled investigation regarding this is in process. The management has further taken necessary steps to prevent such type of fraud.

One of the branch manager of the branches of the Company had stolen goods amounting to Rs. 37.10 million. The amount of loss by theft has been provided in Statement of Profit and Loss for the year 2022-23. Note no 8 accompanying standalone IND AS Financial Statement provides the effect of the same.

### 39. SECRETARIAL AUDITOR

In accordance with the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has appointed M/s. Bokil Punde and Associates, Company Secretaries as the Secretarial Auditor of the Company from the financial year 2022-23 and onwards, in place of previous Secretarial Auditor Ms. Avanti Raiwade, Company Secretary. Mr. Vishwas Bokil, Practicing Company Secretary has submitted Secretarial Audit Report of the Company for financial Year ending on 31<sup>st</sup> March, 2023 under Section 204 of the Companies Act, 2013 and the same is enclosed as "Annexure D". It forms part of this report.

#### P. N. Gadgil & Sons Limited

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#### **40. INTERNAL AUDITORS**

In accordance with the provisions of Section 138 of the Companies Act, 2013 and the rules framed thereunder the Board of Directors at their meeting held on 25<sup>th</sup> July 2022 have appointed M/s. B S & Co LLP, Chartered Accountants, Pune (FRN W100072) as internal auditors of the company from the Financial Year 2022-23 and onwards.

#### **41. DETAILS OF APPLICATION UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

There is nothing to report under this for the year under review.

#### **42. DETAILS ON ONE TIME SETTLEMENT**

There is nothing to report under this for the year under review.

#### **43. ACKNOWLEDGEMENTS:**

The Directors place on record their sincere appreciation of the co-operation extended by the Bankers of the Company, Stakeholders, business associates, consultants, deposit holders and various Government Authorities for their continued support extended to your Company's activities during the period under review.

The Board further take opportunity to place on record its deep appreciation for the committed efforts by the employees of Company at all the levels.

For & on behalf of the Board

**P. N. Gadgil & Sons Limited**

Date: 24.06.2023

Place: Pune

Sd/-

**Govind Vishwanath Gadgil**

DIN:00616617

Chairman & Whole time Director  
576, N C Kelkar Road, Shaniwar Peth  
Opp Kesari Wada, Pune 411030

sd/-

**Amit Yeshwant Modak**

DIN:00396631

Whole time Director & CEO  
65 Indira Nagar C.H.S, Yashada  
Deccan Gymkhana, Erandawane  
Pune 411004

**P. N. Gadgil & Sons Limited**

**Address:** Abhiruchi Mall, S.No.59 /1-C, Wadgaon (BK), Sinhgad Road Pune 411041, Maharashtra, India

**CIN:** U36911PN2017PLC173262 **Contact:** 020-24612000, 020-67520200 **Email:**

info@pngadgilandsons.com

Website: www.pngadgilandsons.com.

**Annexure A**

**CORPORATE SOCIAL RESPONSIBILITY (CSR)  
THE ANNUAL REPORT ON CSR ACTIVITIES PURSUANT TO THE COMPANIES (CORPORATE SOCIAL  
RESPONSIBILITY POLICY) RULES 2014**

1. Brief outline on CSR Policy of the Company-

As per Section 135 of the Companies Act 2013, the Company has constituted CSR Committee to identify, monitor and review CSR activities of the Company and provide strategic directions for implementation of the CSR policy, which can be accessed on the website of the Company at <https://www.pngadgilandsons.com>.

The Company has identified and considered areas of operations as per Schedule VII of the Companies Act, 2013 and is being spending accordingly.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Govind Vishwanath Gadgil	Whole Time Director	5	5
2	Amit Yeshwant Modak	Whole Time Director and CEO	5	5
3	Ashok Namdeo Gokhale	Independent Director	5	5

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: <https://www.pngadgilandsons.com>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) – Not Applicable for the financial year under review

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
NIL			

6. Average net profit of the Company as per section 135(5) - Rs. 1,36,23,76,897 /-
7. a) Two percent of average net profit of the company as per section 135(5) - Rs. 2,72,47,538 /-  
 b) Surplus arising out of the CSR projects or programmes or activities of the previous financial Years - NIL  
 c) Amount required to be set off for the financial year, if any - Nil  
 d) Total CSR obligation for the financial year (7a+7b-7c) – Rs. 2,72,47,538 /-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 2,74,21,362 /-	NA	NA	NA	NA	NA

- (b) Details of CSR amount spent against **ongoing projects** for the financial year

(1) Sr. No	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project.		(6) Project duration	(7) Amount allocated for the project (in Rs.)	(8) Amount spent in the current financial Year (in Rs.).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number
1.	Eradicating Hunger	<b>Schedule VII (i)</b> —Eradicating hunger and malnutrition	Yes	Maharashtra	Vasai, Thane	59,86,145	Yes	NA	NA
2.	Construction of School Building	<b>Schedule VII (ii)</b> — Promoting education	Yes	Maharashtra	Baramati	1,15,00,000	No	D. A. Satav Alias Karbhari Anna Charitable Foundation	CSR00010839
3.	Cultural Activities	<b>Schedule VII(v)</b> — Protection of culture	Yes	Maharashtra	Pune, Satara, Nashik	25,45,000	No	Violin Academy	CSR00014702
4.	Cultural Activities	<b>Schedule VII(v)</b> — Protection of culture	Yes	Maharashtra	Pune	1,44,000	No	Maharashtra Cultural Center	CSR00019024
5.	Protection of Paintings	<b>Schedule VII(v)</b> — Protection of National Heritage, art and culture	Yes	Maharashtra	Pune	12,47,500	No	Bharat Itihas Sanshodhak Mandal	CSR00030578
6.	Protection of National Heritage	<b>Schedule VII(v)</b> — Protection of National Heritage	Yes	Maharashtra	Mumbai	5,18,717	No	Chhatrapati Shivaji Maharaj Vastu Sangrahalaya	CSR00009760
7.	Workshop for special kids	<b>Schedule VII (ii)</b> - Promoting education, including special education amongst children	Yes	Maharashtra	Pune	15,000	No	Padmapurush Foundation	CSR00011767



8.	Provision of transport facility to orphanage	<b>Schedule VII (iii)</b> Provision of other facilities	Yes	Maharashtra	Solapur	6,50,000	No	Pakhar Sankul	CSR00036240
9.	Empowering education through Mesh Network	<b>Schedule VII (ii) -</b> Promoting education	No	Jammu & Kashmir	Hajinar	15,000	No	Aseem Foundation	CSR00007363
10.	Cultural Activity	<b>Schedule VII(v) –</b> Protection of art and culture	Yes	Maharashtra	Pune	18,00,000	No	Arya Sangeet Prasarak Mandal	CSR00009353
11.	Training for upcoming badminton players	<b>Schedule VII (vii)</b> Training to promote nationally recognised sports	Yes	Maharashtra	Pune	13,00,000	No	Poona District & Metropolitan Badminton Association	CSR00007061
12.	Relief for poor	<b>Schedule VII (i) and (ii)</b> Eradicating hunger, poverty, Promoting setup of old age homes	No	Uttar Pradesh	Mathura	17,00,000	No	Jan Jagriti Sevarth Sansthan	CSR00006903
	Total					<b>2,74,21,362</b>			

(d) Amount spent in Administrative Overheads -NA

(e) Amount spent on Impact Assessment, if applicable – Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Rs. 2,74,21,362/-

(g) Excess amount for set off, if any –Nil

Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 2,72,47,538 /-
(ii)	Total amount spent for the Financial Year	Rs. 2,74,21,362/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 1,73,824/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 1,73,824/-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2021-22	Rs. 13,31,283/-	Rs. 13,31,283/-*	NA	NA	NA	NA
2.	2020-21	Rs. 73,50,159 /-	Rs. 73,50,159 /- #	NA	NA	NA	NA
3.	-	-	-	-	-	-	-
	Total	Rs. 86,81,442/-	Rs. 86,81,442/-				

\*Amount of Rs. 13,31,283/- was spent in financial year 2022-2023 before 30<sup>th</sup> September, 2022 on an ongoing project with Chhatrapati Shivaji Maharaj Vastu Sangrahalaya.

#Amount of Rs. 73,50,159/- was spent in financial year 2021-2022 before 30<sup>th</sup> September, 2021 on an ongoing project i.e. supplying milk and milk products to needy and under privileged people in various nearby villeges. Out of the said amount, Rs. 66,000/- are towards Administrative Overheads spent towards the said ongoing project.

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing
1.	Protection of national Heritage	Schedule VII(v) Protection of National Heritage	2021-2022	Ongoing (12 Months)	23,31,283/-	13,31,283/-	23,31,283/-	Completed
	<b>Total</b>				23,31,283/-	13,31,283/-	23,31,283/-	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**)- Not Applicable

(a) Date of creation or acquisition of the capital asset(s).-Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset- Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc- Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)-Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- Not Applicable

Sd/-

Amit Yeshwant Modak  
(Whole Time Director & Chief Executive Officer)

Sd/-

Ashok Namdeo Gokhale  
(Chairman CSR Committee).

Sd/-

Govind Vishwanath Gadgil  
(Whole Time Director)

**Annexure B****REPLIES TO AUDITORS' REMARKS**

<b>Sr. No.</b>	<b>Auditor Remarks</b>	<b>Replies to Auditor Remarks</b>
1.	Observations made by the Auditors in their Report under 'Emphasis of Matter ' and under Para (xi) (a) of Annexure B to the Auditors Report regarding goods lost by theft amounting to Rs. 37.10 millions as mentioned in the Note no 8 of financial statement	As regards this, the Directors state that one of the branch manager of the branches of the Company had stolen goods amounting to Rs. 37.10 million. Legal action has been initiated and investigation in this regarding is in process. The amount of loss by theft has been provided in Statement of Profit and Loss for the year 2022-23
2.	Observations made by the Auditors in their Report under Para (vii) (b) of Annexure B to the Auditors Report regarding the dues outstanding towards various tax authorities	As regards this, the Directors state that the said remark is self-explanatory and does not call for any further explanation.

For &amp; on behalf of the Board

**P. N. Gadgil & Sons Limited**

Date: 24.06.2023

Place: Pune

Sd/-

**Govind Vishwanath Gadgil**

DIN:00616617

Chairman & Whole time Director  
576, N C Kelkar Road, Shaniwar Peth  
Opp Kesari Wada, Pune 411030

Sd/-

**Amit Yeshwant Modak**

DIN:00396631

Whole time Director & CEO, 65  
Indira Nagar C.H.S, Yashada  
Deccan Gymkhana, Erandawane  
Pune 411004

**Annexure C**

**REPLIES TO SECRETARIAL AUDITORS' REMARKS**

<b>Sr. No.</b>	<b>Auditor Remarks</b>	<b>Replies to Auditor Remarks</b>
1.	Observations made by the Auditors in their Report under PART A (IV) sub point (a) regarding misappropriation of inventory by the manger of one of the branch of the company amounting to Rs. 3,71,03,226/-	As regards this, the Directors state that one of the branch manager of the branches of the Company had stolen goods amounting to Rs. 37.10 million. Legal action has been initiated and investigation in this regarding is in process. The amount of loss by theft has been provided in Statement of Profit and Loss for the year 2022-23
2.	Observations made by Auditor in their report under Part A (IV), sub point (b) regarding direct spent of CSR amount pertaining to last years unspent amount on ongoing project without depositing in the Unspent CSR account before 30.04.2023	Due to inadvertence, the Directors state that the Company has missed the compliance and made a direct spent on the said ongoing project. The Company has spent an amount of Rs. 5 lakhs from total unspent CSR amount of the previous year of Rs. 13,31,283/- directly on its ongoing project "Chhatrapati Shivaji Maharaj Vastu Sangrahalaya on 20.4.2022. Further the Company had created fixed deposit of Rs. 8,50,000/- for remaining amount of Rs. 8,31,283/- from the above stated Rs. 13,31,283/- on 22 <sup>nd</sup> June 2022. And same was spent on the said ongoing project before 30 <sup>th</sup> September 2022.
3.	Observations made by Auditor in their report under Part A (IV) sub point (c) regarding addendum issued by the Company on 06 <sup>th</sup> July 2022 to Notice for its 5th Annual General Meeting scheduled on 25th July 2022.	As regards this, the Directors state that due to unavailability of space for conducting AGM as occurrence of major electricity supply failure at venue, holding of AGM was not possible at the earlier decided venue. It was not assured that the electricity supply will be restored before the AGM. Accordingly, it was decided to change the venue of the AGM. The

		Company had informed the shareholders regarding the change of venue of the meeting on 6 <sup>th</sup> July 2022. The venue of the AGM was changed to the registered address of the company which is nearby to the earlier decided venue. Pick and drop facility was provided from earlier decided venue to registered office of the company i.e. changed venue of the AGM.
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For & on behalf of the Board

**P. N. Gadgil & Sons Limited**

Sd/-

**Govind Vishwanath Gadgil**

DIN:00616617

Chairman & Whole time Director  
576, N C Kelkar Road, Shaniwar Peth  
Opp Kesari Wada, Pune 411030

sd/-

**Amit Yeshwant Modak**

DIN:00396631

Whole time Director & CEO  
65 Indira Nagar C.H.S, Yashada  
Deccan Gymkhana, Erandawane  
Pune 411004

Date: 24.06.2023

Place: Pune

**Annexure D**

**Form No. MR-3**

**Secretarial Audit Report**

For the financial year ended **31 March 2023**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**P. N. Gadgil & Sons Limited**  
CIN: U36911PN2017PLC173262  
Abhiruchi Mall, S.No.59 /1-C, Wadgaon (BK),  
Sinhgad Road, Pune 411041

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **P. N. Gadgil & Sons Limited** (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

**Part A**

I) Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31 March 2023**, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

II) we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended on **31 March 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;(\*)
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992; ('SEBI Act'); (\*)
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (\*)
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (\*)
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (\*)
    - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (\*)
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (\*)
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; (\*)
    - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (\*)
    - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (\*) and
    - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (\*)
- (\*) The provisions of these Acts/ Regulations / Guidelines were not applicable to the Company during the year under report.
- (vi) The other law/s, as informed and certified by the management of the Company which is / are specifically applicable to the Company based on the sector/industry, is / are:

Bureau of Indian Standards Act, 2016 and Rules & Regulations framed there under

III) I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India
- (ii) The Listing agreements entered into by the Company with Stock Exchange(s); Not Applicable as no such agreement is executed, since the Company is a non-listed entity;



IV) During the year under report, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, subject to the following observations:

a) As informed by the management and as reported by Statutory Auditors in their report dated 24.06.2023 under caption, 'Emphasis of Matter' and para xi (a) of Annexure A of their report dated 24.06.2023 and as appearing in the Financial Statements under Note No 29, the manager of one of the branches of the company had misappropriated inventory amounting to Rs. 3,71,03,226 (three crore seventy one lakh three thousand two hundred twenty six) during the year under audit. Investigations are in progress and F.I.R. has been filed.

b) As of 31.03.2022, an amount of Rs. 13,31,283/- was allocated to its ongoing project and therefore it has remained outstanding as on 31.3.2022. The Company has spent necessary amount which was required to be spent on CSR in the specified manner within the year 2021-22. The Company has spent an amount of Rs. 5,00,000/- from the above stated amount of Rs. 13,31,283/- directly on its ongoing project "Chhatrapati Shivaji Maharaj Vastu Sangrahalaya on 20.4.2022 for protection of national heritage instead of transferring to a separate Unspent CSR Account with any Bank and had created fixed deposit of Rs. 8,50,000/- i.e. the remaining amount on 22<sup>nd</sup> June 2022. The Company has not transferred the remaining amount of Rs. 8,31,283/- from the above stated amount of Rs. 13,31,283/- into any fund as specified in Schedule VII of the Companies Act, 2013 on or before 30<sup>th</sup> September 2022. The Company has spent 8,31,283/- on its ongoing project before 30<sup>th</sup> September 2022.

c) On 06th July 2022, the Company issued addendum to Notice for its 5th Annual General Meeting scheduled on 25th July 2022 informing there under the change of venue of the Annual General Meeting. It was informed to us that this was done with a view to overcome the difficulties at holding the meeting at the place as mentioned in the notice. The meeting was held at the registered office of the Company.

V) We further report that;

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the year under report.

(ii) Adequate notice is given to all directors to schedule the Board meetings; agenda and detailed notes on agenda were sent at least (7) seven days in advance. Consent of all the Directors has been obtained in cases where notice, agenda and detailed notes on agenda were sent at a shorter notice. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(iii) Based on inspection of the minutes of the Board of Directors and its Committees, there were no dissenting views expressed by any member of the Board of Directors and / or its Committees in any of the meetings.

VI) We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

VII) We further report that during the audit period, there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

## **Part B**

This forms part of our Secretarial Audit Report

1. Maintenance of Secretarial record is the responsibility of the management of the Company, and our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the practices and processes we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company as it is a part of financial audit.
4. Where ever required, we have obtained the Management Representation Letter about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards, is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Pune

Date : 24.06.2023

For Bokil Punde & Associates

Vishvas Bokil

Company Secretary

FCS No: 5756

C P No: 3449

UDIN : F005756E000497381

Peer Review No: P2013MH032300

## INDEPENDENT AUDITOR'S REPORT

To the Members of P. N. Gadgil & Sons Limited

Report on the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying standalone Ind AS financial statements (the "Ind AS Financial Statements") of P. N. Gadgil & Sons Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Companies Act 2013 ("the act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit including other comprehensive income, its cash flows and the changes in equity for the year then ended.

### Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these

matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

- Allowance for credit losses
- Existence and Valuation of Inventories

The Company considered current and anticipated future economic conditions relating to industries the Company deals with to estimate the probability of default in the future and has taken into account estimates for calculating credit losses.

#### **Principal Audit Procedures adopted for Allowance for credit losses**

We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses.

<b>Key audit matters</b>	<b>How our audit addressed the key audit</b>
<p><b><u>Existence and valuation of Inventories</u></b></p> <p>The Company's Inventories mainly comprised of gold, diamond, silver and platinum in the distribution centers, retail outlets and stock lying with third party. Valuation of Inventories is at lower of cost and net realizable value. Significant portion of Inventories costs includes gold, diamonds, platinum and silver which are subject to risk of changes in the market value. The assessment of net realizable value of Inventories is based on estimates and judgements by the management in respect of, among others, the economic condition, sales forecast, marketability of products and the quality of gold and diamonds used to make jewellery products. Furthermore, there is higher inherent risk of theft and pilferage given the high intrinsic value and portable nature of individual inventory items</p> <p>Considering the above, we concluded that existence and valuation of inventories as a key audit matter for our audit.</p>	<p>Our audit procedures over existence and valuation of Inventories included the following:</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of key controls that the Company has in relation to Inventories process, in particular,</p> <p>We Attended on a sample basis daily cycle physical counts at distribution centers and selected retail outlets. We observed the daily count procedures performed in retail outlets and distribution centers;</p> <p>In respect of samples tested for physical verification by management we inspected the respective daily cycle physical count reports for reconciliation of daily ending Inventories to the record in the Inventories systems.</p> <p>We have observed periodic Inventories counts and performed "two way" sample count procedures for distribution centers</p>

and selected retail outlets of the Company. We compared our sample count results with the counts performed by the Company and the records in the Inventories system.

We compared the net realizable values on sample basis of gold, silver and platinum Inventories calculated based on the current market price with their carrying value of Inventories.

### **Emphasis of Matter**

We draw attention to Note No 8 of accompanying standalone IND AS Financial Statements regarding the goods lost by theft amounting to Rs. 37.10 million has been considered in the total carrying amount of inventory as the goods were stolen by the manager of one of the branches of the company and the management expects the recovery of the stolen goods and the legal action for the same has been initiated. The amount of loss on account of theft has been provided in Statement of Profit and Loss for the year 2022-23 and provision for the same has been made.

Our audit opinion is not modified in respect of this matter.

### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

#### Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- 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, as amended 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 Ind AS financial statements- Refer Note 31 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) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts,
    - (1) 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; and
    - (2) 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.
    - (3) Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us believe that the representations under sub-clause (1) and (2) contain any material misstatement.
  - v) The Company has not declared or paid any dividends during the year and accordingly reporting on the compliance with section 123 of the Companies Act, 2013 is not applicable for the year under consideration.
- 2) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For Khandelwal Jain and Associates**  
Chartered Accountants  
Firm's Registration No.139253W

**R G Nahar**  
Partner  
Membership No.: 031177  
Date: 24/06/2023  
UDIN: 23031177BGRKHS2302



**Annexure A referred to in paragraph 1 (f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date**

**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 P. N. Gadgil & Sons Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for 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. 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 the Institute of Chartered Accountants of India 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, 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 Ind AS 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, to the best of our information and according to the explanation 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.

**ANNEXURE “B” TO INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2023 OF P. N. GADGIL & SONS LIMITED (“the Company”)**

**Companies (Auditor’s Report) Order, 2020 issued by the Central Government in terms of subsection 11 of section 143 of Companies Act, 2013 (“the Act”)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. In respect of the Company’s property, plant and equipment, right-of-use assets and intangible assets:
  - (a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
    - (B) The company has maintained proper records showing full particulars of intangible assets.
  - (b) According to the information and explanations given to us and on the basis of our examination of the record of the company all property, plant and equipment and right-of-use assets have been physically verified by the management at reasonable intervals and no material discrepancies were identified on such verification.
  - (c) According to the information and explanations given to us and on the examination of the records of the company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company. In respect of immovable properties of buildings that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company.
  - (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 any intangible assets during the period.
  - (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 initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.

- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. Discrepancies were noticed on verification between the physical stocks and the book records. On further verification, the discrepancies were not 10% or more in the aggregate for any class of inventory.  
  
(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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- iii. 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 during the year not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- iv. 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 Act, in respect of loans, investments, guarantees and security made.
- v. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 73, section 76 and other provisions of Companies Act 2013 and the Companies (Acceptance of Deposit) Rules 2014 with regard to the deposits accepted from the members and the public. No order has been passed by the National Company Law Tribunal or Company Law Board or any Court or any other Tribunal with regard to the deposits. The company has deposited the requisite amount of 20% in separate Fixed Deposits.
- vi. According to the information and explanations given to us and on the basis of our examination of the records of the Company the provisions of sub-section (1) of section 148 of the Companies Act 2013, are not applicable to the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), provident fund, employees' state insurance, income-tax, duty of customs, cess and other

material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable

- (b) According to the information and explanations given to us, there are no dues of GST, provident fund, employees' state insurance, income-tax, duty of customs, cess or other statutory dues which have not been deposited by the Company on account of any disputes except the following-

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Income tax Act, 1961	Income tax	81,72,785	2018-19 (A.Y.)	Commissioner of Income-tax (Appeals)	
The Income tax Act, 1961	Income tax	10,61,237	2020-21 (A.Y.)	Commissioner of Income-tax (Appeals)	
Employee's State Insurance Act 1948	Employee's State Insurance Corporation	4,93,099	April 2019-February 2022	District Court	

- viii. 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
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the term loan taken by the company were applied for the purpose for which they have been obtained.
  - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie not been used during the year for long-term purposes by the Company.
  - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Since the company has no subsidiaries, the given clause is not applicable.
  - (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Since the company has no subsidiaries, the given clause is not applicable.
- x. (a) In our opinion and according to the information and explanations given to us, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly clause (x)(a) of the order is not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- xi. (a) As explained, the management of the company has detected a fraud/theft at one of the showroom of the Company. The manager of the showroom had misappropriated inventory amounting to Rs. 3,71,03,226/- (Rupees Three Crore Seventy One Lakh Three Thousand Two Hundred Twenty Six) during the year under audit. The management has further taken the necessary steps to prevent such types of fraud/theft.
- (b) Since the fraud was detected by the management through the company's vigil, no report under sub-section (12) of Section 143 of the Companies Act, 2013 is required to be 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) As represented to us by the Management there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with provisions of section 177 and section 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.  
(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- xvii. According to the records of the Company, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix. According to the information and explanations given to us and 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, 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 the 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.

- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For Khandelwal Jain & Associates**  
Chartered Accountants  
FRN: 139253W

**R G Nahar**  
**Partner**  
M. No. 031177  
Place: Pune  
Date: 24/06/2023  
UDIN: 23031177BGRKHS2302



Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	4	879.91	694.29
Intangible assets	5a.	6.21	6.79
Intangible assets under development	5b.	-	0.13
Right-of-use assets	6	220.28	83.25
Financial assets			
- Investments	7	99.38	159.94
- Other financial assets	7	643.89	52.39
Deferred tax assets (Net)	19	13.68	15.70
<b>Total non-current assets</b>		<b>1,863.35</b>	<b>1,012.49</b>
<b>Current assets</b>			
Inventories	8	9,163.66	9,274.48
Financial assets			
- Investments	7	39.04	-
- Trade receivables	9	749.50	329.19
- Cash and cash equivalents	10	576.12	427.94
- Other bank balances	11	92.29	317.07
- Other financial assets	7	957.76	986.26
Other current assets	12	70.69	250.02
<b>Total current assets</b>		<b>11,649.06</b>	<b>11,584.97</b>
<b>TOTAL ASSETS</b>		<b>13,512.40</b>	<b>12,597.46</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	337.71	337.71
Other equity	14	5,504.41	4,374.56
<b>Total equity</b>		<b>5,842.12</b>	<b>4,712.27</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Lease liabilities	6	160.54	39.27
- Borrowings	15	500.74	929.02
Provisions	18	66.35	57.70
<b>Total non-current liabilities</b>		<b>727.63</b>	<b>1,025.99</b>
<b>Current liabilities</b>			
Financial liabilities			
- Lease liabilities	6	77.27	60.41
- Borrowings	15	1,639.58	2,766.38
- Trade payables			
Total outstanding dues of micro enterprises and small enterprises	20	76.85	29.06
Total outstanding dues of creditors other than micro and small enterprises	20	534.78	431.12
- Other financial liabilities	16	2,283.88	2,045.77
Other current liabilities	17	2,308.34	1,499.92
Provisions	18	2.97	2.17
Current tax liabilities (net)	21	18.98	24.37
<b>Total current liabilities</b>		<b>6,942.65</b>	<b>6,859.20</b>
<b>TOTAL LIABILITIES</b>		<b>7,670.28</b>	<b>7,885.19</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>13,512.40</b>	<b>12,597.46</b>

The accompanying notes are an integral part of the financial statements

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As per our report of even date

**For Khandelwal Jain & Associates**

**Chartered Accountants**

Firm Registration No: 139253W

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

**P. N. Gadgil & Sons Limited**

CIN: U36911PN2017PLC173262

**Rajendra G. Nahar**

Partner

Membership No: 031177

Place : Pune

Date : 24-06-2023

**Govind Gadgil**

Chairman and

Whole Time Director

DIN: 00616617

Place: Pune

Date : 24-06-2023

**Amit Modak**

Whole Time Director &

Chief Executive Officer

DIN: 00396631

Place: Pune

Date : 24-06-2023

**Aditya Modak**

Chief Finance Officer

Place: Pune

Date : 24-06-2023

**Neha Boid**

Company Secretary

Membership No:

A54111

Place: Pune

Date : 24-06-2023

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Revenue from operations	22	101,138.85	56,499.43
Other income	23	110.60	79.18
<b>Total income</b>		<b>101,249.45</b>	<b>56,578.61</b>
<b>Expenses</b>			
Cost of goods sold	24	29,326.37	22,620.06
Purchases of Stock-in-Trade	25	68,406.62	31,472.50
Changes in Inventories of Stock-in-Trade	25	125.49	(400.77)
Employee benefit expense	26	755.69	549.54
Finance cost	27	277.11	279.52
Depreciation and amortization expenses	28	158.90	155.44
Other expenses	29	691.25	509.23
<b>Total expenses</b>		<b>99,741.43</b>	<b>55,185.51</b>
<b>Profit before tax</b>		<b>1,508.01</b>	<b>1,393.10</b>
<b>Income tax expense</b>			
Current tax	19	390.22	370.62
Deferred tax	19	2.04	(5.03)
Earlier year tax		(0.18)	-
<b>Total tax expense</b>		<b>392.08</b>	<b>365.59</b>
<b>Profit for the period [A]</b>		<b>1,115.94</b>	<b>1,027.51</b>
<b>Other comprehensive income (OCI)</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Re-measurement gain / (loss) on defined benefit plans		(0.09)	10.48
Income tax relating to these items		0.02	(2.64)
<b>Total other comprehensive income for the year</b>		<b>(0.07)</b>	<b>7.84</b>
<b>Total Comprehensive Income, net of tax</b>		<b>1,115.87</b>	<b>1,035.35</b>
<b>Earnings per equity share : Basic and Diluted EPS</b> (Face value of equity shares : INR 10 per share)	30	<b>33.04</b>	<b>30.43</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Khandelwal Jain & Associates**

**Chartered Accountants**

Firm Registration No: 139253W

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

**P. N. Gadgil & Sons Limited**

CIN: U36911PN2017PLC173262

**Rajendra G. Nahar**

Partner

Membership No: 031177

Place : Pune

Date : 24-06-2023

**Govind Gadgil**

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Whole Time Director &

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Place: Pune

Date : 24-06-2023

**Aditya Modak**

Chief Finance Officer

Place: Pune

Date : 24-06-2023

**Neha Boid**

Company Secretary

Membership No:

A54111

Place: Pune

Date : 24-06-2023

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A. Cash Flows from Operating Activities</b>		
Profit before tax from continuing operations	1,508.01	1,393.10
<b>Profit before tax</b>	<b>1,508.01</b>	<b>1,393.10</b>
<b>Adjusted for:</b>		
Depreciation on property, plant and equipment	72.79	75.39
Amortization on intangible assets	1.29	1.20
Amortization on Right-of-use assets	84.82	78.85
Interest income & Dividend	(78.38)	(69.03)
Finance cost	277.11	292.04
Lease Interest	19.29	13.50
Loss/(profit) on sale of assets	(0.05)	0.78
Loss by theft	37.10	-
Lease Rent Payment	(100.23)	(95.96)
Profit on sale/Revaluation of Investment	(5.81)	(2.96)
Asset written off	-	0.77
<b>Operating profit before working capital changes</b>	<b>1,815.94</b>	<b>1,687.67</b>
Working capital adjustments :		
Increase/(Decrease) in trade payables	151.46	256.06
Increase/(Decrease) in provisions	(27.74)	9.10
Increase/(Decrease) in other current liabilities	808.42	11.54
(Increase)/Decrease in inventory	110.82	(2,487.08)
(Increase)/Decrease in trade receivables	(420.31)	(298.70)
(Increase)/Decrease in other financial assets	(245.80)	(72.56)
(Increase)/Decrease in other assets	179.33	(36.25)
	<b>556.18</b>	<b>(2,617.88)</b>
Income tax paid	400.13	366.24
<b>Net cash flows from / (used in) operating activities (A)</b>	<b>1,971.99</b>	<b>(1,296.46)</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment and Intangible Assets	(262.41)	(44.72)
Proceeds from sale of property, plant and equipment	0.70	1.17
Purchase of investment	(38.11)	(65.01)
Sale of investment	65.44	-
Investment in Fixed Deposit	(317.20)	75.29
Changes in other bank balances	224.78	862.18
Interest income & Dividend	97.07	77.74
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(229.73)</b>	<b>906.64</b>

**P. N. Gadgil & Sons Limited**  
**Cash Flow Statement for the year ended March 31, 2023**  
*(All amounts are in Rupees millions, unless otherwise stated)*

**P. N. GADGIL  
& SONS**

1832

Gold | Silver | Diamonds

Particulars	As at March 31, 2023	As at March 31, 2022
<b>C. Cash Flows from Financing Activities</b>		
Disbursement / (repayment) of borrowings		
Non-current borrowings	(428.28)	791.62
Current borrowings	(1,126.80)	(497.38)
Other financial liabilities	238.11	604.39
Finance costs	(277.11)	(292.04)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(1,594.08)</b>	<b>606.58</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>148.18</b>	<b>216.78</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>427.94</b>	<b>211.16</b>
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>576.12</b>	<b>427.94</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	7.56	6.72
Cheques on hand	-	0.01
Balance with Banks		
- on current account	183.68	124.63
- Fixed Deposits with maturity of less than 3 months*	384.88	296.58
<b>Total cash and cash equivalents</b>	<b>576.12</b>	<b>427.94</b>

**Notes**

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on

- 1 Statement of Cash Flows.
- 2 Figures in bracket represent outflow of cash and cash equivalents.

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Khandelwal Jain & Associates**

**Chartered Accountants**

Firm Registration No: 139253W

**Rajendra G. Nahar**

Partner

Membership No: 031177

Place : Pune

Date : 24-06-2023

**Govind Gadgil**

Chairman and  
Whole Time Director

DIN: 00616617

Place: Pune

Date : 24-06-2023

**Amit Modak**

Whole Time Director &  
Chief Executive Officer

DIN: 00396631

Place: Pune

Date : 24-06-2023

**Aditya Modak**

Chief Finance Officer

Place: Pune

Date : 24-06-2023

**Neha Boid**

Company Secretary

Membership No:

A54111

Place: Pune

Date : 24-06-2023

**A. EQUITY SHARE CAPITAL**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Opening balance</b>	337.71	337.71
Add: Issued during the year	-	-
Less: Bought Back during the year	-	-
<b>Closing balance</b>	<b>337.71</b>	<b>337.71</b>

**B. OTHER EQUITY**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>i. Retained earnings</b>		
<b>Opening balance</b>	<b>3,184.02</b>	<b>2,298.67</b>
Profit/(loss) for the period /year	1,115.94	1,027.51
Other comprehensive income	(0.07)	7.84
Less :		
Transfer to Inventory Price Risk Reserve	10.00	(125.00)
Transfer to General Reserve	25.00	(25.00)
<b>Closing balance</b>	<b>4,264.89</b>	<b>3,184.02</b>
<b>ii. Other Reserves</b>		
<b>General Reserve</b>		
<b>Opening balance</b>	150.00	125.00
Transfer during the year	25.00	25.00
<b>Closing balance</b>	<b>175.00</b>	<b>150.00</b>
<b>Securities Premium</b>		
<b>Opening balance</b>	628.78	628.78
Amount utilised for bonus issue	-	-
Share issue expenses	-	-
<b>Closing balance</b>	<b>628.78</b>	<b>628.78</b>
<b>Inventory Price Risk Reserve</b>		
Opening balance*	411.76	280.24
Transfer during the year	10.00	125.00
Interest income on the investment	18.68	8.71
Tax effect on interest income	(4.70)	(2.19)
<b>Total</b>	<b>435.74</b>	<b>411.76</b>
<b>Total Other Equity</b>	<b>5,504.41</b>	<b>4,374.56</b>

\*Balance of Inventory Price Risk Reserve is backed up by Fixed Deposits  
The accompanying notes are an integral part of the financial statements

As per books of accounts

**For Khandelwal Jain & Associates**

**Chartered Accountants**

Firm Registration No: 139253W

**Rajendra G. Nahar**

**Partner**

Membership No: 031177

Place : Pune

Date : 24-06-2023

**Govind Gadgil**

Chairman and

Whole Time Director

DIN: 00616617

Place: Pune

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Place: Pune

Date : 24-06-2023

**Neha Boid**

Company Secretary

Membership No:

A54111

Place: Pune

Date : 24-06-2023

## P. N. Gadgil & Sons Limited

### Notes to Financial Statements

#### 1. Corporate Information

P. N. Gadgil & Sons Limited (the “Company”) is a public limited company incorporated under the provisions of the Companies Act, 2013, as amended. It was originally formed as a partnership firm in the name and style of “P. N. Gadgil & Sons” (the “erstwhile partnership firm”) which was then converted from a partnership firm to a public limited company on November 6, 2017 vide CIN No.

U36911PN2017PLC173262. The registered office of the Company is located at Abhiruchi, 59/1C,

Wadgaon bk. Sinhagad Road, Pune – 411041.

The Company is engaged in the business of manufacturing and selling jewellery and articles of gold, silver, platinum, bullion, precious and semi-precious metals, gems and diamonds & trading of gold bullion and bars.

#### 2. Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

##### 2.1 Basis of Preparation

The Balance sheet of the Company as at March 31, 2023 the Statement of Profit and Loss for the period from April 1, 2022 to March 31, 2023 and the Statement of Changes in Equity and the Statement of Cash flows for the period from April 1, 2022 to March 31, 2023 and the notes, comprising a summary of significant accounting policies (together referred as ‘Financial Statements’) have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, read with section 133 of the Companies Act, 2013 (“the Act”) and other relevant provisions of the Act as considered by the management. Other explanatory information and notes are prepared in accordance with the scope agreed with the management.

The Financial Statements are presented in Indian Rupees (“INR” or “Rupees” or “Rs.”).

##### Significant accounting judgments, estimates and assumptions

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities on the date of the financial statements. Future results could differ due to these estimates and the difference between the actual results and the estimates are recognized in the period in which the results are known/materialize.

### *Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### *Fair value measurement of financial instruments*

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### *Taxes*

Current taxes are recognized at tax rates (tax laws) enacted or substantively enacted by the reporting date and the amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### *Defined benefit plans*

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## 2.2 Summary of Significant accounting policies

### (a) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current and non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### (b) Functional and presentation currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in the Indian currency (INR), which is the Company's functional and presentation currency.



**(c) Revenue recognition**

Revenue from contracts includes revenue with customers for sale of goods. Revenue from contracts with customers is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. To recognize revenues, we apply the following five step approach:

- (1) Identify the contract with a customer,
- (2) Identify the performance obligations in the contract,
- (3) Determine the transaction price,
- (4) Allocate the transaction price to the performance obligations in the contract, and
- (5) Recognize revenues when a performance obligation is satisfied.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described below must also be met before revenue is recognized.

*Sale of goods, income from making charges and amount received under the schemes*

- a) The Company satisfies a performance obligation at a point in time and recognizes revenue when the performance obligation is satisfied and control as per Ind AS 115 is transferred to the customer. Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. The control of the goods is transferred on delivery of goods to the customer.
- b) The Company recognizes the amount received from a customer under the schemes operated by the Company as a liability until the Company has no remaining obligations to transfer goods or services to the customer. Even in case of schemes the revenue recognition from making charges will be recognized upon the transfer of control to the customer.

Sales tax / Value Added Tax (VAT) or Goods and Service Tax (GST) (as applicable) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

### *Interest income*

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

### *Dividends*

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## **(d) Taxes**

Taxes comprise current income tax and deferred tax.

### *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred tax assets (including MAT credit entitlement, if any) are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses if any. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

At each reporting date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realized.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### *GST paid on acquisition of assets or on incurring expenses*

Expenses and assets are recognised net of the amount of Goods and Service Tax (GST) paid except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables respectively.

#### **(e) Property, plant and equipment**

On conversion, the Company has carried forward the written down values of property, plant equipment from erstwhile partnership firm as on 06th November, 2017.

Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, cost of

replacing part of the plant and equipment and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Capital work in progress is stated at cost less impairment, if any. It includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The Company identifies and determines cost of each component / part of the asset separately, if the component / part have a cost which is significant to the total cost of the assets and has useful life that is materially different from that of the remaining asset.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss for the period during which the asset is derecognised.

#### *Depreciation on property, plant and equipment*

The Company was a partnership firm till November 6, 2017 and followed the written down value method of depreciation as per provisions of Income-tax Act, 1961. However, on conversion to Company and for the purpose of the Financial Statements, the Company has elected to follow the straight-line method (SLM) of depreciation and has recomputed accumulated depreciation as per the requirements of the Companies Act, 2013 and Ind AS 16 "Property, plant, and equipment"

Under this method, the estimated useful lives, as specified in Schedule II of the Companies Act, 2013 are as follows:

<b>Block of Assets</b>	<b>Useful Life Considered (SLM)</b>
Building	60 Years
Office Equipment	5 Years
Furniture and Fixtures	10 Years
Electrical Installations	10 Years
Vehicles	8/10 Years
Computers	3/6 Years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

**(f) Intangible assets**

On conversion the Company has carried forward the written down values of Intangible Assets from erstwhile partnership firm as on 06th November, 2017.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

*Amortization of intangibles*

The useful lives of intangible assets are assessed as 10 years, and the same shall be amortized on a straight-line basis over its useful life.

**(g) Investment Properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The fair value of the investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by the management.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The

difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

**(h) Borrowing costs**

Borrowing costs includes interest and ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of the respective asset until such time that the assets are substantially ready for their intended use. All other borrowing costs are expensed in the period in which they occur.

Borrowing cost is calculated as per the Effective Interest Rate (EIR) method. It is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortized cost of a financial liability after considering all the contractual terms of the financial instrument

**(i) Leases**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

*Where the Company is the lessee*

- a) Lessees are required to initially recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.
- b) The lease liability is measured at the present value of the lease payments to be made over the lease term. Lessees accrete the lease liability to reflect interest and reduce the liability to reflect lease payments made.
- c) The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the lessee's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs. The related right of-use asset is depreciated in accordance with the depreciation requirements of Ind AS 16 Property, Plant and Equipment.
- d) For lessees that depreciate the right-of-use asset on a straight-line basis, the aggregate of interest expense on the lease liability and depreciation of the right-of-use asset generally results in higher total periodic expense in the earlier periods of a lease.

e) Lessee's re-measure the lease liability upon the occurrence of certain events (e.g., change in the lease term, change in variable rents based on an index or rate), which is generally recognized as an adjustment to the right-of-use asset.

f) Leases having maturity period of less than 1 years have not been considered Ind AS 116 and their expense is separately disclosed in Profit & Loss A/c.

g) Ind AS 116 is not considered to leases having low value and their expense is separately disclosed in Profit & Loss A/c.

h) The company has entered into lease agreement with the lessors to avail rental services of their shops.

i) There is no sub-leasing & sale and lease back transaction entered into by the company as on 31<sup>st</sup> March, 2023.

#### **(j) Inventories**

Inventory is valued at lower of cost and net realizable value. Inventory of the Company includes stock physically present at its stores and held with goldsmiths and excludes customer's stock in the custody of the Company.

Cost of inventories comprises of all costs of purchase and, other duties and taxes (other than those subsequently recoverable from tax authorities), costs of conversion and all other costs incurred in bringing the inventory to its present location and condition. Cost is determined on weighted average basis. Initial cost of inventories includes the gains and losses on forward contracts entered into for covering the price fluctuation exposure in respect of the purchases of the underlying assets.

Inventory for the company being Commodity realizable in cash (Gold), Net Realizable Value is considered Standard selling price declared as per Indian Bullion and Jewellers Association as on reporting date for Bullion stock and for Valuation of Jewellery stock, added average making charges incurred to bring inventory to its present condition.

Goods lost by theft has been considered in inventory of finished goods as the company is in the process of recovery. Further, since the amount of recoverability is uncertain the provision for expenses has also been created.

#### **(k) Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### **(l) Provisions, Contingent liabilities and Contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each reporting date and adjusted to reflect the current best management estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation that is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the Financial Statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the Financial Statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the Financial Statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.

#### **(m) Retirement and other employee benefits**

##### *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised



in Statement of Profit and Loss in the period in which the related service is rendered. The liabilities are presented as current liability in the Balance Sheet.

#### *Post-employment obligations*

The Company operates the following post-employment schemes:

- (a) defined contribution plans such as provident fund and
- (b) defined benefit plans such as gratuity

- *Defined contribution plans - Provident fund*

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the period end date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the period end date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

- *Defined benefit plans – Gratuity obligations*

Retirement benefit in the form of gratuity is a defined benefit scheme. Gratuity liability of employees is accounted for on the basis of actuarial valuation on projected unit credit method at the close of the period.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

## (n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### i. Financial assets

#### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Debt instruments at amortized cost
  - Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
  - Equity instruments, Debt instruments measured at fair value through other comprehensive income (FVTOCI)
- 
- *Debt instruments at amortized cost*

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the profit or loss.

- *Debt instrument at FVTOCI*

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

- *Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as at FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- *Equity investments*

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at fair value. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value in case of equity investments which are not held for trading. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

#### *Reclassification*

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent.

#### *De-recognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### *Impairment*

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

## ii. Financial liabilities

### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings and other financial liabilities.

### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

- *Financial liabilities at amortised cost*

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments.

- *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognised in OCI. These gains/ losses are not subsequently transferred to Profit & Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

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### *De-recognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### **iii. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### **(o) Fair value measurement**

The Company measures financial instruments, such as, investments in mutual funds and equity shares at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing Net Assets Value (NAV). NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **(p) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

The Restated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

#### **(q) Earnings per share**

Basic EPS is calculated by dividing the profit for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

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. Dilutive potential equity shares are deemed

converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included.

**(r) Dividends**

Final dividends on shares are recorded as liability on the date of approval by the shareholders and the interim dividends are recognized as liability on the date of declaration by the Company's Board of Directors.

**(s) Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognized in the statement of profit and loss.

**(t) Government grants and subsidies**

Grants / subsidies that compensate the Company for expenses incurred are recognised in the Statement of Profit and Loss as other operating income on a systematic basis in the periods in which such expenses are recognized.

**3. Recent Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**IND AS 1 - Presentation of Financial Statements**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.



### **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

### **Ind AS 12 - Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement

**P. N. Gadgil & Sons Limited**

Notes to Financial Statements for the year ended March 31, 2023

(All amounts are in Rupees millions, unless otherwise stated)

**4 PROPERTY, PLANT AND EQUIPMENT**

As at March 31, 2023

**GROSS BLOCK**

Particulars	Freehold Land	Buildings	Furniture & Fixture	Office Equipments	Electrical Installations	Computers and Computer Hardwares	Vehicles	Total
As at March 31,2022	109.05	319.25	457.07	162.23	93.63	33.34	35.43	1,210.00
Additions	139.19	103.95	2.60	4.00	3.04	2.14	4.10	259.02
Disposals	-	-	-	(2.90)	(1.28)	(1.23)	-	(5.41)
As at March 31,2023	248.24	423.20	459.67	163.33	95.39	34.25	39.53	1,463.61

**ACCUMULATED DEPRECIATION/AMORTISATION**

Particulars	Freehold Land	Buildings	Furniture & Fixture	Office Equipments	Electrical Installations	Computers and Computer Hardwares	Vehicles	Total
As at March 31,2022	-	25.52	252.26	135.54	53.50	29.20	19.69	515.71
Depreciation/Amortisation expense	-	7.43	41.21	10.56	8.32	1.33	3.93	72.78
Accumulated Depreciation/Amortisation on Disposals	-	-	-	(2.71)	(0.92)	(1.17)	-	(4.80)
As at March 31,2023	-	32.95	293.47	143.39	60.90	29.36	23.62	583.69

**NET BLOCK**

Particulars	Freehold Land	Buildings	Furniture & Fixture	Office Equipments	Electrical Installations	Computers and Computer Hardwares	Vehicles	Total
As at March 31,2022	109.05	293.73	204.81	26.69	40.13	4.14	15.74	694.29
As at March 31,2023	248.24	390.25	166.20	19.94	34.48	4.89	15.91	879.91

**4 PROPERTY, PLANT AND EQUIPMENT**

As at March 31, 2022

**GROSS BLOCK**

Particulars	Freehold Land	Buildings	Furniture & Fixture	Office Equipments	Electrical Installations	Computers and Computer Hardwares	Vehicles	Total
As at March 31, 2021	109.05	271.90	437.86	157.98	90.56	32.00	35.29	1,134.64
Additions	-	47.35	20.24	7.30	4.76	2.28	2.33	84.26
Disposals	-	-	(1.02)	(3.05)	(1.69)	(0.94)	(2.19)	(8.89)
As at March 31, 2022	109.05	319.25	457.08	162.23	93.63	33.34	35.43	1,210.01

**ACCUMULATED DEPRECIATION/AMORTISATION**

Particulars	Freehold Land	Buildings	Furniture & Fixture	Office Equipments	Electrical Installations	Computers and Computer Hardwares	Vehicles	Total
As at March 31, 2021	-	20.73	210.35	124.08	45.96	28.99	16.37	446.48
Depreciation/Amortisation expense	-	4.79	42.60	14.31	8.65	1.10	3.94	75.39
Accumulated Depreciation/Amortisation on Disposals	-	-	(0.69)	(2.85)	(1.11)	(0.89)	(0.63)	(6.17)
As at March 31, 2022	-	25.52	252.26	135.54	53.50	29.20	19.69	515.70

**NET BLOCK**

Particulars	Freehold Land	Buildings	Furniture & Fixture	Office Equipments	Electrical Installations	Computers and Computer Hardwares	Vehicles	Total
As at March 31, 2021	109.05	251.16	227.51	33.91	44.60	3.01	18.92	688.16
As at March 31, 2022	109.05	293.73	204.81	26.69	40.13	4.14	15.74	694.28

5a. INTANGIBLE ASSETS

As at March 31, 2023

Particulars	Computer Software	Total
<b>GROSS BLOCK</b>		
As at April 1, 2022	12.68	12.68
Additions during the period	0.70	0.70
Disposals during the period	-	-
<b>As at March 31, 2023</b>	<b>13.38</b>	<b>13.38</b>
<b>AMORTIZATION</b>		
As at April 1, 2022	5.88	5.88
Amortization for the period	1.29	1.29
Amortization on disposals	-	-
<b>As at March 31, 2023</b>	<b>7.17</b>	<b>7.17</b>

<b>NET BLOCK</b>		
As at April 1, 2022	6.79	6.79
<b>As at March 31, 2023</b>	<b>6.21</b>	<b>6.21</b>

As at March 31, 2022

Particulars	Computer Software	Total
<b>GROSS BLOCK</b>		
As at April 1, 2021	12.26	12.26
Additions during the period	0.42	0.42
Disposals during the period	-	-
<b>As at March 31, 2022</b>	<b>12.68</b>	<b>12.68</b>
<b>AMORTIZATION</b>		
As at April 1, 2021	4.68	4.68
Amortization for the period	1.20	1.20
Amortization on disposals	-	-
<b>As at March 31, 2022</b>	<b>5.88</b>	<b>5.88</b>
<b>NET BLOCK</b>		
As at April 1, 2021	7.58	7.58
<b>As at March 31, 2022</b>	<b>6.79</b>	<b>6.79</b>

5b. Intangible assets under development

Particulars	Intangible assets under development
As at April 1, 2022	0.13
Additions during the period	0.32
Transfer to Intangibles	0.45
<b>As at March 31, 2023</b>	<b>-</b>

Particulars	Intangible assets under development
As at April 1, 2021	-
Additions during the period	0.13
Transfer to Intangibles	-
<b>As at March 31, 2022</b>	<b>0.13</b>

Intangible assets under development ageing schedule

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress for 2022-23	-	-	-	-	-
Projects in progress for 2021-22	-	0.13	-	-	0.13

**6 RIGHT-OF-USE LEASE ASSETS & LEASE LIABILITY**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>RIGHT-OF-USE ASSETS</b>		
Opening for the period	83.25	159.53
Changes due to estimation	(6.68)	(1.10)
Additions	228.09	3.67
Amortisation	(84.38)	(78.85)
<b>Closing for the period</b>	<b>220.28</b>	<b>83.25</b>
<b>LEASE LIABILITIES</b>		
Opening lease liability	99.68	179.57
Change in estimation	(8.29)	(1.33)
Add : Addition to lease liability during the period	227.37	3.67
Add : Interest Expense	19.29	13.73
Less : Lease Rent Paid	(100.23)	(95.96)
<b>Closing for the period</b>	<b>237.82</b>	<b>99.68</b>
<b>The break-up of current and non-current lease liabilities</b>		
Current maturities of lease liability	77.27	60.41
Non current lease liability	160.54	39.27
<b>Total Lease Liability</b>	<b>237.82</b>	<b>99.68</b>

**7 FINANCIAL ASSETS**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>i) Investments</b>		
<b>Investments in equity instruments - unquoted</b>		
The Shamrao Vitthal Co-operative Bank* (100 Equity shares of Rs.25 each, fully paid up )	0.00	0.00
The Vishweshwar Sahakari Bank (100 Equity shares of Rs.50 each, fully paid up )	0.01	0.01
<b>Investments in preference shares - unquoted</b>		
The Shamrao Vitthal Co-operative Bank (7,50,500 Preference shares of Rs.10 each, fully paid up)	7.51	7.51
<b>Investment in Mutual Funds - quoted</b> (at fair value through profit or loss)		
- Baroda Liquid Fund	-	52.94
- LIC MF Liquid Fund	-	34.47
- Investment In Liquid Bees	-	65.01
<b>Investment in Govt. Securities - quoted</b> (at fair value through profit or loss)		
- Other Government securities	91.87	-
<b>Total Non Current Investments</b>	<b>99.38</b>	<b>159.94</b>
<b>Investment in Govt. Securities</b>		
- Treasury Bill-364 Days	9.42	-
- Treasury Bill-182 Days	29.62	-
<b>Total Current Investments</b>	<b>39.04</b>	<b>-</b>
<b>Aggregate value of investments</b>	<b>138.41</b>	<b>159.94</b>
Aggregate cost of unquoted investments	7.51	7.51
Aggregate cost of quoted investments	130.90	152.42
Aggregate amount of impairment in value of investments	-	-
<i>* Company owns shares amounting to ₹2500.</i>		
<b>ii) Other financial assets</b>		
<b>Non - current</b>		
Fixed Deposits against Inventory Price Risk Reserve with maturity of more than 12 months at balance sheet date	91.50	-
Fixed Deposits with maturity of more than 12 months at balance sheet date	506.11	18.50
- Accrued interest	13.66	0.92
Security deposits		
- to others	20.17	29.31
- to related parties	12.45	3.66
<b>Total non-current other financial assets</b>	<b>643.89</b>	<b>52.39</b>
<b>Current</b>		
Margin money deposit	192.46	123.35
Security deposit		
- to others	28.21	7.13
- to related parties	4.38	14.25
Other receivables	1.97	1.44
Fixed Deposits with maturity of less than 12 months at balance sheet date	428.57	627.41
Fixed Deposits against Inventory Price Risk Reserve (maturity of less than 12 months at balance sheet date)	274.05	200.00
- Accrued interest	28.12	12.69
<b>Total current other financial assets</b>	<b>957.76</b>	<b>986.26</b>
<b>Total Other Financial Assets</b>	<b>1,601.65</b>	<b>1,038.65</b>

**8 INVENTORIES**

Particulars	As at March 31, 2023	As at March 31, 2022
Finished goods*	8,876.58	8,864.71
Stock-in-trade	275.28	400.77
Packing material	11.80	9.00
<b>Total Inventories</b>	<b>9,163.66</b>	<b>9,274.48</b>
<b>Finished Goods</b>		
- held with company	8,839.48	8,864.71
- goods lost by theft	37.10	-
<b>Total</b>	<b>8,876.58</b>	<b>8,864.71</b>

\*valued at lower of cost and net realisable value

\*\* Inventories are charged as security for borrowings (Refer Footnote to Note no 15)

\*\*\*goods lost by theft has been considered in inventory of finished goods as the company is in the process of recovery. Further, since the amount of recoverability is uncertain the provision for expenses has also been created.

**9 TRADE RECEIVABLES**

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables*		
- Unsecured, considered good**	749.50	329.19
- Significant increase in credit risk	15.02	13.02
Less: Allowance for doubtful debts	(15.02)	(13.02)
<b>Total Trade Receivables</b>	<b>749.50</b>	<b>329.19</b>

\*No material trade receivables are due from directors or other officers of the company, either severally or jointly with any other person.

\*\*Includes receivable from credit card companies.

**10 CASH AND CASH EQUIVALENTS**

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- on current accounts	183.68	124.63
- Fixed Deposits with original maturity of less than 3 months*	384.88	296.58
Cheques on hand	-	0.01
Cash on hand	7.56	6.72
<b>Total Cash and Cash Equivalents</b>	<b>576.12</b>	<b>427.94</b>

\*on lien with banks

**11 OTHER BANK BALANCES**

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits with original maturity of more than 3 months but less than 12 months	91.05	316.10
- Accrued interest	1.24	0.97
<b>Total Other Bank Balances</b>	<b>92.29</b>	<b>317.07</b>

**12 OTHER CURRENT ASSETS**

Particulars	As at March 31, 2023	As at March 31, 2022
Advance to creditors	27.81	182.98
Prepaid expenses		
- on security deposit	8.29	5.96
- on others	14.38	11.85
Balance receivable from statutory authorities	20.21	49.21
<b>Total Other current assets</b>	<b>70.69</b>	<b>250.02</b>

**13 EQUITY SHARE CAPITAL**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>EQUITY SHARE CAPITAL</b>		
<b>Authorized share capital</b> 6,00,00,000 (March 31,2023 : 6,00,00,000 , March 31, 2022 : 6,00,00,000 ) Equity shares of Rs.10/- each	<b>600.00</b>	<b>600.00</b>
<b>Issued, subscribed and fully paid up</b> 3,37,70,599 ( March 31,2023 : 3,37,70,599 , March 31, 2022: 3,37,70,599 ) Equity shares of Rs. 10/- each	337.71	337.71
<b>a. Reconciliation of number of shares</b>		
<b>Authorized share capital</b>		
Opening for the year /period (No's)	60,000,000	60,000,000
Closing for the year /period (No's)	60,000,000	60,000,000
<b>Issued, subscribed and fully paid up</b>		
<b>Opening balance</b>	33,770,599	33,770,599
Add: Issued during the year/ period (No's)	-	-
Less: Bought Back during the year/period (No's)	-	-
<b>Closing balance</b>	33,770,599	33,770,599
<b>Total Equity Share capital</b>	<b>337.71</b>	<b>337.71</b>

**b. Terms and rights attached to equity shares**

The company has only one class of equity shares having face value of Rs.10 per share . Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company , the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of shareholders holding more than 5% share in the Company (No. of shares)**

Particulars	As at March 31, 2023	As at March 31, 2022
Govind Gadgil	18,531,856	18,531,856
Renu Gadgil	15,207,342	15,207,342

**d. Disclosure of Shareholding of Promoters**

Particulars	As at March 31, 2023	As at March 31, 2022
Govind Gadgil	54.88%	54.88%
Renu Gadgil	45.03%	45.03%

**% Change during the year**

Particulars	As at March 31, 2023	As at March 31, 2022
Govind Gadgil	0.00%	0.00%
Renu Gadgil	0.00%	0.03%

(Minority Shareholding as on Balance Sheet Date is 0.09%.)

**14 OTHER EQUITY**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Retained earnings</b>		
<b>Opening balance</b>	<b>3,184.02</b>	<b>2,298.67</b>
Profit/(loss) for the period /year	1,115.94	1,027.51
Other Comprehensive Income	(0.07)	7.84
<b>Less :</b>		
Transfer to Inventory Price Risk Reserve	10.00	125.00
Transfer to General Reserve	25.00	25.00
<b>Closing balance</b>	<b>4,264.89</b>	<b>3,184.02</b>
<b>Securities Premium</b>		
<b>Opening balance</b>	628.78	628.78
Add : Premium on issue of right shares	-	-
Less: Amount utilised	-	-
<b>Closing balance</b>	<b>628.78</b>	<b>628.78</b>
<b>Inventory Price Risk Reserve</b>		
<b>Opening balance</b>	411.76	<b>280.24</b>
Transfer during the year	10.00	125.00
Income on the investment	18.68	8.71
Tax effect on interest income	(4.70)	(2.19)
<b>Closing balance</b>	<b>435.74</b>	<b>411.76</b>
<b>Other Reserves</b>		
<b>General Reserve</b>		
Opening balance	150.00	125.00
Transfer during the period	25.00	25.00
<b>Closing balance</b>	<b>175.00</b>	<b>150.00</b>
<b>Total Other Equity</b>	<b>5,504.41</b>	<b>4,374.56</b>

***Inventory Price Risk Reserve***

A reserve to the extent of 5% of the Company's inventory value will be created in tranches upto March 31, 2023, to protect the Company from fluctuations in gold, silver and precious metal prices being purchased by the Company. Such reserve balance will be invested in liquid financial assets by the end of nine months from each balance sheet date. Returns from investments in such financial assets would be easily liquidated to be used in times when fluctuation in commodity prices is abnormal and would affect the normal working capital position of the Company. In the current financial period, the Company has transferred Rs.1.00 crores to such reserve.



## 15 BORROWINGS

Particulars	As at March 31, 2023	As at March 31, 2022
<b>FINANCIAL LIABILITIES</b>		
<b>NON CURRENT</b>		
<b>At amortised cost</b>		
Secured		
- term loans from banks	391.94	836.77
Unsecured		
- Fixed deposits from others	108.80	92.25
<b>Total Non Current Borrowings</b>	<b>500.74</b>	<b>929.02</b>
<b>CURRENT</b>		
<b>Other Loans</b>		
Secured		
- demand loans from banks	1,498.03	2,407.23
- cash credit from banks	16.00	116.79
- term loans from banks	13.56	-
Unsecured		
- from directors	59.04	164.81
- fixed deposit from public*	52.95	77.55
<b>Total Current Borrowings</b>	<b>1,639.58</b>	<b>2,766.38</b>

\*Fixed Deposits taken from public for Rs. 52.95 million will mature within 12 months.

\*Against this Liability, Company has created fixed deposit for Rs 11.05 millions as Deposit Repayment Reserve  
(Refer Footnote for details of secured and unsecured loans)

## 16 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Gold Metal Loan	1,966.46	1,790.78
Salary payable	0.67	0.65
Director's Salary Payable	1.98	-
Bonus and incentives payable	81.74	67.83
Statutory dues payable	145.88	91.38
Outstanding expenses	85.36	52.86
Other payables*	1.79	40.95
CSR expenditure payable	-	1.33
<b>Total Other financial liabilities</b>	<b>2,283.88</b>	<b>2,045.77</b>

\*includes payable of credit card

**P. N. Gadgil & Sons Limited**  
**Footnote to Note 15 "Borrowings"**

(All amounts are in Rupees millions, unless otherwise stated)

**15(a) SECURED LOANS**

Sr. No.	Name of Lender	Type of Facility	Amount outstanding as at March 31, 2023	Rate of interest		Repayment Terms as at March 31, 2023	Security Provided
				As at March 31, 2023	As at March 31, 2022		
1	The Federal Bank Limited	Overdraft	(0.26)	As mutually agreed at the time of drawdown (Presently 8.90%)	As mutually agreed at the time of drawdown (Presently 7.50%)	Lumpsum	Exclusive Charge on entire POS receivables. Personal guarantee: 1. Mr. Govind Gadgil 2. Mrs. Renu Gadgil
2	The Federal Bank Limited	Working Capital Demand Loan#	350.00	Repo Rate (As mutually agreed at the time of drawdown )	Repo Rate (As mutually agreed at the time of drawdown )	12 Months	Exclusive Charge on entire POS receivables. (110%)
3	The Federal Bank Limited	ECGL	155.50	8.05% (repo rate + 2.5% subject to maximum upto 9.25% p.a.)	6.5% (repo rate + 2.5% subject to maximum upto 9.25% p.a.)	48 Equated Monthly Installments (EMIs) after end of 24 Months moratorium i.e. after Dec 2023	Second charge on all primary and collateral securities available for the existing facilities with Federal Bank Ltd.
4	Bank of Baroda	Cash Credit	16.95	As may be mutually decided at time of disbursal 0.05% over MCLR* (Presently 8.50%)	As may be mutually decided at time of disbursal 0.05% over MCLR* (Presently 8.60%)	Subject to annual renewal	Primary Security 1. First pari passu charge on gold and diamond inventory and book debts, both present and future. Collateral Security 1. Charge on First floor of shop at Satara Road, Pune.
5	Bank Of India	Overdraft	(4.37)	1.0 Basis points above the Interest rate of Fixed Deposits	1.0 Basis points above the Interest rate of Fixed Deposits	On FD Maturity or subject to FD Renewal	FD with Bank of India for Rs. 60,00,000
6	Shamrao Vittal Co-op Bank	Overdraft	102.04	50 basis points above interest rate of fixed deposit	50 basis points above interest rate of fixed deposit	On FD Maturity or subject to FD Renewal	<b>Primary Security:</b> 1. Fixed deposit given by promoters of Rs. 28,00,00,000
7	Yes Bank	Working Capital Demand Loan#	450.70	Overnight MIBOR + 3.00%	Overnight MIBOR + 3.00%	6 months	<b>Security details-</b> 1. First pari passu charge by the way of Hypothecation on Stock in Trade (Stock of Gold and Diamond) Both Present & Future. 2. Exclusive collateral or cash or fixed deposit, mortgage or lien marked in favour of YBL.
8	Yes Bank	Overdraft	99.94	0.40% spread over fixed deposit rates	50 basis points above interest rate of fixed deposit	Rolled over every 12 months	110% Fixed Deposits of Yes bank
9	Federal Bank	ECGL	250.00	Repo + 1.75% i.e. 8.00 % , subject to maximum of 9.25 % per annum	Repo + 1.75% i.e. 8.00 % , subject to maximum of 9.25 % per annum	48 Equated monthly installments after end of 14 months moratorium	Primary Security: 1. Security interest/charge on all movable/ immovable assets created out of the WCTL - GECL. Collateral Security: 2. Second charge on all primary and collateral securities available for the existing facilities with Federal Bank Ltd.
10	Federal Bank	Cash Credit	(0.08)	Repo Rate (As mutually agreed at the time of drawdown )	Repo Rate (As mutually agreed at the time of drawdown )	12 Months	Exclusive Charge on entire POS receivables. (110%)
11	ICICI Bank Ltd	Working Capital Demand Loan#	250.00	As may be mutually decided at time of drawdown MCLR_+ _Spread	-	Maximum tenor of the tranche shall be 180 days or upto the validity period of the facility, whichever is earlier	First Pari passu 1. Current assets-inventory 2. Deposits-Bank deposit
12	RBL Bank Ltd	Working Capital Demand Loan#	250.00	Decided at the time of drowdown linked to MIBOR.	-	Maximum 12 months	First Pari passu charge on all the stock (Gold + diomond stock) present and future with other Banks in Multiple banking arrangement. Exclusive charge on the Fixed Deposit of Borrower equivalent to 5% of facility amount (i.e. INR 3,75,00,000/-) io be Liened in favour of RBL Bank Ltd. No Interest Outflow on FD, FD to be renewed on Cumulative basis (i.e Principal +Interest). FD to be Collable & on Auto Renewal basis
13	RBL Bank Ltd	Cash Credit	(0.87)	Decided at the time of drowdown linked to MIBOR.	-	Maximum 12 months	First Pari passu charge on all the stock (Gold + diomond stock) present and future with other Banks in Multiple banking arrangement. Exclusive charge on the Fixed Deposit of Borrower equivalent to 5% of facility amount (i.e. INR 3,75,00,000/-) io be Liened in favour of RBL Bank Ltd. No Interest Outflow on FD, FD to be renewed on Cumulative basis (i.e Principal +Interest). FD to be Collable & on Auto Renewal basis



Gold | Silver | Diamonds

15(b) UNSECURED LOANS

Sr. No.	Name of Lender	Type of Facility	Amount outstanding as at March 31, 2023	Rate of Interest (%)		Repayment Terms as at March 31, 2023	Security Provided
				As at March 31, 2023	As at March 31, 2022		
1	Unsecured Loans	From Directors	59.04	6.50%	5.50%	Repayable on demand	Not Applicable
2	Fixed Deposit Accepted	From Public	61.45	7.00%	7.00%	Within 36 months	Not Applicable
3	Fixed Deposit Accepted	From Public	59.80	7.50%	7.50%	Within 36 months	Not Applicable
4	Fixed Deposit Accepted	From Public	24.30	8.00%	8.00%	Within 36 months	Not Applicable
5	Fixed Deposit Accepted	From Public	16.20	8.50%	8.50%	Within 36 months	Not Applicable

**Note :** Directors are eligible for 6.5% interest on loan taken by company from them, subject to utilization of that amount by company for more than 7 days.

Gold Metal Loan

Gold | Silver | Diamonds

Sr. No.	Name of Lender	Type of Facility	Amount outstanding as at March 31, 2023	Rate of Interest (%)		Repayment Terms as at March 31, 2023	Security Provided
				As at March 31, 2023	As at March 31, 2022		
1	HDFC Bank Ltd.	Gold Metal Loan	587.27	As may be mutually decided at time of disbursal	As may be mutually decided at time of disbursal	On demand in INR only. Bank will not take metal as a form of repayment.	<p><b>Primary Security:</b> 1. First pari passu charge on gold inventory (Both Present and Future)</p> <p><b>Secondary Security :</b> 1. Exclusive charge on commercial shop located at Mudra, Satara Road, Pune</p> <p><b>Personal guarantee</b> 1. Mr. Govind Gadgil 2. Mrs. Renu Gadgil</p> <p><b>Exclusive charge on fixed deposits.</b></p>
2	ICICI Bank	Gold Metal Loan	624.54	Interest shall be stipulated for each drawal at the time of drawdown on notional value of gold, linked to international gold lease rate.	Interest shall be stipulated for each drawal at the time of drawdown on notional value of gold, linked to international gold lease rate.	Repayment on the maturity date at the rate fixed	<p><b>Primary Security:</b> 1. Partly by SBLC (Standby Letter of Credit) from Bank of Baroda. 2. Partly first pari passu charge on gold inventory. 3. Exclusive charge on fixed deposits.</p>
3	The Federal Bank Limited	Gold Metal Loan	754.65	As mutually Agreed at the time of drawdown	As mutually Agreed at the time of drawdown	Lumpsum	<p><b>Collateral :</b> Cash margin (including lien on fixed deposits) for 106.5% of notional cost of gold plus 100% of applicable charges like CIP premium, customs duty, GST and other local taxes /charges applicable or bank guarantee/ SBLC - BG/ SBLC of all scheduled commercial banks, in respect of whom bank has assumed exposure limit for 110% of notional cost of Gold plus 100% charges like CIP premium, customs duty, GST, any other local taxes/charges etc.</p>

17 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Advances from customers		
- against schemes	2,041.71	1,218.32
- others	216.47	267.10
Contract Liability	13.06	14.51
Provision for loss of inventory*	37.10	-
<b>Total Other Current Liabilities</b>	<b>2,308.34</b>	<b>1,499.92</b>

\*goods lost by theft has been considered in inventory of finished goods as the company is in the process of recovery. Further, since the amount of recoverability is uncertain the provision for expenses has also been created.

18 PROVISIONS

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-Current</b>		
- for Gratuity	66.35	57.70
<b>Total Long Term Provisions</b>	<b>66.35</b>	<b>57.70</b>
- for Gratuity	2.97	2.17
<b>Total Short Term Provisions</b>	<b>2.97</b>	<b>2.17</b>

19 DEFERRED TAX (NET)

(a) Income tax expense

Particulars	As at March 31, 2023	As at March 31, 2022
<b>In Statement of Profit and Loss :</b>		
<b>Current income tax:</b>		
Current income tax charge	390.04	370.62
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	2.04	(5.03)
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>392.08</b>	<b>365.59</b>
<b>In Other Comprehensive Income (OCI) :</b>		
<b>Deferred tax related to items recognised in OCI during the year:</b>		
Net loss/(gain) on actuarial gains and losses	0.02	(2.64)
<b>Income tax charged to OCI</b>	<b>0.02</b>	<b>(2.64)</b>
<b>In Equity :</b>		
<b>Current income tax:</b>		
Relating to income directly credited to inventory price risk reserve	(4.70)	(2.19)
<b>Income Tax expense on item directly credited to equity</b>	<b>(4.70)</b>	<b>(2.19)</b>

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(b) Net Deferred tax (Asset) / Liability:</b>		
The balance comprises temporary differences attributable to:		
Property, plant and equipment	14.06	5.86
Revaluation of FVTCOI investments to fair value	-	-
<b>Deferred Tax Liability</b>	<b>14.06</b>	<b>5.86</b>
Gratuity	17.45	15.07
Previous disallowances allowed on payment basis	2.10	3.21
Provision for doubtful trade receivables	3.78	3.28
Right-of-use assets	4.41	-
Others	-	-
<b>Deferred Tax Asset</b>	<b>27.74</b>	<b>21.55</b>
<b>Deferred Tax (Asset) / Liability (net)</b>	<b>(13.68)</b>	<b>(15.70)</b>

(c) Reconciliation of deferred tax (net):

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Opening Balance (Asset) / Liability</b>	<b>(15.70)</b>	<b>(13.31)</b>
Tax (income)/expense during the year recognised in Statement of Profit and Loss	2.04	(5.03)
Tax (income)/expense during the year recognised in OCI	(0.02)	2.64
<b>Closing balance (Asset) / Liability</b>	<b>(13.68)</b>	<b>(15.70)</b>

(d) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	As at March 31, 2023	As at March 31, 2022
Accounting Profit before tax from continuing operations	1,508.01	1,393.10
Statutory Tax rate (%)	25.17%	25.17%
<b>Tax at statutory tax rate</b>	<b>379.54</b>	<b>350.61</b>
Adjustment in respect of Capital Gains	(2.22)	(0.75)
Admissible expense on payment basis	1.73	(38.84)
Ind AS Adjustments	0.43	23.22
Inadmissible as per Income Tax	8.21	29.33
Depreciation impact	0.17	3.70
Provision for Gratuity	2.37	3.35
Current income tax in respect of previous years	(0.18)	-
OCI Adjustments	0.02	(2.64)
Expenses available for offsetting against future taxable income	-	3.28
Relating to originating and reversal of temporary difference	2.01	(5.67)
<b>Tax at the effective income tax rate</b>	<b>392.08</b>	<b>365.59</b>
<b>Effective tax rate</b>	<b>26.00%</b>	<b>26.24%</b>

**20 TRADE PAYABLES**

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables*		
Total outstanding dues of micro enterprises and small enterprises	76.85	29.06
Total outstanding creditors other than micro and small enterprises	534.78	431.12
<b>Total Trade Payables</b>	<b>611.63</b>	<b>460.18</b>

\* Refer Note 39 on Outstanding dues to micro, small and medium enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006.

**21 CURRENT TAX LIABILITIES ( NET)**

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax	394.92	372.81
Less : TDS Receivable	(74.11)	(36.81)
Less : TCS Receivable	(11.83)	(21.63)
Less : Advance Tax	(290.00)	(290.00)
<b>Total Current tax liabilities (net of advance tax)</b>	<b>18.98</b>	<b>24.37</b>

**P. N. Gadgil & Sons Limited**

**Notes to Financial Statements for the year ended March 31, 2023**

*(All amounts are in Rupees millions, unless otherwise stated)*

**22 REVENUE FROM OPERATIONS**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Ornaments	32,522.52	25,352.50
Sale of Gold bullion	68,711.93	31,217.12
Less: Discount	(95.60)	(70.20)
<b>Total Revenue From Operations</b>	<b>101,138.85</b>	<b>56,499.43</b>

**Disaggregation of revenue:**

The table below presents disaggregated revenue from contracts with customer

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sale</b>		
Gold	26,541.39	20,596.59
Silver and others	1,517.40	1,342.87
Diamond and Precious stones	1,334.55	948.13
Platinum	28.47	21.30
Making charges	3,100.71	2,443.62
Bullion sales	68,711.93	31,217.12
<b>Total Sales</b>	<b>101,234.45</b>	<b>56,569.62</b>
Less: Discount	(95.60)	(70.20)
<b>Total Revenue From Operations</b>	<b>101,138.85</b>	<b>56,499.43</b>

**23 OTHER INCOME**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest Income</b>		
- on deposits with banks	67.15	69.00
- on others	0.11	0.03
- on Security Deposit	4.90	4.76
- on Govt. Securities	2.91	-
- on treasury bills	1.56	-
<b>Other Non Operating Income</b>		
Other Income	0.62	2.43
Facility Charges	3.40	-
Commission	22.34	-
Profit on Revaluation of Investments	3.50	2.96
Profit on Sale of Investments	2.31	-
Profit on Sale of Assets	0.05	-
Dividend	1.75	-
<b>Total Other Income</b>	<b>110.60</b>	<b>79.18</b>



**24 COST OF GOODS SOLD**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Gold Purchases</b>	<b>93,975.36</b>	<b>53,188.92</b>
- for business of jewellery	25,612.99	21,651.60
- for business of trading	68,362.37	31,537.31
Silver Purchases	1,329.63	1,080.92
Diamond Purchases	993.20	751.77
Platinum Purchases	24.89	31.27
Packing Material Purchases	40.96	33.72
Colour Stone Purchases	31.99	16.55
Hedging Mark To Mark Loss / (Gain)	44.25	19.17
Hedging Mark To Mark Loss / (Gain) - GML	23.89	-
Hedging Mark To Mark - Silver	7.36	-
Making Charges Paid	1,250.91	1,038.03
Hallmarking charges	19.01	14.90
Other direct expenses	6.20	3.62
<b>Total</b>	<b>97,747.65</b>	<b>56,178.86</b>
Metal and Making Charges	29,249.81	24,638.57
Hedging Mark To Mark Loss / (Gain) - GML	23.89	19.17
Hedging Mark To Mark - Silver	7.36	-
Hallmarking charges	19.01	14.90
Packing Material Purchases	40.96	33.72
<b>Total Purchases (including conversion costs)</b>	<b>29,341.04</b>	<b>24,706.37</b>
<b>Inventory at the beginning of the period</b>	<b>8,873.71</b>	<b>6,787.41</b>
Finished Goods	8,864.71	6,337.41
Packing material	9.00	450.00
<b>Add : Purchases (including conversion costs)</b>	<b>29,341.04</b>	<b>24,706.37</b>
	<b>38,214.75</b>	<b>31,493.77</b>
<b>Less : Inventory at the end of the period</b>	<b>8,888.38</b>	<b>8,873.71</b>
Finished Goods	8,876.58	8,864.71
Packing material	11.80	9.00
<b>Total Cost of goods sold</b>	<b>29,326.37</b>	<b>22,620.06</b>

**25 Purchases of Stock-in-Trade**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of Gold Bullion	68,362.37	31,537.32
Hedging Mark To Mark Loss / (Gain)	44.25	(64.82)
<b>Total</b>	<b>68,406.62</b>	<b>31,472.50</b>

**Changes in Inventories of Stock-in-Trade**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock of Stock-in-trade	400.77	-
Closing Stock of Stock-in-trade	275.28	400.77
<b>Change in Stock-in-trade</b>	<b>125.49</b>	<b>(400.77)</b>

**26 EMPLOYEE BENEFITS EXPENSES**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and bonus	388.17	330.11
Contribution to provident fund and other funds	24.98	24.37
Directors Remuneration	56.28	45.20
Sales Based Incentive to Directors	244.42	120.20
Gratuity expense	12.91	13.30
Leave Encashment	9.24	2.09
Staff welfare expenses	19.69	14.27
<b>Total Employee Benefits Expenses</b>	<b>755.69</b>	<b>549.54</b>

**27 FINANCE COST**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense		
- on cash credit	2.26	3.55
- on borrowings	195.49	200.81
- on loan from directors	20.26	20.84
- on gold metal loan	36.87	40.82
- on lease liability	17.24	13.50
Other expenses		
- on borrowings from bank	4.99	-
<b>Total Finance Cost</b>	<b>277.11</b>	<b>279.52</b>

**28 DEPRECIATION AND AMORTIZATION EXPENSES**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on tangible assets	72.79	75.39
Amortization on intangible assets	1.29	1.20
Amortization on right-of-use lease asset	84.82	78.85
<b>Total Depreciation and Amortization</b>	<b>158.90</b>	<b>155.44</b>

**29 OTHER EXPENSES**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Advertisement expenses	218.28	148.82
CSR Expenditure	27.42	31.30
Donations	3.09	1.44
Electricity expenses	46.31	32.93
Directors' sitting fees	0.31	0.17
Legal and professional Fees	26.77	17.25
Rent	1.59	3.63
Repairs and maintenance	112.42	85.48
Security services	25.58	17.34
Sales promotion	21.25	9.51
Travelling and conveyance	13.50	8.13
Rates and taxes	7.29	6.18
Freight and charges	23.94	21.81
Insurance	13.54	17.48
Credit card commission	73.37	54.39
Communication expenses	7.61	7.77
Auditors remuneration (refer the below table)	2.35	1.15
Miscellaneous expenses	18.25	12.24
Amortization of prepaid security deposit	4.77	4.65
Loss on sale of assets	-	0.78
Bank commission charges	6.39	12.70
Assets written off	-	0.77
Interest on statutory payments	0.12	13.32
Loss by theft	37.10	-
<b>Total Other Expenses</b>	<b>691.25</b>	<b>509.23</b>

**Payment to auditors**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>As auditor</b>		
Statutory audit fee	0.85	1.15
Tax audit fee	0.15	-
<b>In other capacity</b>		
Fees for other services	1.35	-
<b>Total Payment to auditors</b>	<b>2.35</b>	<b>1.15</b>

**30 EARNINGS PER SHARE**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to equity shareholders (Rs. in million)	1,115.94	1,027.51
Weighted average number of shares outstanding during the year (Nos.)	33.77	33.77
<b>Basic and Diluted Earning per share (in Rs.)</b> (Nominal Value per share Rs. 10)	<b>33.04</b>	<b>30.43</b>

### 31 Commitments and contingencies

#### Commitments

The lease rentals charged during the period are as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Lease rentals paid during the period	100.23	95.96

#### Maturity Analysis of lease liability:

Particulars	Less than 1 Year	1-3 years	More than 3 years	Total
As at March 31, 2023	77.27	104.03	56.50	237.81
As at March 31, 2022	60.41	38.43	0.85	99.69

#### Contingent Liabilities

The Company has a contingent liability of Rs.153.46 millions & 1.80 millions towards income tax matters pertaining to AY 2018-19 and AY 2020-21 respectively as at March 31, 2023. The Company is contesting the demands and the management, including its tax/legal advisors, believes that its position is likely to be upheld in the appellate process. No expense has been recorded in the financial statements for the above demands raised.

On behalf of the erstwhile partnership firm, the Company is in appeal with the respective government authorities for below mentioned tax proceedings. If the decision turns out against the firm the amount of liability will be debited to Partners' Escrow A/c as demand is related to the years when the partnership firm was in existence and the company will not bear any liabilities.

#### Tax Proceedings

Income Tax	Amount as at March 31, 2023	Amount as at March 31, 2022
AY 2013-14	1.33	1.33
AY 2014-15	176.68	-
AY 2017-18	1.82	1.82
AY 2018-19	20.31	20.31

The Company has paid Local Body Tax of Rs.7.531 millions and Rs.4.559 millions towards interest on Local Body Tax against the order received from the Solapur Municipal Corporation LBT Department for Rs 1,20,90,074 including interest and penalty. The Solapur Municipal Corporation has rejected the appeal made by the management. The management has filed the petition with the High Court. The company will not have to pay any additional amount even if the decision of the High Court is against the company, if decision is in the favour of the company the refund will be transferred to the Partners' Escrow A/c as demand is related to the years when the partnership firm was in existence.

Type of Tax	Amount as at March 31, 2023	Amount as at March 31, 2022
Excise Duty	19.42	19.42

The firm was paying central excise duty, wherever applicable, and filing periodical ER-1 returns in terms of the provisions of Rule 12 of the Central Excise Rules, 2002. Department issued notice seeking to conduct EA-2000 audit on the books of account and records of the petitioner for the period April, 2013 to June, 2017 and calling upon them to provide access to premises for carrying out scrutiny, verification and checks as per the provisions of Section 14AA of Central Excise Act, 1944.

During the course of audit, the department alleged that the petitioner had sold articles of jewellery viz. Vedhani Rings (Vedhanis) without payment of central excise duty on which duty of excise was leviable of Rs. 1,94,22,809/-. Based on the above audit report and pre-show cause notice consultation, Show Cause-Cum-Demand Notice was issued for the aforesaid amount.

The Central Government introduced SVS, 2019. The scheme was introduced to bring an end to pending litigation under the erstwhile indirect tax regime. The company (on behalf of firm), filed application under the scheme to bring an end to the proceedings initiated by department. As per the provisions of scheme, company was required to pay excise duty of 50% i.e 97,11,404/- without any interest and penalty. However, the same application was rejected without giving any opportunity.

Being aggrieved and dissatisfied, company had filed Writ-petition against the aforesaid rejection before Bombay High Court.

#### ESIC Assessment

Type of Tax	Amount as at March 31, 2023	Amount as at March 31, 2022
Employee's State Insurance Corporation	0.25	-

Total Assessment liability under Employer's State Insurance Act, 1948 amounting to Rs. 6,07,493 of which Rs. 3,60,953 is being paid off

**P. N. Gadgil & Sons Limited**

**Notes to Financial Statements for the year ended March 31, 2023**

(All amounts are in Rupees millions, unless otherwise stated)

**32 Employee benefit obligations**

**A. Defined contribution plans :**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The Company has no obligation other than to make the specified contribution. The contribution is charged to Statement of Profit and Loss as it accrues.

Contribution to Defined Contribution Plans recognised as expense for the year are as under:

Particulars	March 31, 2023	March 31, 2022
Contribution to provident fund	19.69	17.59
Contribution to ESIC	0.81	1.21
<b>Total</b>	<b>20.50</b>	<b>18.80</b>

**B Defined benefit plan**

The group provides for gratuity to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the group makes contributions to recognised funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. These benefits are funded with an insurance company in the form of a qualifying insurance policy.

**(a) Movements in the present value of the defined obligation are as follows:**

Particulars	March 31, 2023	March 31, 2022
<b>Obligation at the beginning of the year</b>	<b>59.87</b>	<b>61.25</b>
Transfer In / (Out)	(0.05)	(0.92)
Past Service Cost	-	-
Current service cost	8.65	9.28
Interest expense	4.26	4.02
Curtailment Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Actuarial losses (gains) arising from change in financial assumptions	(1.94)	(2.87)
Benefits paid	(3.50)	(3.27)
Actuarial losses (gains) arising from experience adjustments	2.03	(7.62)
<b>Liability at the end of the year</b>	<b>69.32</b>	<b>59.87</b>

**(c) The net liability disclosed above relates to funded and unfunded plans are as follows:**

Particulars	March 31, 2023	March 31, 2022
Present value of funded obligations	69.32	59.87
Fair value of plan assets	-	-
<b>Deficit of funded plans</b>	<b>69.32</b>	<b>59.87</b>
Unfunded plans	-	-
<b>Deficit of gratuity plan</b>	<b>69.32</b>	<b>59.87</b>

**(d) Expenses recognized in the Statement of Profit and Loss under employee benefit expenses.**

Particulars	March 31, 2023	March 31, 2022
Service cost	8.65	9.28
Net interest (income)/expense	4.26	4.02
Expected return on	-	-
Transfer In/(Out)	-	-
Net actuarial (gain)/loss recognised in the year	-	-
<b>Net gratuity cost</b>	<b>12.91</b>	<b>13.30</b>

**P. N. Gadgil & Sons Limited**

**Notes to Financial Statements for the year ended March 31, 2023**

*(All amounts are in Rupees millions, unless otherwise stated)*

**(e) Expenses recognized in statement of other comprehensive income:**

<b>Remeasurement</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Remeasurement for the year - obligation (gain)/loss		
Actuarial (gain)/loss arising from change in financial assumptions	(1.94)	(2.86)
(Return)/loss on plan assets excluding amounts recognised in interest (income)/expenses	-	-
Actuarial (gain)/loss arising on account of experience changes	2.03	(7.62)
<b>Total Remeasurement Cost/(Credit) for the year recognised in OCI</b>	<b>0.09</b>	<b>(10.48)</b>

**(f) Significant estimates: actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Discount Rate	7.50%	7.25%
Rate of growth in compensation level	8.00%	8.00%
Retirement Age	55, 60 & 70 years	55, 60 & 70 Years

**Sensitivity Analysis**

The key actuarial assumptions to which the defined benefit plans are particularly sensitive to are discount rate and full salary escalation rate. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Discount rate</b>		
Increase by 50 basis points	65.67	56.54
Decrease by 50 basis points	73.28	63.48
<b>Salary escalation</b>		
Increase by 50 basis points	72.75	63.08
Decrease by 50 basis points	66.03	56.86

The following payments are expected contribution to the defined benefit plan in future years :

<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Current Liability	2.97	2.17
Non-Current Liability	66.35	57.70
<b>Total expected</b>	<b>69.32</b>	<b>59.87</b>

**(g) The weighted average duration of defined benefit plan obligation:**

<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Weighted average duration of defined benefit plan obligation	11.62 years	12.1 years

### 33 Fair value measurements

#### Financial instruments by category

Particulars	March 31, 2023		March 31, 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Non-current financial assets				
Investments	99.38	-	159.94	-
Other Financial Assets	-	643.89	-	52.39
Current financial assets				
Investments	39.04	-	-	-
Trade receivables	-	749.50	-	329.19
Cash and cash equivalents	-	576.12	-	427.94
Other bank balances	-	92.29	-	317.07
Other Financial Assets	-	957.76	-	986.26
<b>Total financial assets</b>	<b>138.41</b>	<b>3,019.56</b>	<b>159.94</b>	<b>2,112.86</b>
<b>Financial liabilities</b>				
Non current financial liabilities				
Non-current borrowings	-	500.74	-	929.02
Lease Liability	-	160.54	-	39.27
Current financial liabilities				
Lease Liability	-	77.27	-	60.41
Current borrowings	-	1,639.58	-	2,766.38
Trade payables	-	611.63	-	460.18
Other financial liabilities	1,966.46	317.42	1,790.78	254.99
<b>Total financial liabilities</b>	<b>1,966.46</b>	<b>3,307.18</b>	<b>1,790.78</b>	<b>4,510.24</b>

The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables and other current financial assets and liabilities are approximately at their carrying amounts, largely due to the short term nature of these balances.

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The management assessed that the carrying amounts of its financial instruments are reasonable approximations of fair values.

#### Description of significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at period end is as under

Particulars	Valuation technique	Significant unobservable inputs	Weighted average cost of equity	Sensitivity of the input to fair value
<b>Perpetual Non-cumulative Preference Shares :</b> The Shamrao Vitthal Co-operative Bank	Discounted cash flow method	Weighted average cost of equity	10.25%	1% increase : Decrease in fair value by INR 437.392 1% decrease : Increase in fair value by INR 476.390

#### Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Level 1 - This hierarchy includes financial instruments measured using quoted prices.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. There are no transfers between levels 1 and 2 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

The following table presents the fair value measurement hierarchy of the Company's financial assets and liabilities as at March 31, 2023:

Particulars	Fair value measurement			Total
	Level 1	Level 2	Level 3	
<b>Financial Investments measured at fair value through profit and loss</b>				
Equity Shares in The Shamrao Vitthal Co-operative Bank (100 shares of Rs 25 each)	-	-	0.0025	<b>0.0025</b>
Preference Shares in The Shamrao Vitthal Co-operative Bank (750,500 shares of Rs 10 each)	-	-	7.51	<b>7.51</b>
Equity Shares in The Vishweshwar Sahakari Bank (100 shares of Rs 50 each)	-	-	0.01	<b>0.01</b>
Government securities				
- Treasury Bill-364 Days	9.42	-	-	<b>9.42</b>
- Treasury Bill-182 Days	29.62	-	-	<b>29.62</b>
- Other Government securities	91.87	-	-	<b>91.87</b>

The following table presents the fair value measurement hierarchy of the Company's financial assets and liabilities as at March 31, 2022:

Particulars	Fair value measurement			Total
	Level 1	Level 2	Level 3	
<b>Financial Investments measured at fair value through profit and loss</b>				
Equity Shares in The Shamrao Vitthal Co-operative Bank (100 shares of Rs 25 each)	-	-	0.0025	<b>0.0025</b>
Preference Shares in The Shamrao Vitthal Co-operative Bank (750,500 shares of Rs 10 each)	-	-	7.51	<b>7.51</b>
Equity Shares in The Vishweshwar Sahakari Bank (100 shares of Rs 50 each)	-	-	0.01	<b>0.01</b>
Baroda Liquid Fund	52.94	-	-	<b>52.94</b>
Investment In Liquid Bees	65.01	-	-	<b>65.01</b>
LIC MF Liquid Fund	34.47	-	-	<b>34.47</b>

**P. N. Gadgil & Sons Limited****Notes to Financial Statements for the year ended March 31, 2023***(All amounts are in Rupees millions, unless otherwise stated)***34 Financial Risk Management**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans given, investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include deposits, investments, loans and borrowings and other financial instruments. Market risk comprises interest rate risk, currency risk and other price risk such as commodity price risk. The sensitivity analysis in the following sections relate to the position as at respective period end.

The following assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at each period end.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase / (decrease) in basis points	Effect on Profit/(Loss) before tax	Effect on Other Equity
For the year ended March 31, 2023	50 (50)	(0.95) 0.95	(0.71) 0.71
For the year ended March 31, 2022	50 (50)	(7.03) 7.03	(5.26) 5.26

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities on account of purchase of gold. The Company enters into foreign currency futures to minimize the risk.

The Company has no outstanding exposure as at reporting period.

Since the purchase based on foreign currency rates is negligible to the total purchases the fluctuations in the foreign exchange rate does not have any material impact on the profitability of the Company.

**Commodity price risk**

The Company is affected by the price volatility of commodities like gold and silver. Its operating activities require the ongoing purchase and sale of these commodities. The Company uses derivative financial instruments to manage risk associated with the commodity price fluctuations. The hedging transaction is mainly done against price risk on exposure of the commodity. All such derivative financial instruments are supported by an underlying stock and are not for speculation / trading.

The risk management strategy against gold price fluctuation also includes procuring gold on loan basis, with a flexibility to fix price of gold at any time during the tenure of the loan.

### ***Credit risk***

exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institution and other financial instruments.

### ***Trade receivables***

Outstanding customer receivables are regularly monitored.

the carrying value of each class of financial assets.

### ***Financial instruments and cash deposits***

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made with banks in terms of fixed deposits and investment in designated mutual funds. Credit risk on cash deposits is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Other investments primarily include investment in liquid mutual fund units of reputed companies where historically, the Company has not incurred any loss due to credit risk.

### ***Liquidity risk***

of funding and flexibility through the use of bank overdrafts and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with

<b>Particulars</b>	<b>On Demand</b>	<b>Within 1 year</b>	<b>1-5 years</b>	<b>Total</b>
<b>As at March 31, 2023</b>				
Borrowings	1,586.63	52.95	500.74	<b>2,140.32</b>
Trade and Other Payables	611.63	-	-	<b>611.63</b>
Other Current Liabilities	4,592.22	-	-	<b>4,592.22</b>
<b>Total</b>	<b>6,790.48</b>	<b>52.95</b>	<b>500.74</b>	<b>7,344.18</b>
<b>As at March 31, 2022</b>				
Borrowings	2,688.83	77.55	929.02	<b>3,695.39</b>
Trade and Other Payables	460.18	-	-	<b>460.18</b>
Other Current Liabilities	3,545.69	-	-	<b>3,545.69</b>
<b>Total</b>	<b>6,694.70</b>	<b>77.55</b>	<b>929.02</b>	<b>7,701.26</b>



**P. N. Gadgil & Sons Limited**

Notes to Financial Statements for the year ended March 31, 2023

(All amounts are in Rupees millions, unless otherwise stated)

**P. N. GADGIL  
& SONS**

1832

Gold | Silver | Diamonds

**35 Related party disclosures**

In compliance with Ind AS-24 – “Related Party Disclosures”, as notified under Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 the required disclosures are given in the table below :

**A. Name of related parties**

Related Party	Relation
<b><u>Para 9(a)(ii): Individuals having Significant influence over Reporting Entity(RE)</u></b>	
Govind Vishwanath Gadgil	54.88% shares of company
Renu Govind Gadgil	45.03% shares of company
<b><u>Para 9(a)(iii): Individuals who are KMP of RE or KMP of Parent of RE</u></b>	
Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter
Renu Govind Gadgil	Whole Time Director & Promoter
Amit Yeshwant Modak	Whole Time Director & Chief Executive Officer
Aditya Amit Modak	Chief Financial Officer
Apurva Joshi	Company Secretary (till 01-11-2022)
Neha Boid	Company Secretary (from 01-11-2022)
<b><u>Relatives of KMP's</u></b>	
Anjali Vishwanath Gadgil	Sister of Govind Gadgil
Sunita Amit Modak	Wife of Amit Yeshwant Modak
Mugdha Aditya Modak	Wife of Aditya Amit Modak
Dhirendra Boid	Husband of Neha Boid
Mohini Wadadekar	Sister of Amit Yeshwant Modak
<b><u>Para 9(b)(vi): Individual RP as per Para 9a has control over another entity</u></b>	
Gadgil Metals & Commodities	Govind Gadgil - Partner (Partnership firm)
Bhide Gadgil Associates	Govind Gadgil - Partner (Partnership firm)
Puneet Shares & Finance Private Limited	Renu and Govind Gadgil - Director
Shree Construction Company	Govind Gadgil - Partner (Partnership firm)
Bhide Gadgil Developers	Govind Gadgil - Partner (Partnership firm)
Govind Vishwanath Gadgil (HUF)	Govind Gadgil - Karta (HUF)
Abhiruchi Fun & Food Village Pvt. Ltd.	Govind Gadgil - Member
PNGS Gargi Fashion Jewellery Ltd	Govind Gadgil, Amit Modak and Aditya Modak - Directors
P.N. Gadgil Art & Culture Foundation	Govind Gadgil, Renu Gadgil - Directors

**P. N. Gadgil & Sons Limited**  
Notes to Financial Statements for the year ended March 31, 2023  
(All amounts are in Rupees millions, unless otherwise stated)

**35 Related Party transactions**

The following is the summary of transactions with related parties for the period ended March 31, 2023

Sr.No.	Transactions with related parties	Relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
			Transaction for the year	
1	<b>Sale of Goods</b>			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	0.73	-
	Renu Govind Gadgil	Whole Time Director & Promoter	0.06	0.01
	Amit Yeshwant Modak	Whole Time Director & Chief Executive Officer	0.02	0.70
	Aditya Amit Modak	Chief Financial Officer	0.10	0.82
	Apurva Joshi	Company Secretary	0.05	0.02
	PNGS Gargi Fashion Jewellery Ltd	Related Entity	0.75	63.82
	Sunita Amit Modak	Wife of Amit Yeshwant Modak	-	0.02
	Neha Boid	Company Secretary	0.06	-
	Mugdha Aditya Modak	Wife of Aditya Amit Modak	0.01	-
	Mohini Wadadekar	Sister of Amit Yeshwant Modak	0.07	-
	Dhirendra Boid	Husband of Neha Boid	0.18	-
	Anjali Vishwanath Gadgil	Sister of Govind Gadgil	0.04	-
	<b>Total:</b>		<b>2.07</b>	<b>65.38</b>
2	<b>Purchase of Goods</b>			
	Aditya Amit Modak	Chief Financial Officer	0.01	0.28
	Neha Boid	Company Secretary	0.04	-
	Apurva Joshi	Company Secretary	-	0.04
	PNGS Gargi Fashion Jewellery Ltd	Related Entity	1.93	0.10
<b>Total:</b>		<b>1.98</b>	<b>0.41</b>	
3	<b>Salaries and allowances to KMP's</b>			
	Aditya Amit Modak	Chief Financial Officer	5.94	3.23
	Apurva Joshi	Company Secretary	0.48	0.70
	Neha Boid	Company Secretary	0.22	-
<b>Total:</b>		<b>6.64</b>	<b>3.93</b>	
4	<b>Director remuneration</b>			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	148.00	94.00
	Renu Govind Gadgil	Whole Time Director & Promoter	118.00	59.00
	Amit Yeshwant Modak	Whole Time Director & Chief Executive Officer	34.70	12.40
	<b>Total:</b>		<b>300.70</b>	<b>165.40</b>
5	<b>Loans accepted from KMP</b>			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	485.00	372.50
	Renu Govind Gadgil	Whole Time Director & Promoter	1,010.00	397.58
	Amit Yeshwant Modak	Whole Time Director & Chief Executive Officer	34.03	-
<b>Total:</b>		<b>1,529.03</b>	<b>770.08</b>	
6	<b>Loan repaid to KMP</b>			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	510.00	407.50
	Renu Govind Gadgil	Whole Time Director & Promoter	1,090.00	427.50
	Amit Yeshwant Modak	Whole Time Director & Chief Executive Officer	26.05	-
<b>Total:</b>		<b>1,626.05</b>	<b>835.00</b>	
7	<b>Interest Paid on loan to KMP</b>			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	0.89	2.49
	Renu Govind Gadgil	Whole Time Director & Promoter	1.84	3.31
	Amit Yeshwant Modak	Whole Time Director & Chief Executive Officer	0.90	-
<b>Total:</b>		<b>3.63</b>	<b>5.80</b>	

8	<b>Interest Paid on Escrow A/c to KMP</b>			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	1.79	1.68
	Renu Govind Gadgil	Whole Time Director & Promoter	1.08	1.11
	<b>Total:</b>		<b>2.87</b>	<b>2.80</b>
9	<b>Lease Rent</b>			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	30.77	21.56
	Renu Govind Gadgil	Whole Time Director & Promoter	9.74	8.72
	Abhiruchi Fun & Food Village Pvt. Ltd.	Govind Gadgil - Member	12.66	-
	<b>Total:</b>		<b>53.17</b>	<b>30.28</b>
10	<b>Common Area Maintenance Charges</b>			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	21.23	14.79
	Renu Govind Gadgil	Whole Time Director & Promoter	6.83	5.82
	Abhiruchi Fun & Food Village Pvt. Ltd.	Govind Gadgil - Member	1.03	-
	<b>Total:</b>		<b>29.09</b>	<b>20.60</b>
11	<b>Collection of Revenue for company</b>			
	PNGS Gargi Fashion Jewellery Ltd	Related Entity	12.05	-
	<b>Total:</b>		<b>12.05</b>	<b>-</b>
12	<b>Collection of Revenue by company</b>			
	PNGS Gargi Fashion Jewellery Ltd	Related Entity	23.72	-
	<b>Total:</b>		<b>23.72</b>	<b>-</b>
13	<b>Commision</b>			
	PNGS Gargi Fashion Jewellery Ltd	Related Entity	22.34	-
	<b>Total:</b>		<b>22.34</b>	<b>-</b>
14	<b>Facility Charges</b>			
	PNGS Gargi Fashion Jewellery Ltd	Related Entity	3.40	-
	<b>Total:</b>		<b>3.40</b>	<b>-</b>
15	<b>Reimbursement received</b>			
	PNGS Gargi Fashion Jewellery Ltd	Related Entity	0.16	1.23
	P.N. Gadgil Art & Culture Foundation	Related Entity	1.19	-
	<b>Total:</b>		<b>1.34</b>	<b>1.23</b>
16	<b>Payable for Gratuity Obligation</b>			
	PNGS Gargi Fashion Jewellery Ltd	Related Entity	0.05	-
	<b>Total:</b>		<b>0.05</b>	<b>-</b>
17	<b>Advance given &amp; returned</b>			
	P.N. Gadgil Art & Culture Foundation	Related Entity	2.50	-
	<b>Total:</b>		<b>2.50</b>	<b>-</b>
18	<b>Purchase of Asset</b>			
	Aniruddha Joshi	Husband of Apurva Joshi	0.30	-
	<b>Total:</b>		<b>0.30</b>	<b>-</b>

The following is the summary of outstanding balances with related parties for the year ended March 31, 2023 and March 31, 2022:

Sr.No.	Outstanding balances with related parties	Relationship	For the year ended March	For the year ended March
			31, 2023	31, 2022
Outstanding for the year				
1	<b>Salary Payable</b>			
	Apurva Joshi	Company Secretary	-	0.06
	Aditya Amit Modak	Chief Financial Officer	-	2.09
	<b>Total:</b>		<b>-</b>	<b>2.16</b>
2	<b>Unsecured Loan</b>			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	-	25.00
	Renu Govind Gadgil	Whole Time Director & Promoter	-	80.00
	Amit Yeshwant Modak	Whole Time Director & Chief Executive Officer	7.98	-
	<b>Total:</b>		<b>7.98</b>	<b>105.00</b>
3	<b>Escrow A/c</b>			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	30.71	30.71
	Renu Govind Gadgil	Whole Time Director & Promoter	20.45	20.36
	<b>Total:</b>		<b>51.16</b>	<b>51.07</b>
4	<b>Security deposits</b>			
	Govind Vishwanath Gadgil	Chairman, Whole Time Director & Promoter	13.53	13.53
	Renu Govind Gadgil	Whole Time Director & Promoter	3.30	5.10
	Abhiruchi Fun & Food Village Pvt. Ltd.	Govind Gadgil - Member	6.39	6.39
	<b>Total:</b>		<b>23.22</b>	<b>25.02</b>
5	<b>Payables</b>			
	Abhiruchi Fun & Food Village Pvt. Ltd.	Govind Gadgil - Member	0.11	-
	PNGS Gargi Fashion Jewellery Ltd	Related Entity	0.02	0.11
	<b>Total:</b>		<b>0.13</b>	<b>0.11</b>
6	<b>Receivables</b>			
	Govind Vishwanath Gadgil- Rent	Chairman, Whole Time Director & Promoter	0.14	-
	Renu Govind Gadgil	Whole Time Director & Promoter	0.01	-
	<b>Total:</b>		<b>0.15</b>	<b>-</b>

**P. N. Gadgil & Sons Limited**

**Notes to Financial Statements for the year ended March 31, 2023**

(All amounts are in Rupees millions, unless otherwise stated)

**36 Segment Information**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's Board of Directors (BOD), which has been identified as being the Chief Operating Decision Maker (CODM), to make decisions about resources to be allocated to the segments and assess their performance.

The Company is into jewellery business. The CODM evaluates the Company's performance and allocates resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore there is no reportable segment for the Company as per the requirements of Ind AS 108 "Operating Segments".

*Information about geographical areas*

The Company has operations only in India; hence there are no separately reportable geographical segments for the Company as per the requirements of Ind AS 108 – "Operating Segments".

*Information about major customers*

There is no single customer or customer group who accounts for more than 10% of the total revenue of the Company.

**37 Hedging activities and derivatives**

The Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions.

The Company uses foreign currency derivative contracts to manage its exposure against the foreign currency risk relating to prices of gold.

The Company enters into commodity derivative contracts to manage its exposure to the variability of cash flows, primarily related to future sales and purchase of commodities.

The Company does not apply hedge accounting on such relationships.

The realized gains (amount) from such derivative transactions are:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Hedging Mark To Mark (Loss) / Gain</b>		
Commodity	80.38	99.87
Currency	(44.25)	30.08

### 38 Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating in order to support its business activities and maximize brand value.

The Company manages its capital and makes adjustments to it in light of the changes in economic and market conditions.

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Shareholders' Funds</b>		
Equity Share Capital	337.71	337.71
Reserves and Surplus	5,504.41	4,374.56
<b>Total Equity</b>	<b>5,842.11</b>	<b>4,712.27</b>

### 39 Outstanding dues to micro, small and medium enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:

The Company has determined dues to Micro, Small and Medium Enterprises on the basis of information collected from its suppliers as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount remaining unpaid	76.85	29.06
Interest Due thereon	-	-

### 40 Treatment of Partner's Capital in the erstwhile partnership firm on conversion to Company

On conversion from a partnership firm under Chapter XXI of the Companies Act, 2013, fixed capital of the partners as on November 6, 2017 has been taken as the equity share capital of the Company. Current capital of partners has been treated as unsecured loans.

The Company has set aside amounts in Promoters' ESCROW accounts from the total loans outstanding to them as at March 31, 2023 to cover costs for uncertain future liabilities that may arise, if any, pertaining to erstwhile partnership firm.

#### 41 Gold Metal Loan

In September 2015, the Government of India approved the gold monetization plan in the form of revamped Gold Deposit Scheme (GDS) and the Gold Metal Loan (GML) Scheme to mobilize tons of gold stored in households and temples across the country. The Union Cabinet also approved the introduction of Sovereign Gold Bond Scheme, under which gold bonds denominated in grams of gold will be issued to individuals by the Reserve Bank of India (RBI), in consultation with Ministry of Finance.

Metal loan: The Company has an arrangement with the approved banker for lifting gold under metal loan terms against a limit under “price unfixed basis” and opts to fix the price for gold taken under loan within 180 days at delivery.

However, based on business expediencies, the Company fixes the price within 180 days, whenever the price is favourable. The price difference arising out of such transactions are accounted in the purchase cost adjusted accordingly. The interest if any payable to bankers on such outstanding is treated as finance cost on accrual basis

Gold Metal Loan facility is enjoyed by creating a lien on the fixed deposit created with the bank out of own funds so as to reduce the inventory carrying cost.

The other income have increased substantially due to interest received on fixed deposit kept as collateral with the bank for the Gold Metal Loan.

At the quarter ended March 31, 2023 there is an amount outstanding of Rs 1966.46 million for such Gold Metal Loan, which is considered as Other Financial Liability against which Fixed Deposits are created by the company. Considering the impact of IND AS it is observed that such GML as financial instruments within the scope of IND AS 109 and the amount payable to such approved banker is in cash and hence the same is a Financial Liability.

The Host Contract i.e., the loan has two embedded derivative:

- Right to fix gold rate.

- The prices are fixed in USD which is not a functional currency of either the Company or approved banker.

The Right to fix the gold rate has economic characteristics that is similar to the host contract. The pricing mechanism in the contract is commonly used in the industry when the contracts are negotiated. Thus, separation of embedded derivative is not required.

The company has assessed that USD is the currency in which the price of the gold is routinely denominated in commercial transactions around the world. Hence the risk in foreign currency fluctuation –USD is closely related to the host contract.

Since the embedded derivatives are closely linked to the host contract, separation is not required. The company considers the contract as financial liability and thus measure the entire liability at fair value through profit and loss account.

As per our report of even date

**For Khandelwal Jain & Associates**

**Chartered Accountants**

Firm Registration No: 139253W

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

**P. N. Gadgil & Sons Limited**

CIN: U36911PN2017PLC173262

**Rajendra G. Nahar**

Partner

Membership No: 031177

Place : Pune

Date : 24-06-2023

**Govind Gadgil**

Chairman and

Whole Time Director

DIN: 00616617

Place: Pune

Date : 24-06-2023

**Amit Modak**

Whole Time Director &

Chief Executive Officer

DIN: 00396631

Place: Pune

Date : 24-06-2023

**Aditya Modak**

Chief Finance Officer

Place: Pune

Date : 24-06-2023

**Neha Boid**

Company Secretary

Membership No:

A54111

Place: Pune

Date : 24-06-2023

**P. N. Gadgil & Sons Limited**

Notes to Financial Statements for the period ended 31st March 2023

(All amounts are in Rupees millions, unless otherwise stated)

**P. N. GADGIL  
& SONS**

1832

Gold | Silver | Diamonds

**42 Trade Receivables ageing schedule**

**For March 31, 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	719.19	17.11	0.72	3.90	8.58	<b>749.50</b>
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	3.76	1.73	9.53	<b>15.02</b>
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

**For March 31, 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	326.44	2.55	0.20	-	-	<b>329.19</b>
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	3.76	1.73	7.53	<b>13.02</b>
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-



**P. N. Gadgil & Sons Limited**

Notes to Financial Statements for the period ended 31st March 2023

*(All amounts are in Rupees millions, unless otherwise stated)***43 Trade Payables ageing schedule****For March 31, 2023**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	76.85	-	-	-	<b>76.85</b>
(ii) Others	525.98	3.66	0.77	4.37	<b>534.78</b>
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-

**For March 31, 2022**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	29.01	0.05	-	-	<b>29.06</b>
(ii) Others	428.50	1.50	0.81	0.30	<b>431.12</b>
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-



**P. N. GADGIL  
& SONS**

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Gold | Silver | Diamonds

**P. N. Gadgil & Sons Limited**

Notes to Financial Statements for the year ended March 31, 2023

(All amounts are in Rupees millions, unless otherwise stated)

**44 CSR Expenditure**

As per provisions of section 135 of the Companies Act, 2013, the company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013.

The company has contributed a sum of Rs 28.75 millions (March 31, 2022 : Rs 29.97 millions) for the period towards this cause and charged the same to the statement of Profit and Loss. Out of the Rs 28.75 millions spent, the sum of 1.33 millions is towards shortfall of last year CSR expenditure, therefore amount spent for the current year is spent for the current year Rs 27.42 millions. The gross amount required to be spent during the period was Rs 27.25 millions.

Particulars	Amounts	
	March 31, 2023	March 31, 2022
Amount required to be spent as per Section 135 of the Act	27.25	23.95
Amount spent during the year	27.42	22.62
Excess/(Shortfall) at the year end	0.17	(1.33)

\*The gross amount required to be spent during the previous year (31st March 2022) was Rs 23.95 millions. The company had spent only 22.62 millions in the previous year and the unspent amount of Rs 1.33 millions was spent in FY 2022-23 before 30th September, 2022 on ongoing project with Chhatrapati Shivaji Maharaj Vastu Sangrahalaya. As per the provisions of the Companies Act 2013, and Companies (CSR Policy) Amendment Rules, 2021, the Company is required to spend the unspent amount within three financial years from the date of such transfer and company has complied with the same.

**Reason for Shortfall (for FY 21-22):** As per the explanation provided by management of the company, they decided to spend the remaining amount of Rs 1.33 millions on ongoing project with Chhatrapati Shivaji Maharaj Vastu Sangrahalaya i.e. for protection of national heritage. The decision in this regard was taken in the CSR Committee meeting held on 02nd November, 2021. The Company had issued a cheque of Rs. 0.5 millions in the month of April, 2022 for the said ongoing project with Chhatrapati Shivaji Maharaj Vastu Sangrahalaya. Due to technical glitch, the Company has failed to create Fixed Deposit of Rs. 0.83 millions on or before 30th April, 2022 of its ongoing project. But later, company has created the fixed deposit amounting Rs 0.85 millions as on 22nd June, 2022 for the same.

**Details of CSR expenditure spent during the current year (related to previous year) on ongoing CSR projects under Section 135 of the Act**

Balance as at April 1, 2022		Amount required to be spent during the period	Amount spent during the period		Balance as at March 31, 2023	
With the Company	In Fixed Deposits		From the Company's bank account	From Separate CSR Unspent account	Balance to be spent	From Separate CSR Unspent account
0.50	0.85*	1.33	0.50	0.85	-	-

\*Fixed deposit was created as on 22nd June, 2022.

**Details of CSR expenditure for the current year under Section 135(5) of the Act in respect of other than ongoing projects**

Name of Project	Item from the list of Activities in Schedule VII to the Companies Act	Amount Spent during the year
Eradicating Hunger	Schedule VII (i)-Eradicating hunger and malnutrition	5.99
Construction of School Building	Schedule VII (ii)-Promoting education	11.50
Cultural Activities	Schedule VII (v)-Protection of culture	2.69
Protection of Paintings, Protection of National Heritage	Schedule VII (v)-Protection of National Heritage, art and culture	1.25
Protection of National Heritage	Schedule VII (v)-Protection of National Heritage	0.52
Workshop for special kids	Schedule VII (ii)-Promoting education, including special education amongst children	0.02
Provision of transport facility to orphanage	Schedule VII (iii)-Provision of other facilities	0.65
Empowering education through Mesh Network	Schedule VII (ii)-Promoting education	0.02
Cultural Activity	Schedule VII(v)-Protection of art and culture	1.80
Training for upcoming badminton players	Schedule VII (vii)-Training to promote nationally recognised sports	1.30
Relief for poor	Schedule VII (i) and (ii) Eradicating hunger, poverty, Promoting setup of old age homes	1.70
<b>Total</b>		<b>27.42</b>
<b>a) Total Amount Spent for the current year</b>		<b>27.42</b>
<b>b) Total Amount Spent during the current year (a) + on ongoing project of previous year</b>		<b>28.75</b>

**45 Ratios**

Ratio	Numerator	Denominator	For the year ended March 31, 2023	For the year ended March 31, 2022	% Variance	Reason for Variance
(a) Current Ratio	Current Assets	Current Liabilities	1.68	1.69	-0.66%	-
(b) Debt-Equity Ratio	Total Debt	Shareholder's Funds	0.37	0.78	-53.28%	Decreased primarily due to repayment of borrowings.
(c) Debt Service Coverage Ratio	Net Profit after Tax+Non Operating expenses like Depreciation, amortization + Interest	Interest +lease payments +Installments	4.15	3.89	6.67%	Increased primarily due to repayment of borrowings.
(d) Return on Equity Ratio	Net Profit after Tax	Average Shareholder's Funds	21.15%	24.52%	-13.74%	-
(e) Inventory turnover ratio	Cost of Goods Sold	Average Inventory	3.18	2.82	12.94%	-
(f) Trade Receivables turnover ratio	Revenue from Operations	Average Accounts Receivable	187.52	314.16	-40.31%	Decreased primarily due to increase in credit sales
(g) Trade Payables turnover ratio	Purchases	Average Accounts Payable	127.65	94.75	34.71%	Decreased primarily due to increase in credit purchases
(h) Net capital turnover ratio	Turnover (Revenue from Operations)	Working Capital	21.49	11.96	79.75%	Increased primarily due to increase in revenue from operations
(i) Net profit ratio	Net Profit after Tax	Revenue from Operations	1.10%	1.82%	-39.33%	Decreased primarily due to increase in revenue but lower profit margins
(j) Return on Capital employed	Earning Before Interest and Taxes	Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	22.30%	19.89%	12.10%	Increased due to higher operating profit
(k) Return on investment	Income generated from invested funds	Average invested funds in treasury investments	3.80%	2.56%	48.51%	Increased primarily due to high return on investments

Note 1 : In the calculation of debt service ratio installments of unsecured loan are not considered as loan is repayable on demand

# Our Showrooms

## **Aundh**

020-25881555 / 56

## **Bhosari**

020-27110291 / 92

## **Kothrud**

020-25422202 / 4

## **Chinchwad**

020-27353444 / 6

## **Satara Road**

020-29704400

## **Sinhagad Road**

020-24612151

## **Amravati**

0721-2568050 / 51

## **Badalapur**

8956861234

## **Beed**

02442-220789 / 221789

## **Dhule**

02562-229121 / 22

## **Dombivli**

0251- 2440031 / 51 / 61

## **Jalgaon**

0257-2214543 / 44

## **Kalapuragi**

08472-231808 / 232808

## **Mumbai**

022-24385090 / 91

## **Nashik**

0253-2571001

## **Nashik Road**

0253-2454500 / 2454400

## **Narayangaon**

02132-245001

## **Nandurbar**

02564-222289

## **Osmanabad**

02472-226651 / 52

## **Pandharpur**

02186-223383

## **Parbhani**

02452-225508 / 10

## **Phaltan**

02166 - 225205

## **Sangamner**

02425-224914 / 15

## **Satara**

02162-231022 / 23

## **Shirdi**

02423 - 255031

## **Shirur**

02138-223303

## **Solapur**

0217-2317733 / 2319933

## **Vadodara**

0265-2340888

## **Wardha**

07152-231244 / 231644

toll free - 1800 233 0888



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