

75th



**ANNUAL REPORT
2020-21**

ECE INDUSTRIES LIMITED



DIRECTORS

Mr. Prakash Kumar Mohta - MD
Mr. Mahendra Kumar Jajoo
Mr. Yogesh D. Korani

Mr. Sakate Khaitan
Mrs. Maulashree Gani
Mr. Anant S. Jatia

EXECUTIVES

Mr. Rajat Sharma	President & CFO
Mr. Manish Sikka	President - (Elevator Division-Ghaziabad)
Mr. H.M. Mot	President - (Transformer Division-Hyderabad)
Mr. Pravin Rane	President - (Transformer Division-Sonepat)
Mr. A.V. Ramachandran	President - (Transformer Design and Development)

REGISTERED OFFICE

"ECE HOUSE"
28-A, Kasturba Gandhi Marg
New Delhi - 110001

REGISTRAR

MAS Services Limited
T-34, II Floor, Okhla Industrial Area
Phase-II, New Delhi - 110020

BANKERS

Bank of Baroda
Canara Bank
Central Bank of India
ICICI Bank

AUDITORS

VSD & Associates
Chartered Accountants
DD-34, Basement, Kalkaji
New Delhi - 110019

PLANTS & PRODUCTS

SONEPAT	Transformers and Switchgears
GHAZIABAD	Elevators & Other Components
HYDERABAD	Transformers
KOLKATA	Switchgears

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NOTICE

TO MEMBERS

NOTICE is hereby given that the 75th (Seventy Fifth) Annual General Meeting ("Meeting") of the Members of ECE Industries Limited ("the Company") will be held on Thursday, 18th day of November, 2021 at 03.00 P.M. IST through Video Conferencing ("VC")/ Other Audio- Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the financial year ended on March 31, 2021 together with the Report of the Board of Directors and the Auditors thereon.**

"RESOLVED THAT the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the financial year ended March 31, 2021 together with the Directors' Report and the Auditor's Report thereon as presented to the meeting be and are hereby approved and adopted."

2. **To consider declaration of dividend on the Equity shares of the Company for the financial year ended 31st March, 2021.**

"RESOLVED THAT the final dividend @ 40% (i.e.Rs. 4/- per share) on 72,88,645 Fully Paid Equity Shares to be paid to the shareholders of the company for the financial year ended March 31, 2021."

3. **To appoint a Director in place of Mr. Sakate Khaitan (DIN: 01248200), who retires by rotation and being eligible, offers himself for re-appointment.**

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Sakate Khaitan (DIN: 01248200), who retires by rotation and being eligible offer himself for re-appointment be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

SPECIAL BUSINESS

4. **To approve remuneration payable to Mr. Sakate Khaitan (DIN: 01248200) as a Non-executive Director**

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

"RESOLVED THAT pursuant to the provisions of Section 177, 178, 188, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with Articles of Association of the Company and having recommendation of the Nomination & Remuneration Committee and by approval of Audit Committee and Board of Directors on April 09, 2021, the consent of Shareholders be and is hereby accorded for payment of remuneration to Mr. Sakate Khaitan (DIN: 01248200), Non-Executive Director of the Company for a period of upto 3 years w.e.f. April 01, 2021, as a minimum remuneration of Rs. 60.00 Lakh (Rupees Sixty Lakh Only) per annum plus 2% of Elevator business annual profit and also reimbursement of air travelling expenses on such terms and conditions as set out in Explanatory Statement."

"RESOLVED FURTHER THAT Mr. Sakate Khaitan, Director of the company will be looking into affairs of Elevator business of the company to advise & guide in professional capacity."

"RESOLVED FURTHER THAT subject to the minimum remuneration as stated above, the aggregate amount of remuneration payable to him in a financial year shall be subject to the overall ceiling laid down under Section 197 read with Schedule V of the Act and rules made thereunder, as amended from time to time."

"RESOLVED FURTHER THAT the terms and conditions relating to the appointment and remuneration of Mr. Sakate Khaitan as set out be and are hereby approved in accordance with Schedule V of the Companies Act, 2013 and rules made thereunder and as mutually decided by the board."

"RESOLVED FURTHER THAT the consent of the shareholders of the Company be and are hereby accorded that in case of no profits or inadequacy of profits in any financial year, Mr. Sakate Khaitan shall be paid the remuneration as set out above as the minimum remuneration permissible in terms of Section 200 and Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment and remuneration of Mr. Sakate Khaitan, including the components of remuneration payable to him subject to the overall limit as set out



in the Explanatory Statement and duly approved by the shareholders of the Company."

RESOLVED FURTHER THAT Mr. Mahendra Kumar Jajoo, Director or Mr. Yogesh Dahyalal Korani, Director or Mr. Rajat Sharma, President & CFO of the Company be and are hereby authorized severally to sign, execute and file the required e-forms with the Registrar of Companies and Ministry of Corporate Affairs, Government of India and to do all such acts, deeds and things to give effect to the above resolution".

5. **To approve employment of Mr. Prakash Kumar Mohta (DIN: 00191299) Managing Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Shareholders be and is hereby accorded for the continuation of the employment of Mr. Prakash Kumar Mohta (DIN : 00191299) as a Managing Director of the Company on attaining the age of 70 years on the same terms and conditions of appointment and remuneration as approved by the shareholders at the 74th Annual General Meeting of the Company held on December 31, 2020."

"RESOLVED FURTHER THAT Mr. Mahendra Kumar Jajoo, Director or Mr. Yogesh Dahyalal Korani, Director or Mr. Rajat Sharma, President & CFO of the company be and are hereby authorized severally to sign, execute and file the required e-forms with the Registrar of Companies and Ministry of Corporate Affairs, Government of India and to do all such acts, deeds and things to give effect to the above resolution".

6. **To ratify the remuneration of M/s K.L. Jaisingh & Co., Cost Auditor of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the Company hereby ratifies the consolidated remuneration (apart from applicable taxes and reimbursement of actual travel and out-of-pocket expenses) of Rs 50,000 (Rupees Fifty Thousand only) payable to M/s K.L. Jaisingh & Co., Cost Accountants bearing Membership No 1222 being the Cost Auditors appointed by the Board of Directors of the Company to conduct the cost audit for the financial Year ending 31st March, 2022,."

RESOLVED THAT the Board of Directors be and is hereby authorized to do all acts, deeds and things as may be necessary to give effect to this resolution.

7. **To grant the loans under Section 185 of the Companies Act, 2013 to the Companies in which Managing Director of the Company having Interest**

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

"RESOLVED THAT pursuant to the provisions of Section 179(3), 185 and all other applicable provisions, if any of the Companies Act, 2013 read with the Rules made thereunder, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, the approval of the members of the Company be and is hereby accorded to give loan to M/s Diplomat Limited and/or M/s Indo Asian Securities Private Limited (hereinafter referred to as "the Borrowing Companies") to the extent of Rs. 15,00,00,000/- (Rupees Fifteen Crores only) in one or more tranches to be utilized for their principal business activities by the Borrowing Companies, in which Prakash Kumar Mohta, Managing Director of the Company is interested in.

RESOLVED FURTHER THAT Mr. Mahendra Kumar Jajoo, Director or Mr. Yogesh Dahyalal Korani, Director or Mr. Rajat Sharma, President & CFO be and are hereby severally authorized to negotiate, finalize and agree the terms and conditions of the aforesaid loan and to take all necessary steps, to execute all such documents, deeds, instruments and writings and to file necessary returns/ forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution."

8. **To approve cancellation of existing unissued authorized Preference and Equity shares and increase in authorized Preference shares**

To Consider, and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification or re-enactment thereof, for the time being in force) and the provisions of Memorandum of Association and Articles of Association of the Company, the consent of the members be and is hereby accorded to the cancellation of existing unissued authorized Preference and Equity shares and increase in authorized Preference shares from INR 15,00,00,000/- (Rupees Fifteen Crore only)

divided into 1,45,00,000 (One Crore Forty Five Lakh only) Equity Shares of face value INR 10/- (Rupees Ten only) each and 50,000 (Fifty Thousand only) Preference Shares of face value INR 100/- (Rupees Hundred only) each to INR 15,00,00,000/- (Rupees Fifteen Crore only) divided into 1,43,00,000 (One Crore Forty Three Lakh only) Equity Shares of face value INR 10/- (Rupees Ten only) each and 7,00,000 (Seven Lakh only) Preference Shares of face value INR 10/- (Rupees Ten only) each.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 13 and other applicable provisions, if any, the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

"The Capital of the Company is INR 15,00,00,000/- divided into 1,43,00,000 Equity Shares of INR 10/- each and 7,00,000 Preference Shares of INR 100/- each, with power to subdivide, consolidate, and increase and with power from time to time issue any share of the original capital or any new capital with and subject to any preferential, or special rights, privileges, or conditions as may be thought fit and upon the sub-division of a share to apportion the right to participate in profits in any manner as between the shares resulting from such sub-division."

RESOLVED FURTHER THAT Mr. Prakash Kumar Mohta, Managing Director or Mr. Mahendra Kumar Jajoo, Director or Mr. Yogesh Dahyalal Korani, Director or Mr. Rajat Sharma, President & CFO be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents and writings, as may be necessary or incidental thereto including paying such fees and incurring such expenses in relation thereto as it may deem appropriate and to file such documents, forms, etc., as required with the regulatory/statutory authorities and authorize any other officials of the Company to give effect to this Resolution."

9. **To approve alteration of Clause II of the Article of Association of the Company**

To Consider, and if thought fit, to pass with or without modification, the following Resolution as Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the members of the Company be and is hereby accorded for alteration of Articles of Association of the Company by substituting the existing Clause II thereof by the following new Clause II as under:

"1. The Share Capital of the Company is INR 15,00,00,000/- divided into:

- (a) *Preference Share Capital*
7,00,000 Preference Shares of INR 100/- each and
- (b) *Equity Share Capital*
1,43,00,000 Equity Shares of INR 10/- each"

RESOLVED FURTHER THAT Mr. Prakash Kumar Mohta, Managing Director or Mr. Mahendra Kumar Jajoo, Director or Mr. Yogesh Dahyalal Korani, Director or Mr. Rajat Sharma, President & CFO be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents and writings, as may be necessary or incidental thereto including paying such fees and incurring such expenses in relation thereto as it may deem appropriate and to file such documents, forms, etc., as required with the regulatory/statutory authorities and authorize any other officials of the Company to give effect to this Resolution."

Place : New Delhi

Dated: 22.09.2021

Registered Office:

ECE House,
28-A, Kasturba Gandhi Marg, New Delhi – 110001.
CIN: U31500DL1945PLC008279
Email: ecehodelhi1@gmail.com
Website: www.eceindustriesltd.com
Tel. No.: (+91-11) 233142 37-39
Fax: (+91-11) 23310410

By Order of the Board of Directors

(Prakash Kumar Mohta)
Managing Director
DIN: 00191299



NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding) Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.eceindustriesltd.com, The Notice can also be accessed from the websites of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 15th November, 2021 at 9.00 A.M. and ends on 17th November, 2021 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e 11th November, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 11th November, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDEAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsd.com/. Select "Register Online for IDEAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.



Type of shareholders	Login Method
	<p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to tumul11@yahoo.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please send signed request with Folio No., Name of shareholder, scanned copy of any one share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@masserv.com.
2. In case shares are held in demat mode, please update your email id with your depository. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at ecehodelhi1@gmail.com. The same will be replied by the company suitably.

Place : New Delhi

Dated: 22.09.2021

By Order of the Board of Directors

(Prakash Kumar Mohta)

Managing Director

DIN: 00191299



ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (2) OF THE COMPANIES ACT, 2013****Item No. 4 :**

The Board of Directors (based on the recommendations of Nomination & Remuneration Committee) has approved the remuneration payable to Mr. Sakate Khaitan (DIN: 01248200) Non-Executive Director of the Company for a period of upto 3 years w.e.f. April 01, 2021, as a minimum remuneration of Rs. 60.00 lakh (Rupees Sixty lakh Only) per annum plus 2% of Elevator business annual profit and also reimbursement of air travelling expenses on such other terms and conditions as mentioned below:

- 1) Monthly remuneration : INR 5,00,000 (Rupees Five Lakh Only)
- 2) Reimbursement of actual air travelling expenses
- 3) 2% of annual net profit of Elevator business as performance incentive

Section 197 of the Companies Act, 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) permits payment of remuneration to the Non-Executive Directors of the Company, if the Company authorises such payment by way of a Special resolution of members.

Further following additional details required as per Secretarial standard 2 issued by ICSI:

Name of the Director: Mr. Sakate Khaitan

DIN: 01248200

Designation: Non-Executive Director

Age: 49 years

Nationality: Indian

Qualifications: Bachelor of Law, Member of Bar Council of India and MBA (Finance) from London Business School.

Experience/Profile: Mr. Sakate Khaitan is the senior partner of Khaitan Legal Associates and heads its corporate, insurance and financial services practice. He has extensive experience working with Indian and foreign companies, HNI's and Government Authorities/companies. He has won recognitions and awards for his funds, insurance, corporate & M&A work and sits on the board of listed companies and retail investment funds.

Terms and Conditions of appointment / re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person: Refer above

Date of first appointment on the Board : 27th May 2008

Shareholding in the Company : 200 Equity Shares

Relationship with other Directors, Manager and other Key Managerial Personnel of the Company: Mr. Prakash Kumar Mohta, Managing Director - Wife's Father, Mr. Maulashree Gani, Director - Wife's Sister

The number of Meetings of the Board attended during the year and other Directorships:1

Membership / Chairmanship of Committees of other Boards: IRCON Trading And Manufacturing Private Limited -Member/Director

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the members

Except Mr. Sakate Khaitan, being an appointee and his relative(s) being the Directors and shareholders of the Company and comprises in the category of relative or person acting in concert, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out in this item of the notice.

Item No.5:

Mr. Prakash Kumar Mohta was re-appointed as Managing Director of the Company by the members at the 74th Annual General Meeting held on December 31, 2020 for a period of 3 years from with effect from November 01, 2020.

He has already attained the age of 70 years and as a matter of abundant caution, it is proposed to obtain approval of the shareholders as per the provisions of Section 196(3) of Companies Act, 2013 for continuation of his employment as a Managing Director, on the same terms of appointment and remuneration as approved by members earlier in December 2020. Hence, a Special Resolution is proposed at Item No. 5 of the Notice. Mr. Prakash Kumar Mohta is an Executive Director of the Company and has been serving as a Director of the Company since January 2007. He has been actively involved in the operations of the Company. He has rich and varied experience of over 14 years. He has guided the Company through decades of diversification and growth.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

Except Mr. Prakash Kumar Mohta, being a continuing employee and his relative(s) being the Directors and shareholders of the Company and comprises in the category of relative or person acting in concert, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out in this item of the notice.

Item No.6:

The Board, on the recommendation of the Audit Committee, has approved the re-appointment of the Cost Auditors to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2022 at a remuneration of INR 50,000/- (Rupees Fifty Thousand Only) plus applicable taxes and actual out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.



The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution except and to the extent they are members of the Company.

Item No. 7

Pursuant to provisions of Section 185 of the Companies Act, 2013, a Company may advance any loan including any loan represented by book debt, or give any guarantee or provide any security in connection with any loan taken by any entity (said entity(ies) covered under the category of "a person in whom any of the director of the Company is interested" as specified in the explanation to Section 185(2) of the Companies Act, 2013, after passing a Special Resolution in the general meeting.

The Board, upon approval of the Audit Committee proposed to grant loan upto Rs. 15,00,00,000 (Rupees Fifteen Crores) in one or more tranches to M/s Diplomat Limited and/or M/s Indo Asian Securities Private Limited (hereinafter referred to as "the Borrowing Companies"), Companies in which Mr. Prakash Kumar Mohta, Managing Director of the Company is interested subject to the limit of Section 186 of the Companies Act, 2013. Further, the proposed loan shall be at the interest rate prevailing in the market and shall be used by the Borrowing Company for its principal business activities only.

The Board of Directors recommends resolution as set out in item No. 7 for approval of the members of the Company by way of passing a Special Resolution.

Except Mr. Prakash Kumar Mohta, being interested and his relative(s) being the Directors and shareholders of the Company and comprises in the category of relative or person acting in concert, none of the other Director and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the proposed resolution.

Item No. 8

The Board of Directors in its meeting held on September 22, 2021 recommended cancellation of existing unissued authorized Preference and Equity shares and increase in authorized Preference shares from INR 15,00,00,000/- (Rupees Fifteen Crore only) divided into 1,45,00,000 (One Crore Forty Five Lakh only) Equity Shares of face value INR 10/- (Rupees Ten only) each and 50,000 (Fifty Thousand only) Preference Shares of face value INR 100/- (Rupees Hundred only) each to INR 15,00,00,000/- (Rupees Fifteen Crore only) divided into 1,43,00,000 (One Crore Forty Three Lakh only) Equity Shares of face value INR 10/- (Rupees Ten only) each and 7,00,000 (Seven Lakh only) Preference Shares of face value INR 10/- (Rupees Ten only) each.

The provisions of the Companies Act, 2013 require the Company to seek the approval of the Members for re-organizing and cancelling the Authorized Share Capital and for the alteration of capital clause of the Memorandum of Association of the Company. The Board therefore, submits the resolution for your consideration and recommends it to be passed as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolutions, except to the extent of equity shares held by them in the Company.

Item No. 9

The Board of Directors of the Company at its meeting held on September 22, 2021 recommended that the existing Article of Association be altered with the text as set out in the resolution. Consent of the Members by way of Special Resolution is required for such alteration of Articles of Association in terms of the provisions of Section 14 of the Act.

The Board of Directors recommends the approval of the Resolution in Item No. 9 as Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution except and to the extent they are members of the Company.

Place : New Delhi

Dated: 22.09.2021

By Order of the Board of Directors

(Prakash Kumar Mohta)
Managing Director
DIN: 00191299



DIRECTORS' REPORT**TO THE MEMBERS**

Dear Members,

Your Directors have pleasure in presenting the 75th (Seventy Fifth) Annual Report on the business and operations of the Company with audited financial statements for the financial year ended March 31, 2021.

(₹ in Lakh)

FINANCIAL RESULTS

Particulars	STANDALONE		CONSOLIDATED	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Turnover (Gross)	37,482.42	30321.07	37940.40	30481.59
Profit / (Loss) before Depreciation & Tax	4,543.06	(1146.87)	4556.65	(1147.02)
Less: Depreciation	285.72	184.77	296.11	189.87
Profit/ (Loss) before Tax	4257.34	(1331.64)	4260.54	(1336.89)
Provision for :				
(i) Current Income Tax	730.63	72.02	734.13	73.02
(ii) Tax / MAT Charge / (Credit) for earlier years	(435.51)	-	(433.51)	-
(iii) Deferred Tax Charge / (Credit)	613.63	(390.41)	611.55	(391.64)
Profit for the year	3348.58	(1013.25)	3350.56	(1018.27)

IND AS - IFRS CONVERGED STANDARDS

Your Company has already adopted Indian Accounting Standards ("IND-AS") prescribed by the Institute of Chartered Accountants of India (ICAI) with effect from 1st April, 2017. Your Company has accordingly prepared IND-AS financials for the year ended 31st March, 2021 along with comparable figures as on 31st March, 2020.

HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS AND OPERATIONS

The sales turnover for the current year is Rs. 37482.42 lakh (Previous Year Rs. 30321.07 lakh). The Total Other Comprehensive Income for the year ended on 31st March, 2021 comes to Rs. 3891.29 lakh [Previous year Rs. (1774.11) lakh (Loss)]. During the year 2019-20, your company has upgraded Transformer manufacturing facilities and made huge investment through internal accruals. We are now able to participate in wide range of tenders for supply of big transformers to State Electricity Boards. Using of advanced techniques in eliminating transformer moisture and in testing equipment have reduced overall production time and cost. Your company is expected to achieve more turnover in Transformer business in coming years.

In Elevator business, after introducing gearless machines with permanent magnets, your company now reached to new heights in Elevator bookings. Your company has launched IoT based SMART lifts in mid-2020 with cloud based real time monitoring and self-diagnosis capabilities. This development offers the best-in-class transparency to customers in terms of availability of real time information on errors and causes. With COVID pandemic ranging QR based touchless elevator "Call Operations" enabling the users to operate the elevator without needing to touch the buttons. The Elevator business of your company is now even giving tough competition to multinational companies, operates in Indian market.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitment affecting the financial position of the Company.

THE AMOUNTS, IF ANY, WHICH IT PROPOSES TO CARRY TO ANY RESERVES

There are no such amounts to be transferred to any reserves of the Company.

SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129 of the Companies Act, 2013 a statement in the prescribed Form AOC-1, relating to subsidiary for the year ended on March 31, 2021 has been attached along with the Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 as **Annexure-I**.

DIVIDEND

The Board of Directors of your Company has recommended a final dividend of INR 4/- per share (@ 40%) on 72,88,645 Equity Shares of INR 10/- each fully paid up for the year ended March 31, 2021. The dividend proposal is subject to the approval of members at the ensuing Annual General Meeting.

SHARE CAPITAL

During the year ended March 31, 2021, there is no change in the issued and subscribed share capital of your Company. The paid up Equity Share Capital as on 31st March, 2021 is INR 7,28,86,450 (Rupees Seven Crores Twenty Eight Lakh Eighty Six Thousand Four Hundred Fifty Only) divided into 72,88,645 (Seventy Two Lakh Eighty Eight Thousand Six Hundred Forty Five Only) Equity Shares of INR 10/- (Rupees Ten Only) each. The authorized share capital of the Company is to an aggregate amount of INR 15,00,00,000 (Rupees Fifteen Crores Only) and the authorized share capital of the Company has been re-classified as divided into 1,45,00,000 (One Crore Forty Five Lakh Only) equity shares of INR 10/- (Rupees Ten Only) each aggregating to INR14,50,00,000 (Rupees Fourteen Crore Fifty Lakh Only) and 50,000 (Fifty Thousand) preference shares of INR 100/- (Rupees Hundred Only) each aggregating to INR 50,00,000 (Rupees Fifty Lakh Only).

COVID-19 IMPACT AND ANALYSIS

Having endured and managed to recover from the disruptions induced by a once-in-a-century event, your Company is cautiously looking forward to 2021-22 with hopes of putting up a better show in the post-COVID-19 world, although a lot will hinge on how the economy grows.

Your Company took COVID-19 impact as a challenge and started its operations more vigorously to mitigate the production loss and improve quality standards for higher realization. The Company adopted stringent social distancing, safety measures and guidelines issued in this regard. Post Lockdown, as the number of COVID-19 cases were reduced and launching of Corona Virus vaccine, your Company ramped up the operations with strict adherence to safety protocols.

The Company has issued safety guidelines for its employees and workers.

- All safety protocol related to COVID-19 as advised by the government are already implemented and being followed.
- Detailed factory-floor precautions & safety systems have been implemented with appropriate training to staff and workmen.
- Regular Fumigation of offices and factory floors is being carried out.
- Social distancing norms being strictly followed at factories and offices.
- Sanitizers & soaps are kept in sufficient quantity to maintain hygiene at working area.

SCHEME OF ARRANGEMENT

During the Financial Year 2019-20, your Company has filed for a Scheme of Arrangement for amalgamation of M/s Kumar Metals Pvt. Ltd. (wholly owned subsidiary of the company) along with re-organization of capital on voluntary basis with Hon'ble National Company Law Tribunal (NCLT) to attain operational synergies. The scheme is still pending



for approval before the Hon'ble NCLT as on the date of approval of Financial Statements by the Board of Directors.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are set out in a separate statement attached hereto and forming part of the report as **Annexure-II**.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to applicable provisions of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. The Company had sent individual notices and also advertised in the newspapers seeking action from the Members who have not claimed their dividends for seven consecutive years or more. Accordingly, the Company has transferred such unpaid or unclaimed dividends and corresponding shares upto the financial year 2013-14.

Members/claimants whose shares, unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on <http://www.iepf.gov.in>) along with requisite fee as decided by the IEPF Authority from time to time. The Member/claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

Members are requested to ensure that they claim the dividends and shares referred above, before they are transferred to the said Fund. Due dates for Transfer of Unclaimed Dividend to IEPF are provided in the Notes to the Notice.

Details of shares/shareholders in respect of which dividend has not been claimed, are provided on our website. The shareholders are therefore requested to verify their records and claim their dividends of all the last seven years, if not claimed.

The details of the nodal officer appointed by the Company under the provisions of IEPF Rules are available on the website of the Company at www.eceindustriesltd.com.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Pursuant to the provisions of Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy of the Company on Directors' appointment and remuneration, including the criteria for determining qualification, positive attributes, independence of directors and other matters like Board Diversity are given on the website of the Company at www.eceindustriesltd.com.

Salient features of the policy:

- **Policy on Directors' Appointment**

Policy on Directors' appointment is to follow the criteria as laid down under the Companies Act, 2013 and good corporate practices. Emphasis is given to persons from diverse fields and professions.

- **Policy on Remuneration**

Guiding Policy on remuneration of Directors, Key Managerial Personnel and employees of the Company is that -

- Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and Workmen is industry driven in which it is operating taking into account the performance leverage and factors such as to attract and retain quality talent.
- For Directors, it is based on the shareholders resolutions, provisions of the Companies Act, 2013 and Rules framed therein, circulars and guidelines issued by Central Government and other authorities from time to time.

ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors of the Company has initiated and put in place evaluation of its own performance, its committees and individual directors. The result of the evaluation is satisfactory and adequate and meets the requirement of the Company.

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

All Independent Directors have given declarations to the effect that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Independent Directors fulfil the conditions specified in the Act, Rules made there under.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors of your company state that :

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

NATURE OF BUSINESS

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

DIRECTORS / KEY MANAGERIAL PERSONNEL- APPOINTMENT, RE-APPOINTMENT & RESIGNATION

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Sakate Khaitan (DIN: 01248200), Non-Executive Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

Mr. Anant Suresh Jatia (DIN: 02655500) was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on June 10, 2020 to hold office upto the date of ensuing Annual General Meeting of the Company. He was appointed in the capacity of Non- Executive Director of the Company w.e.f June 10, 2020 as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors and also approved by shareholders in the Annual General Meeting held on December 31, 2020.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

There were 4 (Four) meetings of the Board of Directors were held i.e., on 10.06.2020, 14.09.2020 (Resolution by Circulation), 31.10.2020 and 27.02.2021 and 1 (One) meeting of the Independent Directors held on 26.03.2020 during the year ended on 31st March, 2021.

DETAILS OF COMMITTEE OF DIRECTORS

The Company has duly constituted the Audit Committee, Nomination and Remuneration Committee and Stakeholders



Relationship/Grievance Committee of Directors in terms of the provisions of Companies Act, 2013. During the financial year 2020-21, the desired no. of meeting of the Committee(s) were held and attended by each member of the Committee as required under the Companies Act, 2013 and rules made thereunder.

The recommendation by the Audit Committee as and when made to Board has been accepted by it.

The Composition of Audit Committee is set out below:

Name of the Member	Category
Mr. Mahendra Kumar Jajoo- Chairman of the Committee	Independent Director
Mr. Yogesh D. Korani- Member	Independent Director
Mr. Prakash Kumar Mohta- Member	Managing Director

KEY MANAGERIAL PERSONNEL

Your Company has designated Mr. Prakash Kumar Mohta (DIN: 00191299), the Managing Director and Mr. Rajat Sharma, CFO as the Key Managerial Personnel.

PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTY

All the related party transactions for the year under review are entered on arm's length basis and in the ordinary course of business under Section 188(1) of the Companies Act, 2013. There is no transaction with Related Party which requires disclosure under Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The details of the transactions with related party are provided in schedules/ notes to the financial statements under Note 40.8 forming part of the Annual Report.

LOANS, INVESTMENT AND GUARANTEES BY THE COMPANY

There is no loan given, guarantee given or security provided by the Company to any entity during the year ended 31st March, 2021. Further, the investments made by the Company are within the limits and in conformity with the provisions as specified under Section 186 of the Companies Act, 2013. The details of the investments are provided in schedules/ notes to the financial statements under Note 2 forming part of the Annual Report.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits from the public as well as employees during the financial year ended 31st March, 2021.

RISK MANAGEMENT

Your Directors periodically discuss and monitors the risk management plans as well as evaluated various risks and that there is no element of risk identified that may threaten the existence of the Company. There is an adequate risk management infrastructure in place capable of addressing those risks. The risk management policy is available on the website of the Company i.e., www.eceindustriesltd.com.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company is committed to the highest standards of ethical, moral and legal business conduct. Accordingly, Vigil Mechanism/Whistle Blower Policy was formulated which provides a robust framework for dealing with genuine concerns & grievances. The Policy provides for adequate safeguard against victimization of employees who avail the mechanism and also provides direct access to the Chairperson of the Audit Committee. Specifically, employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company.

DISCLOSURE ABOUT RECEIPT OF ANY COMMISSION BY MD/WTD FROM A COMPANY AND ALSO RECEIVING COMMISSION/RENUMERATION FROM ITS SUBSIDIARY AS PER SECTION 197(14) OF COMPANIES ACT, 2013: Nil
PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE POLICY

As per the requirement of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made there-under, your Company has constituted Centralized Internal Complaint Committees (ICC). The Company has zero tolerance for sexual harassment at workplace. While maintaining the highest governance norms, the Company has also appointed external independent persons, who have requisite experience in handling such matters. During the year, the Company has not received any complaint of sexual harassment.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has the policy of giving back to the society and in line with the requirement of Section 135 of the Companies Act, 2013, has carried a host of CSR activities this year. The CSR Policy of the Company is available on its website www.eceindustriesltd.com. For implementation of CSR activities, a robust system of reporting and monitoring has been put in place to ensure effective implementation of planned CSR initiatives. During the year, the Company has spent INR 5 Lakh on CSR activities through PM Cares fund and annual report of CSR annexed herewith at **Annexure-III** to this report.

PARTICULARS OF EMPLOYEES

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under Section 197 of the Companies Act, 2013 read with the Rule 5(2) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and hence no particulars are required to be disclosed in this report.

STATUTORY AUDITORS AND REPORT

The Company auditor's M/s VSD & Associates, Chartered Accountants (Firm Regn. No.008723N), were appointed as the Statutory Auditors of the Company to hold office upto the conclusion of 78th Annual General Meeting (AGM) of the company at a remuneration to be fixed by the Board. No ratification of their appointment is required as per notification dated May 7, 2018 issued by the Ministry of Corporate Affairs.

Audit Reports on Standalone Financial Statements and Consolidated Financial Statements are self-explanatory and do not call for any further comments under Section 134 of the Companies Act, 2013. The Auditors Report to the shareholders for the year under review does not contain any adverse qualification. No frauds have been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

COST AUDITORS

The Board of Directors has appointed M/s K.L. Jaisingh & Co., Cost Accountants as the Cost Auditors for conducting the audit of cost account records made and maintained by the Company for the financial year 2021-22 pursuant to Section 148 of the Companies Act, 2013.

In accordance with the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditor for FY 21-22 is required to be ratified by the members; the Board recommends the same for approval by members at the ensuing AGM.

SECRETARIAL AUDIT REPORT

A Secretarial Audit Report for the year ended 31st March, 2021 in prescribed form duly audited by the Practicing Company Secretary, M/s. MT & Co. is annexed herewith as **Annexure-IV** and forming part of the Directors report.

INTERNAL AUDIT

The Company continued to engage M/s K.N. Gutgutia & Co, Chartered Accountants as its Internal auditors at its units. Their scope of work and plan for audit is discussed and reviewed by the Audit Committee. The report submitted by them is regularly reviewed and suitable corrective action taken on an ongoing basis to improve efficiency in operations.



SECRETARIAL STANDARDS

During the year under review, the Company has complied with the provisions of the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively.

INTERNAL FINANCIAL CONTROL

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

INSURANCE

Adequate insurance cover has been taken for properties of the company including buildings, plant and machineries and stocks against fire, earthquake and other risks as considered necessary.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, the extract of annual return has been placed on the website of the Company i.e., www.eceindustriesltd.com.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

No application is made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF: Not Applicable**EVENT OCCURRED AFTER BALANCE SHEET DATE**

No major events have occurred after the date of balance sheet of the Company for the year ended on March 31, 2021.

ACKNOWLEDGEMENTS

Your Directors place on record their thanks for the dedicated services rendered by all the employees of the company in its factories and offices and also acknowledge the co-operation, assistance and support extended by the Company's bankers and stakeholders.

For and on Behalf of the Board of Directors

Place : New Delhi
Dated : 22.09.2021

(Prakash Kumar Mohta) Managing Director DIN: 00191299	(Mahendra Kumar Jajoo) Director DIN: 00006504
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(Annexure - I)

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1. Sl. No	1
2. Name of the subsidiary	M/s Kumar Metals Private Limited
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting Period	01st April, 2020 to 31st March, 2021
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
5. Share capital	Rs. 1.00 lakh
6. Reserves and surplus	Rs. 76.16 lakh
7. Total assets	Rs. 186.69 lakh
8. Total Liabilities	Rs. 109.52 lakh
9. Investments	Rs. 0.69 lakh
10. Turnover	Rs. 457.98 lakh
11. Profit before taxation	Rs. 3.20 lakh
12. Provision for taxation	Rs. 1.42 lakh
13. Profit after taxation	Rs. 1.78 lakh
14. Proposed Dividend	NIL
15. Extent of shareholding (in percentage)	100%

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

.....Not Applicable.....

For and on Behalf of the Board of Directors

Place : New Delhi
Dated : 22.09.2021

(Prakash Kumar Mohta)
Managing Director
DIN: 00191299

(Mahendra Kumar Jajoo)
Director
DIN: 00006504

(Rajat Sharma)
President & CFO



Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

A. Conservation of Energy

In Transformer Manufacturing, by using Vapour Phase Drying method with latest technology process for Transformers, the consumption of energy is being substantially brought down. Energy conservation has been further improved by refurbishing of existing vacuum pumps and crane motors. Power factor of electricity supply also has been kept high by suitably rearranging the load which helps energy conservation.

In Elevator Manufacturing, after introducing gearless machines with permanent magnets, the ratio of gearless to geared has now reached 90% in new elevator bookings. Gearless machines with VVVF drives, smart controllers and LED lighting in car has resulted in considerable energy reductions in running Elevators. The Elevator offered is now a green product.

B. Technology Absorption

1. Research and Development (R&D)

In the case of High Voltage windings of Transformers, with a view to get ideal impulse distribution, fully interleaved windings have been used to enhance the surge withstand characteristics. Moreover, the windings are designed to mount the Fibre Optic Sensors which indicate the Hot Spot temperature of the windings continuously, protecting the transformer from damage due to abnormal temperature rise. Further the design of transformers is suitable for mounting the state of the art accessories viz maintenance free breather, on line Dissolved Gas Analyser, On line Drying equipment and Nitrogen Injection Fire Prevention and Extinguishing System.

In Elevator Manufacturing, IoT based SMART lifts were launched in mid-2020 with cloud based real time monitoring and self-diagnostics capability. Almost our entire product range now has this as a standard offering. This development offers the best-in-class transparency to our customers in terms of availability of real time information on errors and causes. The SMART elevators allow uptimes to improve benefitting our elevator users.

With COVID pandemic raging, QR based touchless elevator call operation was launched with the SMART elevators thus enabling users to be able to use elevator without needing to touch the buttons. Company introduced Group Elevator Monitoring (GEM) for cluster projects, wherein customers can see status of their elevators online, from anywhere in the world through internet. Company also introduced GPS based PANIC Call feature, where in the trapped passenger inside the elevators can talk to any person on their mobile, seeking help, in case of any emergency.

2. Technology Absorption, Adaptation & Renovation

In Transformer Manufacturing, Company has installed Vapour Phase Drying system (Most advanced drying technology for Power Transformers) to get a clean and dust free transformer with a high degree of dryness enhancing the reliability and service life of the transformers.

Last Year, we have created additional facilities for higher voltage class (220 KV) transformers and installed Impulse Generator for conducting special tests viz EHV Impulse Test, Switching Surge Test and Chopped Wave Test as per international standards. We have already received NABL Accreditation for our test lab. Transformers are being provided with a Special Monitoring Relay for online monitoring of important parameters of transformers including Voltage Regulation.

In Elevator, after successful integration of field operations through ERP, the entire elevator division has been integrated with MRP at factory and finance / accounts getting added. ERP integration across the company will bring in far better controls and improve overall efficiency beside giving us real time analytics of business activity. Year 2020 saw the company investing heavily into harnessing the power of digital to bring speed and productivity benefits to our clients and add value to our offerings. Site management and Service Apps have been released to all engineers / technicians working at job sites to allow them to harness the power of digital to improve quality of all our offerings.

C. Foreign Exchange Earnings & Outgo

During the year under review, foreign exchange earnings was nil and foreign exchange outgo was Rs. 301.50 lakh.

For and on Behalf of the Board of Directors

Place : New Delhi
Dated : 22.09.2021

(Prakash Kumar Mohta)
Managing Director
DIN: 00191299

(Mahendra Kumar Jajoo)
Director
DIN: 00006504



ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Section 135 of the Companies Act 2013)

1. Brief Outline on CSR Policy of the Company.

ECE Industries Limited is dedicated towards its social responsibility and aims to contribute to society by supporting and enabling the social and economic development of local communities in India. In alignment with our vision and guiding principles, through our CSR initiatives we aim to address India's most pressing challenges related to education, health, equality and access. We are committed to enable people and technology to drive innovation, disseminate knowledge, and create shared value to improve lives. Our CSR programme areas shall be aligned with the national development priorities and the needs of the communities and will be in sync with Schedule VII of the Companies Act 2013.

2. Composition of the CSR Committee: Not Applicable, as per Section 135(9) of Companies Act, 2013, the functions of CSR Committee are being discharged by our Board of Directors.

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:

As per Section 135(9) of the Companies Act, 2013 the functions of CSR Committee are being discharged by our Board of Directors and CSR Policy can be viewed at the website of the Company i.e. www.eceindustriesltd.com.

Further, CSR amount transferred to PM care fund and their no such project approved by the Board.

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): Nil

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: Nil

6. Average net profit of the company as per Section 135(5): INR 164.17 Lakh

7. (a) Two percent of average net profit of the company as per section 135(5): INR 3.28 Lakh

(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): INR 3.28 Lakh

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

Total amount spent for the financial year	Total Amount 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
INR 5 Lakh	Nil	Nil	PM Cares Fund	INR 5 Lakh	10.04.2020

(b) Details of CSR amount spent against ongoing projects for the financial year: CSR amount is not spent on any projects and CSR amount transferred to PM cares fund.

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

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year: INR 5.00 Lakh

(g) Excess amount for set off: INR 1.72 Lakh

S. No	Particular	Amount
1	Two percent of average net profit of the company as per section 135(5)	INR 3.28 Lakh
2	Total amount spent for the Financial Year	INR 5.00 Lakh
3	Excess amount spent for the financial year [(ii)-(i)]	INR 1.72 Lakh
4	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years	INR 1.72 Lakh



9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil
10. In case of creation or acquisition of capital assets, furnish the details relating to the asset to the asset so created or acquired through CSR spent in the financial year (asset-wise details)
- (a) Date of creation or acquisition of the capital asset(s). No Capital Assets - Nil
- (b) Amount of CSR spent for creation or acquisition of capital - asset - Nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Nil
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - Nil
11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5).

The Company has made more than 100% contribution of its CSR obligations amount equivalent of two per cent of the average net profit as per section 135(5) Average Net Profit for the last 3 years and prescribed CSR Expenditure.

For and on Behalf of the Board of Directors

Place : New Delhi

(Prakash Kumar Mohta)

(Mahendra Kumar Jajoo)

Dated : 22.09.2021

Managing Director

Director

DIN: 00191299

DIN: 00006504

(Annexure - IV)

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To,
The Members,
ECE Industries Limited,
ECE House, 28A, K.G. Marg,
New Delhi-110001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ECE Industries Limited, (CIN No. U31500DL1945PLC008279) (hereinafter called the Company). I have not done audit of financial statements of the Company. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, during the audit period covering the financial year ended on 31st March 2021, the Company has 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 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;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.



I further report that

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act as required under the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed note on agenda were sent at least seven days in advance, and 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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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.

I further report that the Company has filed for a Scheme of Arrangement for Amalgamation of its Wholly-owned subsidiary M/s. Kumar Metals Private Limited with Hon'ble National Company Law Tribunal ('NCLT') and the scheme is pending for approval before the Hon'ble NCLT. During the year under report, the Company has not undertaken any corporate event/action that may have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place : Delhi
Date : 19/08/2021
UDIN No. A016464C000804009

For MT & Co.
Company Secretaries

(Tumul Maheshwari)
Proprietor
ACS No.16464
C P No.:5554

This report to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

ANNEXURE - A

To,
The Members,
ECE Industries Limited,
ECE House, 28A, K.G. Marg,
New Delhi-110001

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation 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, standards is the responsibility of management. My 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.

For MT & Co.
Company Secretaries

(Tumul Maheshwari)
Proprietor
ACS No.16464
C P No.:5554

Place : Delhi
Date : 19/08/2021
UDIN No. A016464C000804009

Note: The COVID-19 outbreak has been declared as a global pandemic by WHO. In the month of April 2021, Delhi government announced a lockdown which was extended multiple times for various days across the state to contain the spread of the virus. Due to COVID- 19 pandemic impact, the compliance documents for the period were obtained through electronic mode and verified with requirements.



INDEPENDENT AUDITORS' REPORT

To
The Members,
ECE Industries Limited

Report on the audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **ECE Industries Limited, ('the Company')**, which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with Indian Accounting Standards specified 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 (financial position) of the Company as at 31st March 2021, its Statement of Profit & loss (financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) 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 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 standalone Ind AS financial statements under the provisions of the Act and the Rules made thereunder, we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 standalone Ind AS financial statements.

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>A) Valuation of Investments Refer Note 2 to the standalone Ind AS Financial Statements The Company's investment portfolio represents a significant portion of the Company's total assets, which primarily consists of:</p> <ol style="list-style-type: none"> i. Non-convertible debentures; ii. Equity Shares; iii. Preference Shares; iv. Mutual Funds; v. Venture Capital Funds; and vi. Alternate Investments Funds <p>The aforementioned instruments are valued at amortized cost or fair value through Other Comprehensive</p>	<p>Our key procedures included, but not limited to, the following :</p> <ol style="list-style-type: none"> a) Assessed the appropriateness of the relevant accounting policies of the Company, including those relating to recognition and measurement of financial instrument by comparing with the applicable accounting standards; b) For instrument valued at fair value: <ol style="list-style-type: none"> i. Assessed the availability of quoted prices in liquid markets; ii. Assessed whether the valuation process is appropriately designed and captures relevant valuation inputs;

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Income (FVOCI) or fair value through Profit and Loss (FVTPL) depending upon the nature as summarized below :</p> <ol style="list-style-type: none"> 1. Instrument valued at amortized cost: <ol style="list-style-type: none"> a) Non-convertible debentures; and b) Preference Shares 2. Instrument valued at fair value through Other Comprehensive Income ('FVOCI'): <ol style="list-style-type: none"> a) Equity Shares 3. Instrument valued at fair value through Profit & Loss ('FVTPL') : <ol style="list-style-type: none"> a) Venture Capital Funds; and b) Alternate Investments Funds <p>This is considered to be a significant area in view of the materiality of amounts involved, judgements involved in determining of impairment/ recoverability of instruments measured at amortized cost which includes assessment of market data/conditions and financial indicators of the investee and judgements in selecting the valuation basis and the complexities involved in the valuation of instruments carried at FVTPL and FVOCI which includes assessment of the available trading yield of relevant instruments.</p>	<ol style="list-style-type: none"> iii. Performed testing of the inputs/assumptions used in the valuation; and iv. Assessed pricing model methodologies and assumptions against industry practice and valuation guidelines c) For instrument valued at amortized cost: Assessed the instrument for impairment by evaluating if there is any significant increase in credit risk, which mainly involves : <ol style="list-style-type: none"> i. Evaluating the regularity of the interest payment and principal repayment as per agreed plan/term of issuance of instrument, where applicable; and ii. Obtained the valuations of instruments, where required; d) Assessed the appropriateness of the Company's description of the accounting policy and disclosures related to investments and whether these are adequately presented in the financial statements.
<p>B) Litigations and claims- Provisions and Contingent Liabilities</p> <p>Refer note 25.1 and 40.1 to the standalone Ind AS Financial Statements</p> <p>The Company has ongoing litigations with various authorities and third parties which could have a significant impact on the results, if the potential exposures were to materialise.</p> <p>The amounts involved are significant, and the application of accounting standards to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective.</p> <p>The level of management judgement associated with determining the need for, and the quantum of, provisions for any liabilities arising from these litigations is considered to be high. This judgement is dependent on a number of significant assumptions and assessments which involves interpreting the various applicable rules, regulations, practices and considering precedents in the various jurisdictions.</p> <p>This matter is considered as a key audit matter, in view of the uncertainty regarding the outcome of these litigations, the significance of the amounts involved and the subjectivity involved in management's judgement as to whether the amount should be recognized as a provision or only disclosed as contingent liability in the financial statements.</p>	<p>Our key procedures included, but not limited to, the following:</p> <ol style="list-style-type: none"> a) Assessed the appropriateness of the Company's accounting policies relating to provisions and contingent liability by comparing with the applicable accounting standards; b) Assessed the Company's process and the underlying controls for identification of the pending litigations and completeness for financial reporting and also for monitoring of significant developments in relation to such pending litigations; c) Assessed the Company's assumptions and estimates in respect of litigations, including the liabilities or provisions recognized or contingent liabilities disclosed in the financial statements. This involved assessing the probability of an unfavourable outcome of a given proceeding and the reliability of estimates of related amounts; d) Performed substantive procedures on the underlying calculations supporting the provisions recorded; e) Assessed the management's conclusions through understanding relevant judicial precedents in similar cases and the applicable rules and regulations; and f) Assessed the appropriateness of the Company's description of the accounting policy, disclosures related to litigations and whether these are adequately presented in the financial statements.



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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and Statement of Cash Flow and the statement in changes in equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act.



- (e) On the basis of written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 operation effectiveness of such controls, refer to our separate report in "Annexure- B". 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigations on its financial statements as detailed in Note 25 and 40 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. In our opinion, the managerial remuneration for the year ended 31st March, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

For VSD & Associates
Chartered Accountants
Firm Registration No. : 008726N

Place : New Delhi
Dated: 22.09.2021
UDIN : 21086666AAAABF4671

(Vinod Sahni)
Partner
M.No.086666

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report of even date to the members of the Company on the financial statements for the year ended 31st March, 2021, we report that :

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property Plant & Equipment.
- b) The company has planned program to physically verify assets in alternative years, which in our opinion is reasonable having regards to the size of the company and the nature of the assets. In accordance with the said program, certain property plant & equipment were verified during the year and no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

- ii) As per the explanations given to us, inventories were physically verified during the year by the management at reasonable intervals and no material discrepancy was noticed on such verification.
- iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- 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, with respect to the loans and investments made.
- v) The Company has not accepted any deposits from public.
- vi) According to the information and explanations given to us, the company is maintaining its cost records as per the form prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, for the activities of the company. We have broadly reviewed the cost records made and maintained by the company and are of the opinion that prima facie the prescribed records have been made and maintained. We however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) a) The company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the records of the company, there are no dues outstanding of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, VAT and Cess on account of any dispute other than the following: -

Name of The Statute	Nature of Dues	Year	Amount (Rs. in Lakh)*	Forum where dispute is Pending
Delhi Works Contract Act, 1999	Demand Towards Work Contract Tax	2002-03	12.00	Deputy Commissioner (Appeals), Delhi
Andhra Pradesh General Sales Tax Act, 1957(Central)	Demand towards Works Contract Tax	2001-02, 2003-04	10.94	Commercial Tax Officer, Andhra Pradesh
Gujarat State Sales Tax Act, 1969	Demand towards work contract tax	1993-94	2.78	Deputy Commissioner (Appeals), Gujarat
U P Municipal Laws (Cess Act)	Demand towards Water Cess	1992-93	0.60	Tehsildar, Gaziabad, (U.P.)
The Uttar Pradesh Value Added Tax Act 2008	Demand towards VAT	2011-12	8.96	VAT Tribunal Commercial Tax, Ghaziabad
The Uttar Pradesh Value Added Tax Act 2008	Demand towards VAT	2016-17	70.5	VAT Tribunal Commercial Tax, Ghaziabad

* Net of payments



- viii) The company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government. According to the information and explanations given to us, there are no dues outstanding in respect of any debenture during the current financial year or any previous year.
- ix) During the year the Company has not raised any funds through Initial/Further Public offer (including debt instruments) and the term loans were applied for the purpose for which they were obtained.
- x) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For VSD & Associates
Chartered Accountants
Firm Registration No. : 008726N

(Vinod Sahni)
Partner
M.No.086666

Place : New Delhi
Dated: 22.09.2021
UDIN : 21086666AAAABF4671

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub –section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ***ECE Industries Limited*** as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, 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 issued by the Institute of Chartered Accountants of India.

For VSD & Associates
Chartered Accountants
Firm Registration No. : 008726N

Place : New Delhi
Dated : 22.09.2021
UDIN : 21086666AAAABF4671

(Vinod Sahni)
Partner
M.No.086666



STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	(₹ in Lakh)	
		As at March 31, 2021	As at March 31, 2020
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	1A	2,896.90	2,570.74
(b) Capital work in progress		119.90	65.04
(c) Other Intangible assets	1B	1.86	5.95
(d) Intangible Assets under development		-	33.68
(e) Financial Assets			
(i) Investments	2	21,307.20	21,379.15
(ii) Loans	3	45.74	43.68
(iii) Other Financial Assets	4	4,766.18	5,248.27
(f) Deferred Tax Assets (Net)	5	713.69	891.81
(g) Other Non-Current Assets	6	250.23	150.06
(2) Current Assets			
(a) Inventories	7	5,275.38	7,405.89
(b) Financial Assets			
(i) Investments	2	476.16	53.95
(ii) Trade Receivables	8	17,004.31	10,558.71
(iii) Cash and Cash Equivalents	9A	557.78	1,363.52
(iv) Bank Balances other than (iii) above	9B	376.69	70.99
(v) Loans	10	24.93	71.17
(vi) Other Financial Assets	11	1,067.96	944.93
(c) Current Tax Assets	12	421.71	1,075.22
(d) Other Current Assets	13	438.14	777.03
Total Assets		55,744.76	52,709.83
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	14	729.03	729.03
(b) Other Equity	15	27,708.26	23,889.85
(2) Liabilities			
(A) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	18.37	27.75
(ia) Lease Liabilities	17	296.26	389.59
(ii) Others	18	30.64	26.55
(b) Provisions	19	267.73	262.74
(c) Other Non-Current Liabilities	20	2,756.98	2,756.16
(B) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	8,116.12	9,485.66
(ia) Lease Liabilities	17	103.02	95.15
(ii) Trade Payables	22	10,787.72	9,804.36
(iii) Other Financial Liabilities	23	1,883.14	2,040.45
(b) Other Current Liabilities	24	2,612.61	2,754.14
(c) Provisions	25	434.88	448.41
Total Liabilities		55,744.76	52,709.83

Summary of significant Accounting Policies

39

Other Notes on Accounts

34 to 38

& 40 to 43

The Notes referred to above form an integral part of Balance Sheet.

As per our Report of even date attached.

For VSD & Associates
Chartered Accountants
Firm Reg. No. : 008726N

For and on behalf of the Board of Directors

(Vinod Sahl)
Partner
Membership No. 086666
Dated : 22.09.2021
Place : New Delhi

(Prakash Kumar Mohta)
Managing Director
DIN : 00191299

(Mahendra Kumar Jajoo)
Director
DIN : 00006504

(Rajat Sharma)
President & CFO

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakh)

Particulars	Note No.	1st April, 2020 to 31st March, 2021	1st April, 2019 to 31st March, 2020
INCOME			
Revenue from Operations	26	37,482.42	30,321.07
Other Income	27	5,667.16	1,966.05
Total Income		43,149.58	32,287.12
EXPENSES			
Cost of Materials Consumed		27,680.19	24,605.59
Purchases of Traded Goods		24.34	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	28	1,284.57	(1,880.65)
Employee Benefit Expense	29	2,652.92	3,123.89
Finance Costs	30	975.61	848.68
Depreciation and Amortization Expenses	31	285.72	184.77
Other Expenses	32	5,988.89	6,736.48
Total Expenses		38,892.24	33,618.76
Profit / (Loss) before tax		4,257.34	(1,331.64)
Tax Expense/(Income)			
(1) Current tax		721.52	72.02
(2) Current tax for earlier years		9.11	-
(3) MAT credit entitlement		(435.51)	-
(4) Deferred tax Charge / (Credit)	5	613.63	(390.41)
Profit/(Loss) for the Year		3,348.58	(1,013.25)
Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to statement of Profit & Loss	33	546.75	(771.31)
(ii) Income -tax relating to items that will not be reclassified to Profit & Loss		(4.04)	10.46
Other Comprehensive Income for the year (Net of Tax)		542.71	(760.85)
Total Comprehensive Income for the year		3,891.29	(1,774.11)
Earning per Equity Share:			
Equity Shares of Rs. 10/- each			
Basic & Diluted	40.3	45.94	(13.90)

Summary of significant Accounting Policies 39
Other Notes on Accounts 34 to 38
& 40 to 43

The Notes referred to above form an integral part of Balance Sheet.
As per our Report of even date attached.

For VSD & Associates
Chartered Accountants
Firm Reg. No. : 008726N

For and on behalf of the Board of Directors

(Vinod Sahni)
Partner
Membership No. 086666
Dated : 22.09.2021
Place : New Delhi

(Prakash Kumar Mohta)
Managing Director
DIN : 00191299

(Mahendra Kumar Jajoo)
Director
DIN : 00006504

(Rajat Sharma)
President & CFO



STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021**(A) Equity Share Capital**

(₹ in Lakh)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Balance at the beginning of the reporting period	Changes during the year	Balance at the end of the reporting period	Balance at the beginning of the reporting period	Changes during the year	Balance at the end of the reporting period
Equity Share Capital	728.86	-	728.86	728.86	-	728.86
Add: Forfeited Shares (Amount paid up)	0.17	-	0.17	0.17	-	0.17
Total	729.03	-	729.03	729.03	-	729.03

(B) Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Securities Premium Reserve	Share Buy Back Reserve	General Reserve	Retained Earnings	Equity Instruments	
As at March 31, 2019	2,150.19	283.26	6,143.89	12,980.84	4,325.43	25,883.61
Profit for the Year	-	-	-	(1,013.25)	-	(1,013.25)
Other comprehensive Income	-	-	-	(19.76)	(741.09)	(760.85)
Total Comprehensive Income	2,150.19	283.26	6,143.89	11,947.82	3,584.34	24,109.51
Dividend	-	-	-	(182.22)	-	(182.22)
Dividend Distribution Tax	-	-	-	(37.46)	-	(37.46)
As at March 31, 2020	2,150.19	283.26	6,143.89	11,728.15	3,584.34	23,889.85
Profit for the Year	-	-	-	3,348.58	-	3,348.58
Other comprehensive Income	-	-	-	20.19	522.52	542.71
Total Comprehensive Income	2,150.19	283.26	6,143.89	15,096.94	4,106.86	27,781.14
Dividend	-	-	-	(67.16)	-	(67.16)
Dividend Distribution Tax	-	-	-	(5.72)	-	(5.72)
As at March 2021	2,150.19	283.26	6,143.89	15,024.06	4,106.86	27,708.26

The Notes referred to above form an integral part of Balance Sheet.
As per our Report of even date attached.

For VSD & Associates
Chartered Accountants
Firm Reg. No. : 008726N

For and on behalf of the Board of Directors

(Vinod Sahni)
Partner
Membership No. 086666
Dated : 22.09.2021
Place : New Delhi

(Prakash Kumar Mohta)
Managing Director
DIN : 00191299

(Mahendra Kumar Jajoo)
Director
DIN : 00006504

(Rajat Sharma)
President & CFO

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	(₹ in Lakh)	
	1st April, 2020 to 31st March, 2021	1st April, 2019 to 31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	4,257.34	(1,331.64)
Adjustments for :		
Depreciation and Amortization Expenses	285.72	184.77
Fair Value change in Financial Instruments	(3,398.95)	2,100.10
(Profit)/ Loss on disposal of Property, Plant & Equipment (Net)	(4.67)	(30.73)
Net Loss on Derecognition of Investment	500.00	-
Dividend Income on non-current Investments (other than Trade)	(53.15)	(55.43)
Sundry Balance Written off	(241.01)	(20.41)
Reversal of Provisions	(12.17)	(143.73)
Debt, Advance & other debt Balance Written off	79.83	64.17
Finance Costs	975.61	848.68
Interest Income	(1,175.83)	(888.64)
Interest Expense/(Income) on Financial Assets carried at fair value through Amortised cost (Net)	(499.75)	(476.99)
Foreign Exchange Fluctuation	9.72	14.16
Provision For Doubtful Debts	96.33	22.52
Loss / (Profit) on Derivatives	551.55	(70.01)
Operating Profit / (Loss) before working capital changes	1,370.56	216.82
Movement in Working Capital :		
(Increase) / Decrease in Trade Receivables	(6,541.92)	(12.74)
(Increase) / Decrease in Inventories	2,130.51	(2,490.77)
Decrease / (Increase) in Other Receivables	374.54	(303.17)
Increase / (Decrease) in Trade Payables, Other Liabilities & Provisions	743.75	2,999.67
Cash generated from/ (Used in) operations	(1,922.56)	409.81
Direct Tax Paid (Net)	663.97	(289.08)
Net cash from/ (used in) Operating Activities	(1,258.59)	120.72
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(732.16)	(840.47)
Proceeds from sale of Property, Plant & Equipment including Advance Received	1,146.19	34.50
Proceeds from sale of Investments	10,136.60	8,811.09
Purchases of Investments	(8,096.62)	(11,041.20)
Payment for acquisition of Subsidiary	-	(155.00)
Fixed Deposit	(304.28)	(65.25)
Interest Received	838.06	596.90
Dividend Received	53.15	55.43
Net cash from/ (used in) Investing Activities	3,040.94	(2,604.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	(1,378.07)	4,597.94
Payment of Lease Liabilities	(104.43)	(25.38)
Finance Costs	(1,034.14)	(731.81)
Dividend Paid	(71.46)	(219.00)
Net cash from/ (used in) Financing Activities	(2,588.10)	3,621.75
Net Increase/ (decrease) in Cash and Cash equivalents(A+B+C)	(805.75)	1,138.48
Cash and Cash equivalents at the beginning of the year	1,363.53	225.05
Cash and Cash equivalents at the end of the year	557.78	1,363.53
Cash on Hand	8.82	8.87
Balances with Banks :		
In Current Accounts	527.20	658.32
In Cash Credit Accounts	1.76	671.33
Bank Deposits	20.00	25.00
Earmarked Balance		
In Unclaimed Dividend Accounts	7.16	5.74
	564.94	1,369.27
Less :- Unclaimed Dividend lying with Bank	7.16	5.74
	557.78	1,363.53

As per our Report of even date attached.

For VSD & Associates
Chartered Accountants
Firm Reg. No. : 008726N

(Vinod Sahni)
Partner
Membership No. 086666
Dated : 22.09.2021
Place : New Delhi

(Prakash Kumar Mohta)
Managing Director
DIN : 00191299

For and on behalf of the Board of Directors

(Mahendra Kumar Jajoo)
Director
DIN : 00006504

(Rajat Sharma)
President & CFO



STANDALONE NOTES FORMING PART OF THE BALANCE SHEET**Note 1A - Property, Plant & Equipment**

The changes in the carrying value of property, plant and equipment are as follows :

(₹ in Lakh)

Particulars	Own Assets								Right-of use Asset	Total
	Freehold Land	Leasehold Land	Building Road & Culverts	Plant & Machinery	Electric and Gas Installation	Furniture & Fixtures	Office Equipments	Motor & Other Vehicles	Building	
Gross carrying amount										
At April 01, 2019	233.13	0.97	448.48	1,010.00	15.28	51.58	139.16	122.08	-	2,020.68
Additions	-	-	119.85	575.19	-	1.12	19.01	-	495.76	1,210.93
Deductions	-	-	-	69.39	-	-	-	-	-	69.39
At 01 April 2020	233.13	0.97	568.33	1,515.80	15.28	52.70	158.17	122.08	495.76	3,162.22
Additions	-	-	128.07	397.88	0.36	11.83	72.68	-	-	610.82
Disposal	-	-	-	60.64	-	2.33	0.29	-	-	63.26
At 31 March 2021	233.13	0.97	696.40	1,853.04	15.64	62.19	230.57	122.08	495.76	3,709.77
Accumulated depreciation										
At 31 March 2019	-	0.04	49.55	301.24	11.59	16.61	69.31	24.07	-	472.41
Depreciation for the year	-	-	18.89	90.14	0.86	7.56	20.54	17.76	24.79	180.54
Deductions	-	-	-	61.47	-	-	-	-	-	61.47
At 31 March 2020	-	0.04	68.44	329.91	12.45	24.17	89.85	41.83	24.79	591.48
Depreciation for the year	-	-	22.53	118.66	0.75	7.03	18.77	14.74	99.15	281.63
Deductions	-	-	-	57.72	1.58	0.67	0.27	-	-	60.23
At 31 March 2021	-	0.04	90.97	390.86	11.62	30.53	108.35	56.57	123.94	812.88
Net carrying amount as at 31 March 2020	233.13	0.93	499.89	1,185.89	2.83	28.53	68.32	80.25	470.97	2,570.74
Net carrying amount as at 31 March 2021	233.13	0.93	605.44	1,462.18	4.02	31.66	122.21	65.50	371.82	2,896.90

NOTES:-

1. Out of the above Land, Building and Electric & Gas Installation aggregate value of Rs. 0.49 lakh (Previous Year Rs. 0.49 lakh) are owned with other co-owners.

Note 1B - Intangible Assets

The changes in the carrying value of Intangible Assets are as follows :

(₹ in Lakh)

Particulars	Drawings & Development	Total
Gross Carrying Amount		
At 01 April 2019	31.72	31.72
Additions	-	-
Deductions	-	-
At 01 April 2020	31.72	31.72
Additions	-	-
Disposal	9.66	9.66
At 31 March 2021	22.07	22.07
Accumulated depreciation		
At 01 April 2019	21.54	21.54
Depreciation for the year	4.23	4.23
Deductions	-	-
At 01 April 2020	25.77	25.77
Depreciation for the year	4.10	4.10
Deductions	9.66	9.66
At 31 March 2021	20.21	20.21
Net carrying amount as at 31 March 2020	5.95	5.95
Net carrying amount as at 31 March 2021	1.86	1.86



2 INVESTMENTS

(₹ in Lakh)

Particulars	Face Value (in ₹)	As at March 31, 2021		As at March 31, 2020	
		Nos.	Amount	Nos.	Amount
(A) NON CURRENT INVESTMENT					
(I) Investment Measured at Amortised Cost					
In Equity Shares of Subsidiary Companies					
Unquoted, Fully Paid					
Kumar Metals Pvt. Ltd.	100	1,000	155.00	1,000	155.00
In Equity Shares of Other Companies					
Unquoted, Fully Paid					
Kesoram Textile Mills Ltd. (Refer Note 2.1)	2	2,25,800	4.52	2,25,800	4.52
Kesoram Insurance Broking Service Ltd.	10	50,000	5.00	50,000	5.00
In Debenture/Bonds of Other Companies					
Unquoted, Fully Paid					
Shambhavi Realty Pvt. Ltd. 18% NCD (Refer Note 2.2)	1,00,000	480	133.16	480	160.92
Manipal Healthcare Pvt. Ltd. Series A 15.75% NCD	10,00,000	167	1,680.11	167	1,680.11
Preference Shares of Other Companies					
Unquoted, Fully Paid					
IL&FS Transportation Network Ltd. (Refer Note 2.5)	10	25,00,000	-	25,00,000	500.00
Total Investment at Amortised Cost (I)			1,977.79		2,505.55
(II) Investment Measured at Fair Value Through OCI					
In Equity Shares of Other Companies					
Quoted, Fully Paid					
Aditya Birla Capital Ltd. (Refer Note. 2.3)	10	4,71,931	563.49	4,71,931	199.15
Jayshree Tea & Industries Ltd.	5	4,45,600	294.99	4,45,600	136.80
Total Investment at Fair Value Through OCI (II)			858.48		335.95
(III) Investment at Fair Value Through PL					
In Mutual Funds					
Aditya Birla Sun Life Mutual Fund (Refer Note 2.4)		42,82,288	545.26	42,82,288	500.06
In Venture Capital Fund/Alternative Fund (Refer 2.6)					
ICICI Venture Capital Fund Real Estate Scheme I (Refer Note 2.4)	10	76,63,406	605.77	85,57,111	657.97
IIFL Special Opp. Fund Series IV	10	47,41,523	714.70	47,41,523	356.85
IIFL Special Oppor. Fund Class A5	10	3,87,35,725	4,375.82	3,89,61,859	3,284.21
ICICI Prudential Real Estate AIF-I	100	7,02,924	778.75	8,32,050	878.23
ICICI Prudential Real Estate AIF-II	100	1,78,213	149.27	1,82,266	155.56
IIFL Income Oppor.Fund Spl.Situation (Piramal)(Refer Note 2.2)	10	4,04,34,847	548.66	4,04,34,847	883.74
IIFL Income Oppor. Fund Series-II	10	39,28,245	451.62	38,34,088	416.70
IIFL Real Estate Fund (Domestic) Series-II (Refer Note 2.2)	10	2,15,31,488	1,013.66	2,15,31,488	1,277.66
IIFL Real Estate Fund (Domestic) Series-III (Refer Note 2.2)	10	61,30,000	175.93	61,30,000	203.47
IIFL Re Organize India Eq Fund CAT-III AIF(Kotak)TF	10	-	-	27,40,371	135.17
IIFL Special Opportunities Fund CAT-II AIF (Pre-Ipo)	10	92,98,231	1,087.52	92,98,231	842.62
India Business Excellence Fund-III	1000	24,467	223.02	-	-
Indiareit Apartment Fund (Piramal)(Refer Note 2.2)	1,00,000	692	1,100.20	703	1,302.28
Sundaram Alt. Oppor. Nano Cap CAT-III TF	1,00,000	230	206.21	230	97.88
India Realty Excellence Fund-III	100	8,75,930	1,099.11	9,51,342	1,125.75
India Housing Fund	10	3,00,00,000	1,364.28	3,00,00,000	3,067.38
India Realty Excellence Fund-IV	100	14,83,686	1,745.21	16,07,327	1,714.22

(₹ in Lakh)

Particulars	Face Value (in ₹)	As at March 31, 2021		As at March 31, 2020	
		Nos.	Amount	Nos.	Amount
In Non-Convertible Debentures of Other Companies					
Edelweiss Finvest Private Ltd NCD	1,00,000	-	-	25	35.65
Reddy Veeranna Investments Pvt. Ltd. NCD	10,00,000	158	795.94	158	1,602.25
Reddy Veeranna Investments Pvt. Ltd. NCD-Series 2	10,00,000	149	1,490.00	-	-
Total Investment at Fair Value Through PL (III)			18,470.93		18,537.65
Total Non-Current Investments (A=I+II+III)			21,307.20		21,379.15
(B) Current Investments					
Investment at Fair Value Through PL In Equity Shares of Other Companies Quoted, Fully Paid					
Tata Motors Limited- DVR	2	1,75,000	224.18	80,000	24.80
Jayshree Tea & Industries Limited	5	12,576	8.33	-	-
Bank of Baroda	2	1,00,000	74.15	-	-
National Aluminium Company Limited	5	1,00,000	54.00	1,00,000	29.15
Punjab National Bank	2	1,00,000	36.65	-	-
Steel Authority of India Limited	10	1,00,000	78.85	-	-
Total Current Investment(B)			476.16		53.95
Total Investment(A+B)			21,783.36		21,433.10

	Non-Current	Current	Non-Current	Current
Aggregate Value of Quoted Investments	858.48	476.16	335.95	53.95
Aggregate Value of Unquoted Investments	20,924.88	-	21,097.15	-

- 2.1 Received on account of transfer of textile division by Kesoram Industries Ltd. to Kesoram Textile Mills Ltd. during the year 1999-2000.
- 2.2 Lien is created on the said investments towards allocation of demand loan upto maximum limit of Rs 7500 Lakh by IIFL wealth finance Ltd. (Refer Note No. 20.3)
- 2.3 During the year 2015-16, under the scheme for the transfer/ vesting by way of demerger of the "Madura Undertaking" an undertaking of Aditya Birla Nuvo Limited (ABNL), on a going concern basis, to Aditya Birla Fashion and Retail Limited (ABFRL), 6,19,647 equity shares of ABFRL were allotted against 1,19,163 equity shares of Aditya Birla Nuvo Limited (ABNL). As such, cost of acquisition of equity shares to be issued by ABFRL for every one equity share held in ABNL is 0.87% of the total cost of acquisition of shares held in ABNL prior to the scheme.
- 2.4 Lien has been created in accordance with the terms of Bill Discounting Facility sanctioned by Aditya Birla Finance Limited referred to in Note No. 20.2.
- 2.5 During the year 2020-21, the Company has written off the investment held by it in Preference Shares of IL&FS as there is no reasonable expectation of recovering the same in entirety. The loss on such derecognition has been disclosed under 'Other Expenses' in Statement of Profit & Loss.
- 2.6 All the above funds have been valued on the basis of latest data available with the management.



(₹ in Lakh)			
Particulars	Ref.	As at March 31, 2021	As at March 31, 2020
3 NON-CURRENT LOANS			
Unsecured, considered good			
Security Deposits		45.74	43.68
		45.74	43.68
4 OTHER NON-CURRENT FINANCIAL ASSETS			
Deposits with Bank held as margin money		106.17	-
Earnest Money Deposits		292.05	241.56
Receivable against sale of Property, Plant & Equipment		4,367.96	5,006.71
		4,766.18	5,248.27
5 DEFERRED TAX ASSETS			
Deferred Tax Assets			
Provision and Liabilities		596.27	555.83
Mat Credit Entitlement		-	156.29
Fair Value of Investments (Net)		591.80	543.94
Gross Deferred Tax Asset		1,188.07	1,256.06
Less : Deferred Tax Liabilities			
Timing Difference on Depreciable Assets		242.24	364.25
Fair Value of Investment (net)		232.14	-
Gross Deferred Tax Liability (B)		474.38	364.25
Net Deferred Tax Assets (A-B)		713.69	891.81
6 OTHER NON-CURRENT ASSETS			
Capital Advances		210.23	110.06
Sub-Judicial Matter		40.00	40.00
		250.23	150.06

(₹ in Lakh)			
Particulars	Ref.	As at March 31, 2021	As at March 31, 2020
7 INVENTORIES			
(Valued at Lower of Cost and Net Realisable Value)			
Raw Materials		1,929.46	2,439.27
Work in Progress		3,293.05	4,870.24
Finished Goods		37.92	83.43
Stores and Spares		10.23	11.32
Scrap at realizable value		4.72	1.63
		5,275.38	7,405.89
8 TRADE RECEIVABLES			
Unsecured	8.1		
Considered Good		17,004.31	10,558.71
Considered Doubtful		283.09	186.76
Less: Allowance for Doubtful Receivables		(283.09)	(186.76)
		17,004.31	10,558.71
8.1 Balance with customers are subject to confirmations and reconciliations.			
9A CASH AND CASH EQUIVALENTS			
Balances with Banks:			
-in Current Accounts		527.20	658.32
-in Cash Credit Accounts		1.76	671.33
Deposits with Bank		20.00	25.00
Cash on Hand		8.82	8.87
		557.78	1,363.52
9B BANK BALANCES OTHER THAN ABOVE			
Earmarked Balances with Bank			
-in Unclaimed Dividend Accounts		7.16	5.74
Deposit with Banks held as margin money		369.53	65.25
		376.69	70.99
10 CURRENT LOANS			
Unsecured, considered good			
Loan to Staff		24.93	71.17
		24.93	71.17
11 OTHER CURRENT FINANCIAL ASSETS			
Unbilled Revenue		42.69	62.31
Deposit with Others		78.44	135.03
Accrued Interest Receivable		660.81	323.05
Other Receivables		286.02	424.55
		1,067.96	944.93

(₹ in Lakh)

Particulars	Ref.	As at	
		March 31, 2021	March 31, 2020
12 CURRENT TAX ASSETS			
Income Tax Assets (Net)		421.71	1,075.22
		421.71	1,075.22

13 OTHER CURRENT ASSETS

Advance to Suppliers	224.41	269.03
Balance with Revenue Authorities	163.95	480.10
Prepaid Expenses	41.84	12.69
Others	7.94	15.21
	438.14	777.03

14 EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	Amount	Nos.	Amount
(a) Authorised Share Capital				
Equity Shares of ₹ 10 Each	1,45,00,000	1,450.00	1,45,00,000	1,450.00
Redeemable Cumulative Preference Shares of ₹ 100/- each	50,000	50.00	50,000	50.00
	1,45,50,000	1,500.00	1,45,50,000	1,500.00
(b) Issued Share Capital				
Equity Shares of ₹ 10/- each fully paid	73,33,875	733.39	73,33,875	733.39
	73,33,875	733.39	73,33,875	733.39
(c) Subscribed and Paid - up Share Capital				
Equity Shares of ₹ 10/- each fully paid	72,88,645	728.86	72,88,645	728.86
Add: Forfeited Shares (Amount originally Paid)		0.17		0.17
	72,88,645	729.03	72,88,645	729.03

14.1 Reconciliation of the number of Equity shares outstanding

(₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	Amount	Nos.	Amount
Number of shares at the beginning	72,88,645	728.86	72,88,645	728.86
Add: Shares issued during the year	-	-	-	-
Add/(Less) : Shares issued/bought back during the year	-	-	-	-
Number of shares at the end	72,88,645	728.86	72,88,645	728.86

14.2 Details of the Shareholders holding more than 5% shares alongwith number of shares held

Shareholder's Name	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Equity Shares	No. of Shares held	% of Equity Shares
Jayantika Investment & Finance Ltd. (Formerly Parvati Tea Company Pvt. Ltd.)	27,09,997	37.18	27,09,997	37.18
Prakash Kumar Mohta	13,48,158	28.11	15,24,182	20.91
Jayshree Finvest Pvt. Ltd.	4,49,124	6.16	4,49,124	6.16
Bhiragacha Finance Co. Pvt. Ltd.	-	-	9,17,734	12.59

14.3 Rights, preferences and restrictions attached with Shares

Equity Shares : The company has issued one class of Equity Share having a par value of ₹ 10/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



(₹ in Lakh)

Particulars	Ref.	As at March 31, 2021	As at March 31, 2020
15 OTHER EQUITY			
Securities Premium			
As per last Balance Sheet		2,150.19	2,150.19
	(A)	2,150.19	2,150.19
Share Buy Back Reserve			
As per last Balance Sheet		283.26	283.26
	(B)	283.26	283.26
General Reserve			
As per last Balance Sheet		6,143.89	6,143.89
	(C)	6,143.89	6,143.89
Retained Earnings			
Balance Brought Forward from Previous Year		11,728.17	12,980.86
Add: Profit/(Loss) for the period		3,348.58	(1,013.25)
		15,076.75	11,967.60
Less :			
Actuarial Loss on defined benefits Obligations (Net of Tax)		(20.19)	19.76
Proposed Dividend		67.16	182.22
Tax on Dividend		5.72	37.46
Balance Carried to Next Year	(D)	15,024.06	11,728.17
Other Comprehensive Income (OCI)			
Balance Brought Forward from Previous Year		3,584.34	4,325.43
Add: Movement in OCI(Net) during the year		522.52	(741.09)
	(E)	4,106.86	3,584.34
Total Other Equity (A+B+C+D+E)		27,708.26	23,889.85

(A) The amount received in excess of the par value has been classified as securities premium and shall be utilized in accordance with Section 52 of Companies Act, 2013.

(B) The amount equal to the nominal value of the shares purchased by the Company has been classified as Share Buy Back Reserve and shall be utilized in accordance with Section 69 of the Companies Act, 2013.

(C) This amount represents retained earnings of a company which are kept aside out of company's profits to meet future (known or unknown) obligations.

(D) This amount represents the accumulated earnings of the Company.

(₹ in Lakh)			
Particulars	Ref.	As at March 31, 2021	As at March 31, 2020
16 NON-CURRENT BORROWINGS			
Term Loans (Secured)			
- From Banks			
Yes Bank	16.1	16.73	25.66
Bank of Baroda	16.2	1.64	2.09
		18.37	27.75
16.1	The loan is sanctioned for ₹ 43.72 lakh repayable in 60 equal monthly instalments and is secured by way of Hypothecation of the respective Vehicle.		
16.2	The loan is sanctioned for ₹ 4.50 lakh repayable in 60 equal monthly instalments and is secured by way of Hypothecation of the respective Vehicle.		
17 LEASE LIABILITIES			
Non-Current Liabilities			
Lease Liabilities		296.26	389.59
Current Liabilities			
Lease Liabilities		103.02	95.15
		399.28	484.74
Movement of Lease Liabilities during the year			
Opening Lease Liabilities		484.74	-
New Leases recognised		-	494.83
Interest expense on Lease Liabilities		6.56	2.35
Exchange fluctuation on Lease Liabilities		12.41	12.94
Payment of Lease Liabilities		(104.43)	(25.38)
Closing Lease Liabilities		399.28	484.74
18 OTHER NON-CURRENT FINANCIAL LIABILITIES			
Security Deposits		30.64	26.55
		30.64	26.55
19 NON-CURRENT PROVISIONS			
Provision for Employee Benefits	40.4	104.19	118.68
Provision for Warranty	25.1	163.54	144.06
		267.73	262.74
20 OTHER NON-CURRENT LIABILITIES			
Sub Judicial Matter	40.5 to 40.7	1,819.49	1,818.67
Advance against sale of Property, Plant & Equipment		937.49	937.49
		2,756.98	2,756.16



(₹ in Lakh)			
Particulars	Ref.	As at March 31, 2021	As at March 31, 2020
21 CURRENT BORROWINGS			
Secured Loans			
Repayable on Demand			
Cash Credit Facility from Banks	21.1	897.67	445.55
Bill Discounting Facility from NBFC	21.2	2,063.87	1,581.05
Loan against Securities from NBFC	21.3	5,154.58	7,459.06
		8,116.12	9,485.66
21.1 First Pari-Passu charge by way of hypothecation on all Current Assets of the company both present & future. Second Pari-Passu charge on Fixed Assets of the company as under :-			
- Land & Building of Sonapat unit admeasuring 16.86 acres.			
- Plant & Machinery of all units except Ghaziabad unit.			
- Pari-Passu charge on other Fixed Assets of all units except Ghaziabad unit			
21.2 The Company has entered into Bill Discounting Arrangement with Aditya Birla Finance Ltd. amounting to ₹ 2100 lakh against securities of Bank Guarantees and lien on units of ICICI Venture Capital Funds. (Refer Note No. 2.6)			
21.3 The Company has got corporate loan from IIFL Wealth Finance Ltd. amounting to ₹ 7500 lakh sanctioned against securities & lien on units of Venture Capital Fund and Debentures. (Refer Note No. 2.2).			
22 TRADE PAYABLES			
Payables for Goods and Services	21.1 & 21.2	10,787.72	9,804.36
		10,787.72	9,804.36
22.1 The principal amount of INR 387.51 lakh (Previous Year INR 278.24 lakh) remaining unpaid on 31.03.2021 to suppliers as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to the extent such suppliers have been identified on the basis of information provided during the year to the Company. The Company generally makes payments to all its suppliers within the agreed credit period and thus the management is confident that the liability of interest under this Act, if any, would not be material.			
22.2 Vendor's balances are subject to confirmations and reconciliations.			
23 OTHER CURRENT FINANCIAL LIABILITIES			
Current maturities of non-current borrowings		9.91	9.07
Interest accrued and not due on borrowings		88.53	153.62
Unpaid Dividend		7.16	5.74
Security Deposits		6.00	6.00
Contractual Deductions by Customers & Price Variation		1,046.70	1,067.41
Dues to Others		509.89	640.88
Book Overdraft		-	53.85
Employee's Emoluments		214.95	103.87
		1,883.14	2,040.45
24 OTHER CURRENT LIABILITIES			
Statutory Dues		145.68	125.15
Advance from and Credit Balance of Customers & Others		2,162.30	2,408.34
Unearned Revenue		304.63	220.65
		2,612.61	2,754.14

Particulars	Ref.	₹ in Lakh)	
		As at March 31, 2021	As at March 31, 2020
25 CURRENT PROVISIONS			
Provision for Employee Benefits	40.4	193.50	208.63
Provision for Warrantees	25.1	216.38	214.78
Provision for Contingency	25.1	25.00	25.00
		434.88	448.41

Particulars	Ref. No.	₹ in Lakh)			
		Balance as at 01.04.2020	During the year Additions	Used & reversed	Balance as at 31.03.2021
25.1 Disclosures as per Ind AS-37					
Provision for Warranty	25.1.1	358.84	93.83	72.75	379.92
		(302.84)	(129.16)	(73.16)	(358.84)
Provision for Contingency against Sales tax demands	25.1.2	25.00	-	-	25.00
		(25.00)	-	-	(25.00)
Current Year		383.84	93.83	72.75	404.92
Previous Year		(327.84)	(129.16)	(73.16)	(383.84)

Additional Notes :-

25.1.1 Warranty provision covers the estimated expenses to be incurred during warranty period of the products of the company determined on the basis of past experience. The company reviews the warranty provisions at periodical intervals and the same is adjusted to the estimated expenses to be incurred during the balance warranty period of the product. Expenses incurred during the year against warranty are being directly charged to Statement of Profit & Loss.

25.1.2 Refer Note No. 40.1(a)(ii).



STANDALONE NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS

Particulars	Ref.	₹ in Lakh)	
		1st April, 2020 to 31st March, 2021	1st April, 2019 to 31st March, 2020
26 REVENUE FROM OPERATIONS			
Sale of Product and Services			
Sale of Finished Goods		30,857.13	21,360.20
Contract Jobs		4,927.81	7,223.80
Maintenance and Services Revenue		1,608.92	1,641.87
	(A)	37,393.86	30,225.87
Other Operating Income			
Sales of Production Scrap	(B)	88.56	95.20
Total Revenue	(A)+(B)	37,482.42	30,321.07

26.1 Disclosure on Revenue pursuant to Ind AS 115- Revenue from Contract with Customers**A. "Disaggregation of Revenue**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Revenue from contracts with customers**i) Revenue from Operations***

a) Electrical Equipment for Power Transmission and Distribution	31,063.14	21,524.50
b) Elevator	6,419.27	8,796.57
Total revenue covered under Ind AS 115	37,482.41	30,321.07

*The Company has disaggregated the revenue from contracts with customers on the basis of nature of products into Electrical Equipment for Power Transmission and Distribution and Elevator (refer note 40.2). The Company believes that the disaggregation of revenue on the basis of nature of products has no impact on the nature, amount, timing and uncertainty of revenue and cash flows.

B. Contract Balances

The following table provides information about receivables and contract liabilities from contract with customers:

Contract Liabilities

Advance from Customers	2,162.30	2,408.34
Total (A)	2,162.30	2,408.34

Receivables

Trade Receivables	17,004.31	10,558.71
Total (B)	17,004.31	10,558.71

Net Receivables (B-A)

14,842.01	8,150.37
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Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance.

C. Significant changes in the contract liabilities balances during the year are as follows:

Opening Balance	2,408.34	2,665.04
Addition during the year	2,162.30	2,408.34
Revenue recognized during the year	2,408.34	2,665.04
Closing Balance	2,162.30	2,408.34

D. The Company has applied Ind AS 115 prospectively from 01st April, 2018 and the adoption of this standard did not have a material impact on the financial statements of the Company.

(₹ in Lakh)			
Particulars	Ref.	1st April, 2020 to 31st March, 2021	1st April, 2019 to 31st March, 2020
27 OTHER INCOME			
Interest Income		1,175.83	888.64
Rent & Licence Fees		192.40	166.14
Royalty Received		31.55	33.00
Dividend Income from Non-Current Investments (Other than Trade)		53.15	55.43
Sundry Balances Written Back		241.01	20.41
Profit on Sale of Property, Plant & Equipment		4.67	30.73
Reversal of Provisions		12.17	143.73
Net gain on Investments carried at fair value through Profit & Loss		3,443.46	-
Net gain on Derivatives		-	70.01
Interest Income on Financial Assets carried at fair value through Amortised cost		499.75	476.99
Bad-debts Recovered		10.52	68.04
Misc. Income		2.65	12.93
		5,667.16	1,966.05
28 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE			
Closing Stock			
Finished Goods		-	-
Work-in-Progress		3,282.19	4,577.74
Stock-in-Trade		10.98	-
		3,293.17	4,577.74
Less:			
Opening Stock			
Finished Goods		-	-
Work-in-Progress		4,577.74	2,697.08
Stock-in-Trade		-	11.71
		4,577.74	2,697.08
Decrease / (Increase) in Stock		1,284.57	(1,880.65)
29 EMPLOYEE BENEFIT EXPENSES			
Salaries and Wages		2,315.64	2,760.57
Contribution to Provident and Others Funds		233.01	243.73
Workmen and Staff Welfare Expenses		104.27	119.59
		2,652.92	3,123.89
30 FINANCE COSTS			
Interest Expense		927.60	831.51
Interest on Lease Liabilities		6.56	2.35
Other Borrowing Cost		41.45	14.82
		975.61	848.68
31 DEPRECIATION & AMORTIZATION EXPENSE			
Depreciation & Amortization Expense		285.72	184.77
		285.72	184.77



(₹ in Lakh)			
Particulars	Ref.	1st April, 2020 to 31st March, 2021	1st April, 2019 to 31st March, 2020
32 OTHER EXPENSES			
Processing & Material Handling Expenses		1,316.33	1,493.90
Freight outwards, Transport and Octroi Expenses		249.57	390.79
Power & Fuel Expenses		301.40	294.16
Rent		103.25	107.57
Rates and Taxes		108.19	128.19
Auditor's Remuneration	32.1	6.52	6.28
Repair and Maintenance:			
- Buildings		30.25	38.55
- Plant and Machinery		37.45	23.81
- Others		35.75	61.75
Commission on Sales		176.94	149.09
Net Loss on Investments carried at fair value through Profit & Loss		-	2,100.10
Net Loss on Derivatives		551.55	-
Net Loss on Derecognition of Investment		500.00	-
Insurance		33.15	41.34
Legal & Professional Charges		248.62	338.41
Travelling & Conveyance Expenses	32.2	245.01	418.42
Bank Charges		412.06	249.38
After Sales Services		110.81	96.89
Impulse & Short Circuit Charges		61.67	114.51
Debt, Advance & other debit balance written off		79.83	64.17
Provision For Doubtful Debts		96.33	22.52
Contractual Deductions / Recoveries by Customers		769.46	78.95
Miscellaneous Expenses	32.3	514.75	517.70
		5,988.89	6,736.48

32.1 Payment to Statutory Auditors

i) Audit Fee	4.90	4.75
ii) Reimbursement of Expenses	0.34	0.76
iii) Certification	1.28	0.77

32.2 Includes Directors' Travelling ₹ 47.15 Lakh (Previous Year ₹ 64.28 Lakh).

32.3 Expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities is INR 5 lakh which has been spent as per Schedule VII to the Companies Act, 2013.

(₹ in Lakh)			
Particulars	Ref.	1st April, 2020 to 31st March, 2021	1st April, 2019 to 31st March, 2020
33 OTHER COMPREHENSIVE INCOME			
A. Items that will not be reclassified to Profit & Loss			
1. Actuarial gain/(loss) on Defined Benefit Obligations		24.23	(30.22)
Income Tax Effect		(4.04)	10.46
2. Net gain/(loss) on FVTOCI Equity securities		522.52	(741.09)
Income Tax Effect		-	-
B. Items that will be reclassified to Profit & Loss			
		-	-
		542.71	(760.85)

34 CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

(₹ in Lakh)

PARTICULARS	NON- CURRENT		CURRENT	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Financial Assets				
Measured at Amortised Cost				
Investments	1,977.79	2,505.55	-	-
Trade Receivables	-	-	17,004.31	10,558.71
Cash & cash equivalents	-	-	557.78	1,363.52
Other Bank balances	-	-	376.69	70.99
Loans	45.74	43.68	24.93	71.17
Other Financial Assets	4,766.18	5,248.27	1,067.96	944.93
Measured at Fair Value through Profit or Loss				
Investments	18,470.93	18,537.65	476.16	53.95
Measured at Fair Value through Other Comprehensive Income				
Investments	858.48	335.95	-	-
Total Financial Assets	26,119.12	26,671.11	19,507.82	13,063.28
Financial Liabilities				
Measured at Amortised Cost				
Borrowings	18.37	27.75	8,116.12	9,485.66
Lease Liabilities	296.26	389.59	103.02	95.15
Trade Payables	-	-	10,787.72	9,804.36
Other Financial Liabilities	30.64	26.55	1,883.14	2,040.45
Total Financial Liabilities	345.27	443.89	20,890.01	21,425.62



35 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The following table provides Fair Value measurement hierarchy of company's financial asset and financial liabilities

(₹ in Lakh)

Particulars	Fair Value Hierarchy (Level)	31st March, 2021	31st March, 2020
Financial Assets			
Measured at Amortised Cost			
Investments	3	1,977.79	2,505.55
Loans	3	70.67	114.86
Other Financial Assets	3	5,834.13	6,193.20
Measured at Fair Value through Profit or Loss			
Investments	2	18,947.09	18,591.60
Measured at Fair Value through Other Comprehensive Income			
Investments	1	858.48	335.95
Total Financial Assets		27,688.15	27,741.16

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are based on unobservable market data.

36 FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The company's principal financial liabilities comprise borrowings, trade payables, other financial liabilities and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include investments, trade receivables, cash and cash equivalents, other bank balances and loans. The Company is exposed to market risk and credit risk.

The Company has a Risk management policy. The Board of Directors provides assurance that the Company's risk activities are governed by appropriate policies and procedures and that 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 summarised below.

(i) 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. Market risk comprises two types of risk: currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include FVTOCI investments and FVTPL investments.

(a) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a foreign currency 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 which is minimal. The Company monitors the foreign exchange fluctuations on continuous basis and advises the management of any material adverse effect on the Company and for taking risk mitigation measures. Since the Company's foreign currency risk exposure is limited, therefore detailed disclosure of the same has not been provided.

(b) Equity Price Risks

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments/mutual funds. Reports on the investment portfolio are submitted to the Company's management on a regular basis.

Equity Price Sensitivity

The following table shows the effect of price changes in quoted and unquoted equity shares , quoted and unquoted equity mutual funds/fixed maturity plan.

(₹ in Lakh)

Particulars	31st March, 2021		31st March, 2020	
	Investment	1344.14		399.42
Price Change	+5%	-5%	+5%	-5.00%
Effect on Profit before Tax	67.21	(67.21)	19.97	(19.97)

(ii) Credit Risks

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on credit losses of historical data. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

(iii) Liquidity Risk

Liquidity risk is the risk that Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial asset and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analysis financial liabilities of the Company into relevant maturity Companyings based on the remaining period from the reporting date to the contractual maturity date. The amount disclosed in the table are the contractual undiscounted cash flow.



	(₹ in Lakh)			
	Less than 1 Year	Between 1 to 5 Years	Total	Carrying Value
As at 31st March, 2021				
Borrowings (Refer Note No.16,21,23)	8,126.04	18.37	8,144.40	8,144.40
Lease Liabilities (Refer Note No. 17)	103.02	296.26	399.28	399.28
Trade Payables (Refer Note No. 22)	10,787.72	-	10,787.72	10,787.72
Other Financial Liabilities (Refer Note No. 18,23)	1,873.23	30.64	1,903.87	1,903.87
As at 31st March, 2020				
Borrowings (Refer Note No.16,21,23)	9,494.73	27.75	9,522.48	9,522.48
Lease Liabilities (Refer Note No. 17)	95.15	389.59	484.74	484.74
Trade Payables (Refer Note No. 22)	9,804.36	-	9,804.36	9,804.36
Other Financial Liabilities (Refer Note No. 18,23)	2,031.37	26.55	2,057.92	2,057.92

37 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to :

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

	(₹ in Lakh)	
Particulars	31st March, 2021	31st March, 2020
Net Debts*	7,675.15	8,312.58
Total equity	28,437.29	24,618.88
Net debt to equity ratio	0.27	0.34

* Net debt = non-current borrowings + current borrowings + current maturities of non-current borrowings + interest accrued – cash and cash equivalents.

38 SIGNIFICANT ACCOUNTING JUDGEMENTS, 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(i) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

(a) Equity Investments measured at FVTOCI

The company has exercised the option to measure investment in equity instruments, not held for trading at FVTOCI in accordance with Ind AS 109. It has exercised this irrevocable option for its class of quoted equity shares. The option renders the equity instruments elected to be measured at FVTOCI non-recyclable to Profit & Loss.

(b) Business Model for Investment of Debt Instruments

For the purpose of measuring investments in debt instruments in accordance with Ind AS 109, the company has evaluated and determined that the business model for investments in quoted debentures and bonds is to collect the contractual cash flows and sell the financial asset. Such financial assets have been accordingly classified and measured at FVTOCI. For the purpose of measuring investments in debt instruments in accordance with Ind AS 109, the company has evaluated and determined that the business model for investments in unquoted debentures and bonds is only to collect the contractual cash flows. Such financial assets have been accordingly classified and measured at amortised cost.

(iii) 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.

(a) 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. Further details about gratuity obligations are given in Note No. 40.4.

(b) 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 including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements 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. Refer Note No 34.



(c) Depreciation / amortization and useful lives of property, plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortized over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

(d) Impairment of non-financial asset

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal systems. The Company uses internal business plans, quoted market prices and the Company's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed for a period of three to five years with projections thereafter. The Company does not include a general growth factor to volumes or cash flows for the purpose of impairment tests, however, cash flows are generally increased by expected inflation and market recovery towards previously observed volumes is considered.

(e) Taxes

The Company calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

NOTES TO STANDALONE ACCOUNTS

39 1. BASIS OF PREPARATION

a. Statement of Compliance

"These financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standard) Rules, 2015 (as amended) notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the Act. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted IND AS from 01st April, 2017.

With effect from 1st April, 2019, Ind AS 116 – "Leases" (IndAS 116) supersedes Ind AS 17 – "Leases". The Company has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the Balance Sheet."

b. Functional and Presentation Currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to the nearest two decimals of lakh, unless otherwise indicated.

c. Historical Cost Convention

The financial statements have been prepared following accrual basis of accounting on a historical cost basis, except for the following which are measured at fair value :

- (i) Certain financial assets and liabilities
- (ii) Defined benefit plans
- (ii) Property, Plant & Equipment

d. Fair Value Measurement

A number of Company's accounting policies and disclosures require fair value measurement for both financial and non-financial assets and liabilities.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement, as under:

- (i) Level I - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (ii) Level II - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (iii) Level III - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation, based on the lowest level input that is significant to the fair value measurement, at the end of each reporting period.

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

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.



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.

e. Current Versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset or liability is treated as current if it satisfies any of the following condition :

- (i) the asset/liability is expected to be realised/settled in normal operating cycle;
- (ii) the asset is intended for sale or consumption;
- (iii) the asset/liability is held primarily for the purpose of trading;
- (iv) the asset/liability is expected to be realised/settled within twelve months after the reporting period;
- (v) the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;
- (vi) in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period;

All other assets and 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 realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

f. Use of Estimates and Judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures and disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. The revisions in accounting estimates and assumptions are recognised prospectively. Detailed information about estimates and judgements is included in Note 38.

2. SIGNIFICANT ACCOUNTING POLICIES

g. Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency at the exchange rates on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange difference arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss on net basis.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively.

h. Property, Plant & Equipment

(i) Recognition & Measurement

All items of property, plant and equipment (PPE) are stated at cost less accumulated depreciation and impairment, if any. Cost of an item of PPE includes its purchase cost, non refundable taxes and duties, directly attributable cost of bringing the item to its working condition for its intended use and borrowing cost if the recognition criteria is met.

Subsequent costs are included in an item of PPE's carrying value or recognised as a separate item, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Capital work-in-progress is stated at cost.

An item of PPE or any significant part thereof is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on derecognition of an item of PPE is recognized in Statement of Profit and Loss.

(ii) Transition to Ind AS

On transition to Ind AS the Company has elected to measure all items of PPE at fair value and use that as the deemed cost of such PPE.

(iii) Depreciation methods, Estimated Useful Lives and Residual Value

Depreciation on all items of PPE is calculated using the straight line method to allocate their cost, net of their residual value, over their estimated useful lives as prescribed in Schedule II to the Act except for certain items where the management estimates the life indifferently basis the usage of such items.

"Depreciation on an item of PPE purchased/sold during the year is provided on pro-rata basis. Freehold land is not depreciated. The residual values are not more than 5% of the cost of an item of PPE. Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

i. Intangible Assets

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and impairment losses, if any.

On transition to Ind As the Company has elected to continue with the carrying value of all its intangible assets recognised as at April 01, 2016, measured as per previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Intangible assets such as Softwares, Design & Development, Patents etc. are amortized based upon their estimated useful lives of 5-6 years.





j. Lease Accounting

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

"The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any

and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset."

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

Leasehold land with perpetual right has been included in property plant & equipment.

k. Inventories

Inventories are valued as follows :-

Raw materials, stores, spares, other materials and traded goods	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on first in first out basis.
Finished goods and Work-in- progress (own manufactured)	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
Work in Progress (Long Term Contracts)	Work in Progress i.e. jobs under execution (including materials supplied to clients under the contract) to the extent of work done but not billed is valued at the lower of actual cost incurred upto the completion on reporting date and net realizable value. Cost includes direct materials, labour and proportionate overheads.
Scrap	Net Realizable Value

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision for obsolete/old inventories is made, wherever required, as per the consistently followed system.

l. 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 :

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss (FVTPL), are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

Subsequent measurement :

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria :

- a. The Company's business model for managing the financial asset and
- b. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories :

- a. Financial assets measured at amortized cost
- b. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- c. Financial assets measured at fair value through profit or loss (FVTPL)

A. *Financial assets measured at amortized cost*

A financial asset is measured at the amortized cost if both the following conditions are met :

- (i) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments (Refer Note 33 for further details). Such financial assets are subsequently measured at amortized cost using the EIR method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

B. *Financial assets measured at FVTOCI :*

A financial asset is measured at FVTOCI if both of the following conditions are met :

- (i) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in equity instruments (Refer Note 34 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.



Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer Note 34 for further details). The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

C. Financial assets measured at FVTPL :

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company (Refer Note 34 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs :

- (i) The contractual rights to cash flows from the financial asset expires;
- (ii) The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- (iii) The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- (iv) The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of Financial Assets :

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following :

- (i) Trade receivables
- (ii) Financial assets measured at amortized cost (other than trade receivables)
- (iii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss under the head 'Other expenses'.

(ii) Financial Liabilities

Initial recognition and measurement :

The Company recognizes a financial liabilities in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All Financial Liabilities are initially recognised at fair value.

Subsequent measurement :

All financial liabilities of the Company are subsequently measured at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition :

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 Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

m. Impairment

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognised in the Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

n. Income Tax

Income Tax comprises current and deferred tax and is recognised in Statement of Profit and Loss except to the extent that it relates to an item recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or in equity as the case may be.

(i) Current Tax

Current tax comprises the expected tax payable on the taxable income for the year and any adjustments to the tax payable in respect of previous years. It is measured using tax rates and tax laws enacted or substantively enacted by the reporting date.

(ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax asset is also recognised in respect of carried forward tax losses and unused tax credits.

Deferred Tax assets are recognised to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences, carried forward tax losses and unused tax credits.

Deferred Tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax laws that have been enacted or substantively enacted by the reporting date.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

o. Revenue Recognition

The Company recognises revenue when it is probable that future economic benefits will flow to the Company and the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The following specific recognition criteria must also be met for main revenue streams of the company for its recognition :

(i) Sale of Goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and includes excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

(ii) Sale of Contract Jobs

Revenue on long term contracts is recognized on the basis of percentage of completion method which is based on specified milestone or in proportionate to the work completed against each contract which are fixed price contract. Provisions are made for the entire loss on a contract irrespective of the amount of work done. Claims on account of price variation receivable / payable from / to the customers are accounted for on the basis of contractual terms. Final adjustments towards estimated claims for extra work are made in the year of settlement.

(iii) Income from Services

Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

(iv) Interest

Revenue is recognized using effective interest method.

(v) Dividend

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

(vi) Royalties

Revenue is recognized on an accrual basis in accordance with the terms of the relevant agreement.

(vii) Income Distributed by Venture Capital Fund

Revenue received from Investments made in Venture Capital Funds is recognized on actual receipt basis and are shown in respective heads of Income in Statement of Profit and Loss.



p. Employee Benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and expensed as the relative service is provided. A liability is recognised for the amount expected to be paid e.g. towards bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plan

Provident Fund, a defined contribution plan, is a post employment benefit plan under which the Company pays contributions into a separate entity and has no legal or constructive obligation to pay further amounts. The Company recognises the contributions payable towards the provident fund as an expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees.

(iii) Defined benefit plan

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The Company has funded Gratuity liability towards this which is provided on the basis of actuarial valuation made by an external valuer at the end of each financial year using the projected unit credit method and is contributed to the Gratuity Fund formed by the company.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any, excluding interest) are immediately recognised in the balance sheet with corresponding debit or credit to Other Equity through OCI. Remeasurements are not classified to profit or loss in subsequent periods.

Net interest and changes in the present value of defined benefit obligation resulting from plan amendments or curtailments are recognised in Statement of Profit & Loss.

(iv) Other long term employee benefits

The liabilities for earned leave are measured and provided on the basis of actuarial valuation made by an external valuer at the end of each financial year using the projected unit credit method. Remeasurement gains or losses are recognised in Statement of Profit and Loss in the period in which they arise.

q. Borrowing Costs

Borrowing costs consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs attributable to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowings costs eligible for capitalisation. All other borrowing costs are expensed in the period in which they are incurred. Transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

r. Earnings per Share

Basic earnings per share is calculated by dividing the Net Profit or Loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the post tax effect of finance costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the issue of all dilutive potential equity shares.

s. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with remaining maturity of 12 months or less, which are subject to an insignificant risk of change in value.

t. Cash Dividend to Equity Shareholders

The Company recognises a liability to make distribution of cash dividend to equity shareholders of the Company when the distribution is approved by the shareholders. A corresponding amount is recognised directly in equity.

u. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation 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.

Where the effect of time value of money is material, provisions are measured at present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to liability. The increase in the provision due to passage of time is recognised as interest expense.

v. Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM).

Identification of segments :

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing strategic business unit/units that/those offer/offers different products and serve/serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter Segment Transfer :

The Company generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs :

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items :

Unallocated items includes general corporate income and expense items which are not allocated to any business segment.

w. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.



(₹ in Lakh)

2020-21

2019-20

40 OTHER NOTES ON STANDALONE ACCOUNTS**40.1 COMMITMENTS & CONTINGENT LIABILITIES :****(a) Contingent liabilities not provided for in respect of :****Claims against the Company not acknowledged as debts, are as given below :**

(i) Excise Duty & Service Tax	-	6.99
(ii) Sales Tax / VAT / Work Contract Tax etc.	125.18	25.72
Provision of Rs. 25 lakh (Previous year Rs. 25 lakh) made in an earlier year is being carried forward under the head Provision for contingencies.		
(iii) Cess & Others	0.60	0.60

(b) Other Claims :**Other claims against the Company not acknowledged as debts, are as given below** :**

Labour Cases	2.00***	2.00***
Demands raised by Provident Fund / Employee State Insurance department	1.55***	1.55***
Other Claims	26.40***	26.40***

**The Management feels that the Company has a good chance of success in above mentioned cases hence no provision there against is considered necessary.

***In view of large number of cases pending at various Forums / Courts, it is not practicable to give the details of each case. List also includes certain labour matters for which amount of liability is not ascertainable at this stage.

40.2 SEGMENT INFORMATION**(a) Business Segments :**

As of 31st March, 2021, there are two business segments i.e. Electrical Equipments for Power Transmission and Distribution (comprising of Transformer and Switchgear) and Elevator. A description of the types of products and services provided by each reportable segment is as follows:

- Electrical Equipments for Power Transmission and Distribution – the Company deals in manufactures and supplies power and distributes transformers and switchgear.
- Elevator Division manufactures equipments/ components of elevators for execution of jobs for erection and installation and also for supplies to other parties in the market.

(b) Geographical Segments :

Since the Company does not exports and operates in the domestic market which is governed by the same risks and returns, no geographical information is provided.

(c) Primary segment information (by Business segments)

The following table presents revenue and profit information regarding business segments for the years ended March 31, 2021 and March 31, 2020 and certain assets and liability information regarding business segments at March 31, 2021 and March 31, 2020.

(d) Segment Information Disclosure :

(₹ in Lakh)

Particulars	Electrical Equipment for Power Transmission and Distribution		Elevator		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue						
Revenue from operation	31,063.14	21,524.50	6,419.27	8,796.57	37,482.42	30,321.07
Other Income	181.85	277.03	245.99	43.63	427.85	320.66
Total income	31,245.00	21,801.53	6,665.26	8,840.21	37,910.26	30,641.73
Results						
Segment results Profit/(Loss)	1,606.51	1,369.32	201.21	(503.32)	1,807.72	866.01
Finance Cost					(975.61)	(848.68)
Unallocated Corporate Income (Net)					3,425.23	3,425.23
Profit before Tax					4,257.34	(1,331.64)
Tax Expense					908.75	(318.38)
Net Profit					3,348.58	(1,013.25)
Other Information						
Segment Assets	20,627.14	16,887.10	5,590.79	5,709.67	26,217.93	22,596.77
Unallocated Corporate Assets	-	-	-	-	29,526.83	30,113.06
Total Assets					55,744.76	52,709.83
Segment Liabilities	14,628.15	12,348.87	4,366.66	4,937.10	18,994.82	17,285.98
Unallocated Corporate Liabilities	-	-	-	-	8,312.65	10,804.97
Total Liabilities					27,307.47	28,090.95
Capital Expenditure	541.81	695.27	69.01	18.32	610.82	713.59
Corporate Office Capital Expenditure	-	-	-	-	-	497.34
Total Capital Expenditure					610.82	1,210.93
Depreciation & Amortisation	139.64	108.24	33.77	37.53	173.41	145.77
Unallocated Depreciation	-	-	-	-	112.32	39.00
Total Depreciation					285.72	184.77
Other Non Cash Expenses						
Provision for Doubtful Debts	-	-	283.09	186.76	283.09	186.76





ECE
INDUSTRIES
LIMITED

40.3 BASIC AND DILUTED EARNING PER SHARE

		2020-21	2019-20
Profit/(Loss) for the year	₹ in lakh	3,348.58	(1,013.25)
Equity Shares Outstanding at the beginning of the year	Numbers	72,88,645	72,88,645
Equity Shares Outstanding at the year end	Numbers	72,88,645	72,88,645
Weighted Average Number of equity shares	Numbers	72,88,645	72,88,645
Earnings Per Share	(₹)	45.94	(13.90)

40.4 DISCLOSURE UNDER INDIAN ACCOUNTING STANDARD - 19 (EMPLOYEES' BENEFIT)

The Company has a defined benefit gratuity plan and leave encashment plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service and every employee who discontinues his services to the company gets leave encashment (last drawn salary).

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the plan (based on Actuarial Valuation) :-

Particulars	(₹ in Lakh)			
	Gratuity		Leave	
	2020-21	2019-20	2020-21	2019-20
(a) Statement of Profit and Loss :				
Net employee benefit expense (recognised in Employee Cost)				
Current service cost	67.67	63.76	46.61	49.62
Interest cost on benefit obligation	39.94	38.22	17.96	19.05
Expected return on Plan Assets	(38.32)	(38.99)	-	-
Net actuarial(gain) / loss recognised in the year	-	-	(60.47)	(40.89)
Net benefit expense	69.28	62.99	4.10	27.78
(b) Balance Sheet :				
Defined benefit obligation	648.16	611.13	262.54	269.75
Fair value of plan assets	(613.17)	(553.59)	-	-
Net Liability arising from defined benefit obligation	34.99	57.55	262.54	269.75
(c) Changes in the present value of the defined benefit obligation are as follows :				
Opening defined benefit obligation	611.13	517.47	269.75	256.16
Interest cost	39.94	38.22	17.96	19.05
Current service cost	67.67	63.76	46.61	49.62
Actuarial (gains)/losses arising from experience variance	(38.98)	6.58	-	-
Actuarial (gains)/losses arising from change in financial assumption	16.00	20.77	-	-
Benefits paid	(47.60)	(35.68)	(11.32)	(14.19)
Actuarial (gains) / losses on obligation	-	-	(60.47)	(40.89)
Closing defined benefit obligation	648.16	611.13	262.54	269.75
(d) Changes in the fair value of plan assets are as follows :				
Opening fair value of plan assets	553.59	501.79	-	-
Expected return on plan assets	38.32	38.99	-	-
Contributions by employer	20.00	15.68	-	-
Withdraw	-	-	-	-
Remeasurement Gain/(Loss) on return plan assets	1.26	(2.87)	-	-
Closing fair value of plan assets	613.17	553.59	-	-
(e) Other Comprehensive Income are as follows :				
Return on plan assets(excluding amounts included in net interest Expense	1.26	(2.87)	-	-
Actuarial (gains)/losses arising from experience adjustment	(38.98)	6.58	-	-
Actuarial (gains)/losses arising from change in financial assumption	16.00	20.77	-	-
	(24.23)	30.22	-	-

(f) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	2020-21	2019-20
	%	%
Investments with insurer	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

(g) The Principal assumptions used in determining gratuity obligations for the Company's plans are shown below :

Attrition Rate	5.00%	10.00%
Imputed Rate of Interest(D)	6.76%	6.80%
Imputed Rate of Interest(IC)	6.80%	7.65%
Salary Rise	8.00%	8.00%
Return on Plan Assets	6.80%	7.65%
Remaining Working Life	21.13	21.58
Mortality Rate(Table)	IAL 2012-14 Ultimate	IAL 2012-14 Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Principal assumptions used in determining leave obligations for the Company's plans are shown below :

Attrition Rate	5.00%	10.00%
Imputed Rate of Interest(D)	6.76%	6.80%
Imputed Rate of Interest(IC)	6.80%	7.65%
Salary Rise	8.00%	8.00%
Return on Plan Assets	N.A.	N.A.
Remaining Working Life	21.13	21.58
Mortality Rate(Table)	IAL 2012-14 Ultimate	IAL 2012-14 Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(h) Disclosure

The amounts for the Non-Current and Current in respect of gratuity and Leave are as follows :

	Gratuity		Leave	
	2020-21	2019-20	2020-21	2019-20
Current Portion of defined benefit obligation	199.35	203.40	158.36	151.08
Non-Current Portion of defined benefit obligation	448.81	407.73	104.19	118.68

(i) The Impact of sensitivity analysis on defined benefit plan is given below :-

Particulars	2020-21		2019-20	
	2020-21	2019-20	2020-21	2019-20
Attrition rate increase by 1%	(3.64)	(2.03)	(0.73)	(0.47)
Attrition rate decrease by 1%	4.10	2.49	0.86	0.54
Salary growth rate increase by 1%	36.68	26.29	9.08	7.58
Salary growth rate decrease by 1%	(32.83)	(24.21)	(8.06)	(6.92)
Imputed rate of return rate increase by 1%	(32.90)	(24.26)	(8.08)	(6.94)
Imputed rate of return rate decrease by 1%	37.50	26.86	9.29	7.74

- 40.5** The Company had made claims against Uttar Haryana Bijli Vitran Nigam Limited (UHBVN) for refund of liquidated damages deducted by the Electricity Board as well as interest on delayed payment of bills/due instalments by the Electricity Board. The arbitrator, appointed by the chairman, UHBVN, had given award in favour of the Company which was subsequently confirmed by the Additional Distt. Judge, Panchkula (Haryana). The Electricity Board has, however, filed an appeal with the Hon'ble High Court, Punjab & Haryana. While admitting the appeal, the Hon'ble High Court passed an interim order dated 25.08.2009, directing the Electricity Board to pay to the company a sum of Rs. 608.08 lakh against bank guarantee of the same amount as security to the Electricity Board. The Electricity Board has made payment against bank guarantee given to them as security. As the matter is still sub-judice, the amount is lying in Other Current Liabilities.
- 40.6** During the FY 2016-17, a suit in the court of Civil Judge (Sr. Div.) Sealdah, West Bengal for recovery of possession of land and structure thereon which was taken on rent by the company was filed by the Lessor on expiration of lease by efflux of time. The court order was passed to hand over the possession of the suit property and the company to pay mesne profit and occupational charges till hand over of the possession to the lessor. In the year 2014, the property was handed over to the lessor by the company. The matter went upto High Court at Calcutta and is still pending in the Civil court. A sum of Rs. 881.33 lakh has been provided in books of account towards such charges.
- 40.7** During the FY 2016-17, the company on the order passed by Hon'ble High Court of Judicature at Hyderabad has provided Rs. 266.11 lakh. The amount was charged towards any unexpected outcome of the challenge testing ordered by the Court to be conducted at Central Power Research Institute to establish that the transformers which were supplied to The Southern Power Distribution Company of Telangana Limited were within technical parameters as mentioned in the purchase order.



40.8 Related Party Disclosure :

Related party Disclosure as identified by the management in accordance with the Indian Accounting Standard -24 issued under Section 133 of the Companies Act, 2013.

I. Names of Related Parties**A Key Management Personnel**

Mr. Prakash Kumar Mohta Chairman & Managing Director

B The entity and the Company are of the same group

Kumar Metals Pvt Ltd Wholly-owned Subsidiary Company

C Relatives of Key Management Personnel

Ms. Pratibha Khaitan Relative of Mr. Prakash Kumar Mohta

II. Transactions with Key Management Personnel are as under :**(₹ in Lakh)**

Nature of Transactions	2020-21	2019-20
Salary/Perquisites	309.57	228.94*
Provident/Superannuation Fund	32.00	27.47
Dividend Paid during the year	20.48	50.48
Advance given for purchase of Investment	141.62	-

* Excluding Gratuity and Leave Encashment provision on actuarial basis.

41. Previous year figures have been reclassified/regrouped to confirm current year figures.
42. The outbreak of COVID-19 pandemic led the company to a pause, to certain extent, to run its manufacturing activities at its fullest and for restrictive supplies. However, due to business profile of the Company, the impact of pandemic on the Company is expected to be minimal.
43. During the FY 2019-20, the Company has filed for a Scheme of Arrangement for Amalgamation of Kumar Metals Pvt Ltd (Wholly-owned subsidiary of the Company) with Hon'ble National Company Law Tribunal ('NCLT') to attain operational synergies. The scheme is pending for approval before the Hon'ble NCLT as on the date of approval of Financial Statements by the Board of Directors. Consequently, no effect of such scheme has been recorded in these Financial Statements.

As per our Report of even date attached.

For VSD & Associates
Chartered Accountants
Firm Reg. No. : 008726N

For and on behalf of the Board of Directors

(Vinod Sahni)
Partner
Membership No. 086666
Dated : 22.09.2021
Place : New Delhi

(Prakash Kumar Mohta)
Managing Director
DIN : 00191299

(Mahendra Kumar Jajoo)
Director
DIN : 00006504

(Rajat Sharma)
President & CFO

INDEPENDENT AUDITORS' REPORT

To
The Members,
ECE Industries Limited

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **ECE Industries Limited, ('the Company')** and its subsidiary, (the company and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated statement of changes in equity and the Consolidated Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated financial statement").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the financial statement of the subsidiary as noted below, the consolidated financial statements give true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder, we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 consolidated financial statements.

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>A) Valuation of Investments Refer Note 2 to the Financial Statements The Company's investment portfolio represents a significant portion of the Company's total assets, which primarily consists of:</p> <ol style="list-style-type: none"> Non-convertible debentures; Equity Shares; Preference Shares; Venture Capital Funds; and Alternate Investments Funds <p>The aforementioned instruments are valued at amortized cost or fair value through Other</p>	<p>Our key procedures included, but not limited to, the following :</p> <ol style="list-style-type: none"> Assessed the appropriateness of the relevant accounting policies of the Company, including those relating to recognition and measurement of financial instrument by comparing with the applicable accounting standards; For instrument valued at fair value: <ol style="list-style-type: none"> Assessed the availability of quoted prices in liquid markets; Assessed whether the valuation process is appropriately designed and captures relevant valuation inputs;



Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Comprehensive Income (FVOCI) or fair value through Profit and Loss (FVTPL) depending upon the nature as summarized below :</p> <ol style="list-style-type: none"> 1. Instrument valued at amortized cost: <ol style="list-style-type: none"> a) Non-convertible debentures; and b) Preference Shares 2. Instrument valued at fair value through Other Comprehensive Income ('FVOCI'): <ol style="list-style-type: none"> a) Equity Shares 3. Instrument valued at fair value through Profit & Loss ('FVTPL') : <ol style="list-style-type: none"> a) Venture Capital Funds; and b) Alternate Investments Funds <p>This is considered to be a significant area in view of the materiality of amounts involved, judgements involved in determining of impairment/ recoverability of instruments measured at amortized cost which includes assessment of market data/conditions and financial indicators of the investee and judgements in selecting the valuation basis and the complexities involved in the valuation of instruments carried at FVTPL and FVOCI which includes assessment of the available trading yield of relevant instruments.</p>	<ol style="list-style-type: none"> iii. Performed testing of the inputs/assumptions used in the valuation; and iv. Assessed pricing model methodologies and assumptions against industry practice and valuation guidelines c) For instrument valued at amortized cost: Assessed the instrument for impairment by evaluating if there is any significant increase in credit risk, which mainly involves : <ol style="list-style-type: none"> i. Evaluating the regularity of the interest payment and principal repayment as per agreed plan/term of issuance of instrument, where applicable; and ii. Obtained the valuations of instruments, where required; d) Assessed the appropriateness of the Company's description of the accounting policy and disclosures related to investments and whether these are adequately presented in the financial statements.
<p>B) Litigations and claims- Provisions and Contingent Liabilities</p> <p>Refer note 25.1 and 40.1 to the Financial Statements</p> <p>The Company has ongoing litigations with various authorities and third parties which could have a significant impact on the results, if the potential exposures were to materialise.</p> <p>The amounts involved are significant, and the application of accounting standards to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective.</p> <p>The level of management judgement associated with determining the need for, and the quantum of, provisions for any liabilities arising from these litigations is considered to be high. This judgement is dependent on a number of significant assumptions and assessments which involves interpreting the various applicable rules, regulations, practices and considering precedents in the various jurisdictions.</p> <p>This matter is considered as a key audit matter, in view of the uncertainty regarding the outcome of these litigations, the significance of the amounts involved and the subjectivity involved in management's judgement as to whether the amount should be recognized as a provision or only disclosed as contingent liability in the financial statements.</p>	<p>Our key procedures included, but not limited to, the following:</p> <ol style="list-style-type: none"> a) Assessed the appropriateness of the Company's accounting policies relating to provisions and contingent liability by comparing with the applicable accounting standards; b) Assessed the Company's process and the underlying controls for identification of the pending litigations and completeness for financial reporting and also for monitoring of significant developments in relation to such pending litigations; c) Assessed the Company's assumptions and estimates in respect of litigations, including the liabilities or provisions recognized or contingent liabilities disclosed in the financial statements. This involved assessing the probability of an unfavourable outcome of a given proceeding and the reliability of estimates of related amounts; d) Performed substantive procedures on the underlying calculations supporting the provisions recorded; e) Assessed the management's conclusions through understanding relevant judicial precedents in similar cases and the applicable rules and regulations; and f) Assessed the appropriateness of the Company's description of the accounting policy, disclosures related to litigations and whether these are adequately presented in the financial statements.

Other Matter

We did not audit the financial statements of the Kumar Metals Pvt Ltd ("the Subsidiary") whose financial statement reflects total assets of ₹ 183.04 lakh (Previous Year ₹ 262.79 lakh) as at 31st March 2021, total revenue of ₹ 467.25 lakh (Previous Year ₹ 163.18 lakh) and net cash inflow of ₹ 0.35 lakh (Previous Year ₹ 3.94 lakh) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

The other auditor has qualified his opinion on the grounds of "Post retirement benefits booked on accrual basis instead of on actuarial valuation basis as required by Ind AS 19 'Employee Benefits'." However, as per our opinion, such component is not material to the consolidated financial statements of the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statement and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these consolidated financial statements that give a true and fair view of consolidated financial performance including other comprehensive income, the consolidated state of affairs (financial position), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statement by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the companies included in Group are also responsible for overseeing the financial reporting process of the Group.



Auditor's Responsibility for the audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 ability of the Group 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the company and its subsidiary included in the consolidated financial statement of which we are the independent auditors 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 identified during our audit.

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

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

Report on other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated financial statement.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept, so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act.
 - (e) On the basis of written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors of the Company and its subsidiary and the reports of the statutory auditor of its subsidiary company, none of the directors of Group company is disqualified as on 31st March, 2021 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 the operation effectiveness of such controls, refer to our separate report in "**Annexure- A**". which is based on the auditors' report of the company and its subsidiary company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting of the companies.
 - (g) With respect to the other matters to be included in the auditors' report in accordance with the requirements of the 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 provision 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For VSD & Associates
Chartered Accountants
Firm Registration No. : 008726N

Place : New Delhi
Dated : 22.09.2021
UDIN : 21086666AAAABG2084

(Vinod Sahni)
Partner
M.No.086666



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub -section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit report of the consolidated financial statement of the company as of the and for the year ended 31st March 2021, we have audited the internal financial control over financial reporting of the **ECE Industries Limited** (hereinafter referred to as the "Company") and its subsidiary company.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its Subsidiary company, which are the companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and its subsidiary considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system over financial control of the Company and its subsidiary company.

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 and to the best of our information and according to the explanations given to us, the Company, has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, 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 issued by the Institute of Chartered Accountants of India.

Other Matter

We do not express an opinion on the the internal financial controls over financial reporting of the Kumar Metals Pvt Ltd ("the Subsidiary"). This opinion has been expressed by the other auditor whose report has been furnished to us by the Management and our opinion on the the internal financial controls over financial reporting, in so far as it relates to the disclosures included in respect of the subsidiary is based solely on the report of the other auditor.

The other auditor has issued a disclaimer of opinion on the grounds of the subsidiary company not establishing its financial control over financial statements on criteria based on or considering the essential components of internal control stated in the Guidance Note and that such disclaimer does not affect their opinion on the financial statements of the subsidiary company.

For VSD & Associates
Chartered Accountants
Firm Registration No. : 008726N

Place : New Delhi
Dated : 22.09.2021
UDIN : 21086666AAAABG2084

(Vinod Sahni)
Partner
M.No.086666





ECE
INDUSTRIES
LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	1A	2,923.49	2,604.25
(b) Capital work in progress		119.90	65.04
(c) Goodwill		67.25	67.25
(d) Other Intangible assets	1B	1.86	5.96
(e) Intangible Assets under development		0.01	33.68
(f) Financial Assets			
(i) Investments	2	21,152.89	21,225.70
(ii) Loans	3	47.21	45.18
(iii) Other Financial Assets	4	4,766.18	5,248.27
(g) Deferred Tax Assets (Net)	5	710.86	886.92
(h) Other Non-Current Assets	6	250.23	150.06
(2) Current Assets			
(a) Inventories	7	5,290.78	7,436.50
(b) Financial Assets			
(i) Investments	2	476.16	53.95
(ii) Trade Receivables	8	17,114.75	10,725.16
(iii) Cash and Cash Equivalents	9A	565.07	1,370.46
(iv) Bank Balances other than (iii) above	9B	399.69	96.99
(v) Loans	10	24.93	71.52
(vi) Other Financial Assets	11	1,068.39	945.61
(c) Current Tax Assets	12	420.89	1,074.78
(d) Other Current Assets	13	439.52	777.60
Total Assets		55,840.06	52,884.89
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	14	729.03	729.03
(b) Other Equity	15	27,697.67	23,877.43
(2) Liabilities			
(A) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	18.37	27.75
(ia) Lease Liabilities	17	296.26	389.59
(ii) Others	18	30.64	26.55
(b) Provisions	19	268.92	263.72
(c) Other Non-Current Liabilities	20	2,756.98	2,756.16
(B) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	8,173.37	9,592.86
(ia) Lease Liabilities	17	103.02	95.15
(ii) Trade Payables	22	10,811.76	9,858.32
(iii) Other Financial Liabilities	23	1,901.00	2,063.00
(b) Other Current Liabilities	24	2,618.07	2,756.91
(c) Provisions	25	434.97	448.43
Total Liabilities		55,840.06	52,884.89

Summary of significant Accounting Policies

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Other Notes on Accounts

34 to 38
& 40 to 43

The Notes referred to above form an integral part of Balance Sheet.

As per our Report of even date attached.

For VSD & Associates
Chartered Accountants
Firm Reg. No. : 008726N

For and on behalf of the Board of Directors

(Vinod Sahni)
Partner
Membership No. 086666
Dated : 22.09.2021
Place : New Delhi

(Prakash Kumar Mohta)
Managing Director
DIN : 00191299

(Mahendra Kumar Jajoo)
Director
DIN : 00006504

(Rajat Sharma)
President & CFO

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakh)			
Particulars	Note No.	1st April, 2020 to 31st March, 2021	1st April, 2019 to 31st March, 2020
INCOME			
Revenue from Operations	26	37,940.40	30,481.59
Other Income	27	5,676.44	1,968.73
Total Income		<u>43,616.84</u>	<u>32,450.32</u>
EXPENSES			
Cost of Materials Consumed		27,999.14	24,734.62
Purchases of Traded Goods		24.34	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	28	1,288.90	(1,882.27)
Employee Benefit Expense	29	2,719.25	3,138.04
Finance Costs	30	983.71	852.11
Depreciation and Amortization Expenses	31	296.11	189.87
Other Expenses	32	6,044.85	6,754.84
Total Expenses		<u>39,356.30</u>	<u>33,787.20</u>
Profit / (Loss) before Tax		<u>4,260.54</u>	<u>(1,336.89)</u>
Tax Expense/(Income)			
(1) Current tax		725.02	73.02
(2) Current tax for earlier years		9.11	-
(3) MAT credit entitlement		(435.51)	-
(2) Deferred tax Charge / (Credit)	5	611.55	(391.64)
		<u>3,350.36</u>	<u>(1,018.27)</u>
Other Comprehensive Income(OCI)			
(i) Items that will not be reclassified to statement of profit & loss	33	546.80	(771.80)
(ii) Income -tax relating to items that will not be reclassified to statement of profit & loss		(4.04)	3.55
Other Comprehensive Income for the year (Net of Tax)		<u>542.76</u>	<u>(768.25)</u>
Total Comprehensive Income for the year		<u>3,893.12</u>	<u>(1,786.52)</u>
Earning per Equity Share:			
Equity Shares of Rs. 10/- Each			
Basic & Diluted	40.3	45.97	(13.97)

Summary of significant Accounting Policies

39

Other Notes on Accounts

34 to 38
& 40 to 43

The Notes referred to above form an integral part of Balance Sheet.

As per our Report of even date attached.

For VSD & Associates
Chartered Accountants
Firm Reg. No. : 008726N

For and on behalf of the Board of Directors

(Vinod Sahni)
Partner
Membership No. 086666
Dated : 22.09.2021
Place : New Delhi(Prakash Kumar Mohta)
Managing Director
DIN : 00191299(Mahendra Kumar Jajoo)
Director
DIN : 00006504(Rajat Sharma)
President & CFO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021**(A) Equity Share Capital**

(₹ in Lakh)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Balance at the beginning of the reporting period	Changes during the year	Balance at the end of the reporting period	Balance at the beginning of the reporting period	Changes during the year	Balance at the end of the reporting period
Equity Share Capital	728.86	-	728.86	728.86	-	728.86
Add: Forfeited Shares (Amount paid up)	0.17	-	0.17	0.17	-	0.17
Total	729.03	-	729.03	729.03	-	729.03

(B) Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Securities Premium Reserve	Share Buy Back Reserve	General Reserve	Retained Earnings	Equity Instruments	
As at March 31, 2019	2,150.19	283.26	6,143.89	12,980.84	4,325.43	25,883.61
Profit for the Year	-	-	-	(1,018.27)	-	(1,018.27)
Other comprehensive Income	-	-	-	(26.61)	(741.64)	(768.25)
Total Comprehensive Income	2,150.19	283.26	6,143.89	11,935.98	3,583.79	24,097.11
Dividend	-	-	-	(182.22)	-	(182.22)
Dividend Distribution Tax	-	-	-	(37.46)	-	(37.46)
As at March 31, 2020	2,150.19	283.26	6,143.89	11,716.30	3,583.79	23,877.43
Profit for the Year	-	-	-	3,350.36	-	3,350.36
Other comprehensive Income	-	-	-	20.19	522.57	542.76
Total Comprehensive Income	2,150.19	283.26	6,143.89	15,086.85	4,106.36	27,770.55
Dividend - -	-	-	-	(67.16)	-	(67.16)
Dividend Distribution Tax	-	-	-	(5.72)	-	(5.72)
As at March 2021	2,150.19	283.26	6,143.89	15,013.97	4,106.36	27,697.67

The Notes referred to above form an integral part of Balance Sheet.
As per our Report of even date attached.

For VSD & Associates
Chartered Accountants
Firm Reg. No. : 008726N

For and on behalf of the Board of Directors

(Vinod Sahni)
Partner
Membership No. 086666
Dated : 22.09.2021
Place : New Delhi

(Prakash Kumar Mohta)
Managing Director
DIN : 00191299

(Mahendra Kumar Jajoo)
Director
DIN : 00006504

(Rajat Sharma)
President & CFO

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	(₹ in Lakh)	
	1st April, 2020 to 31st March, 2021	1st April, 2019 to 31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	4,260.54	(1,336.89)
Adjustments for :		
Depreciation and Amortization Expenses	296.11	189.87
Fair Value change in Financial Instruments	(3,399.44)	2,100.10
(Profit)/ Loss on disposal of Property, Plant & Equipment (Net)	(4.69)	(30.73)
Net Loss on Derecognition of Investment	500.00	-
Dividend income on non-current Investments (other than Trade)	(53.15)	(55.43)
Sundry Balance Written off	(241.07)	(20.41)
Reversal of Provisions	(12.17)	(143.73)
Debt, Advance & other debit Balance Written off	79.83	64.17
Finance Costs	983.71	852.11
Interest Income	(1,177.42)	(889.13)
Interest Expense/(Income) on Financial Assets carried at fair value through Amortised cost (Net)	(499.75)	(476.99)
Foreign Exchange Fluctuation	9.72	14.16
Provision For Doubtful Debts	96.33	22.52
Loss / (Profit) on Derivatives	551.55	(70.01)
Other Adjustments	-	13.15
Operating Profit / (Loss) before working capital changes	1,390.11	232.74
Movement in Working Capital :		
(Increase) / Decrease in Trade Receivables	(6,485.91)	(78.13)
(Increase) / Decrease in Inventories	2,145.72	(2,497.14)
Decrease / (Increase) in Other Receivables	374.16	(300.72)
Increase / (Decrease) in Trade Payables, Other Liabilities & Provisions	713.93	2,159.40
Cash generated from/ (Used in) operations	(1,862.00)	(483.85)
Direct Tax Paid (Net)	660.85	(289.66)
Net cash from/ (used in) Operating Activities	(1,201.15)	(773.51)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(735.96)	(841.47)
Proceeds from sale of Property, Plant & Equipment including Advance Received	1,146.55	880.20
Proceeds from sale of Investments	10,138.00	8,811.09
Purchases of Investments	(8,096.62)	(11,041.20)
Payment for acquisition of Subsidiary	-	(155.00)
Movement in Fixed & Call Deposits	(301.28)	(67.25)
Interest Received	839.89	598.30
Dividend Received	53.15	55.43
Net cash from/ (used in) Investing Activities	3,043.73	(1,759.90)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	(1,378.07)	4,797.94
Repayment of borrowing	(49.95)	(139.00)
Payment of Lease Liabilities	(104.43)	(25.38)
Buyback of Shares	-	-
Expenses relating to Buy-back of shares	-	-
Finance Costs	(1,044.07)	(738.73)
Dividend Paid	(71.46)	(219.00)
Net cash from/ (used in) Financing Activities	(2,647.98)	3,675.83
Net Increase/ (decrease) in Cash and Cash equivalents(A+B+C)	(805.40)	1,142.42
Cash and Cash equivalents at the beginning of the year	1,370.47	228.05
Cash and Cash equivalents at the end of the year	565.07	1,370.47
Cash on Hand	9.15	9.02
Balances with Banks:		
In Current Accounts	534.05	665.01
In Gratuity Accounts	0.11	0.12
In Cash Credit Accounts	1.76	671.33
Bank Deposits	20.00	25.00
Earmarked Balances		
In Unclaimed Dividend Accounts	7.16	5.74
	572.23	1,376.22
Less :- Unclaimed Dividend lying with Bank	7.16	5.74
	565.07	1,370.47

As per our Report of even date attached.

For VSD & Associates
Chartered Accountants
Firm Reg. No. : 008726N

(Vinod Sahni)
Partner
Membership No. 086666
Dated : 22.09.2021
Place : New Delhi

(Prakash Kumar Mohta)
Managing Director
DIN : 00191299

(Mahendra Kumar Jajoo)
Director
DIN : 00006504

(Rajat Sharma)
President & CFO

For and on behalf of the Board of Directors



CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET**Note 1A - Property, Plant & Equipment**

The changes in the carrying value of property, plant and equipment are as follows :

(₹ in Lakh)

Particulars	Own Assets									Right-of use Asset	Total
	Freehold Land	Leasehold Land	Building Road & Culverts	Plant & Machinery	Electric and Gas Installation	Furniture & Fixtures	Office Equipments	Motor & Other Vehicles	Building		
Gross carrying amount											
At April 01, 2019	233.13	0.97	448.48	1,010.00	15.28	51.58	139.16	122.08	-		2,020.68
Additions	-	-	119.85	575.19	-	1.12	19.01	-	495.76		1,210.93
Additions-Business Combinations	-	-	25.38	9.01	0.06	0.77	1.03	1.29	1.07		38.60
Deductions	-	-	-	69.39	-	-	-	-	-		69.39
At 01 April 2020	233.13	0.97	593.71	1,524.82	15.34	53.46	159.20	123.36	496.83		3,200.82
Additions	-	-	128.07	398.21	0.36	11.84	73.51	2.61	-		614.62
Disposal	-	-	-	61.53	-	2.34	1.18	0.47	-		65.51
At 31 March 2021	233.13	0.97	721.78	1,861.50	15.70	62.97	231.54	125.50	496.83		3,749.93
Accumulated depreciation											
At 31 March 2019	-	0.04	49.55	301.24	11.59	16.61	69.31	24.07	-		472.41
Depreciation for the year	-	-	21.93	91.44	0.86	7.70	20.94	17.90	24.88		185.64
Deductions	-	-	-	61.47	-	-	0.00	-	-		61.47
At 31 March 2020	-	0.04	71.48	331.21	12.45	24.31	90.24	41.97	24.88		596.58
Depreciation for the year	-	-	30.33	120.12	0.75	7.18	11.83	22.53	99.29		292.01
Deductions	-	-	-	58.39	1.58	0.67	1.07	0.45	-		62.15
At 31 March 2021	-	0.04	101.81	392.94	11.62	30.81	101.00	64.04	124.17		826.44
Net carrying amount as at 31 March 2020	233.13	0.93	522.23	1,193.61	2.88	29.15	68.96	81.40	471.95		2,604.25
Net carrying amount as at 31 March 2021	233.13	0.93	619.97	1,468.56	4.08	32.15	130.54	61.46	372.66		2,923.49

NOTES:-

- Out of the above Land, Building and Electric & Gas Installation aggregate value of Rs. 0.49 lakh (Previous Year Rs. 0.49 lakh) are owned with other co-owners.

Note 1B - Intangible Assets

The changes in the carrying value of Intangible Assets are as follows :

(₹ in Lakh)

Particulars	Drawings & Development	Computer Software	Total
Gross carrying amount			
At 01 April 2020	31.72	0.01	31.729
Additions	-	-	-
Disposal	9.66	-	9.658
At 31 March 2021	22.07	0.01	22.071
Accumulated depreciation			
At 01 April 2020	25.77	-	25.769
Depreciation for the year	4.10		4.097
Deductions	9.66	-	9.658
At 31 March 2021	20.21	-	20.208
Net carrying amount as at 31 March 2020	5.95	0.01	5.960
Net carrying amount as at 31 March 2021	1.86	0.01	1.863

2 INVESTMENTS

(₹ in Lakh)

Particulars	Face Value (in ₹)	As at March 31, 2021		As at March 31, 2020	
		Nos.	Amount	Nos.	Amount
(A) NON CURRENT INVESTMENT					
(I) Investment Measured at Amortised Cost					
In Equity Shares of Other Companies					
Unquoted, Fully Paid					
Kesoram Textile Mills Ltd. (Refer Note 2.1)	2	2,25,800	4.52	2,25,800	4.52
Kesoram Insurance Broking Service Ltd.	10	50,000	5.00	50,000	5.00
In Debenture/Bonds of Other Companies					
Unquoted, Fully Paid					
Shambhavi Realty Pvt. Ltd. 18% NCD (Refer Note 2.2)	1,00,000	480	133.16	480	160.92
Manipal Healthcare Pvt. Ltd. Series A 15.75% NCD	10,00,000	167	1,680.11	167	1,680.11
Preference Shares of Other Companies					
Unquoted, Fully Paid					
IL&FS Transportation Network Ltd. (Refer Note 2.5)	10	25,00,000	-	25,00,000	500.00
Total Investment at Amortised Cost (I)			1,822.79		2,350.55
(II) Investment Measured at Fair Value Through OCI					
In Equity Shares of Other Companies					
Quoted, Fully Paid					
Aditya Birla Capital Limited (Refer Note. 2.3)	10	4,71,931	563.49	4,71,931	199.15
Jayshree Tea & Industries Limited	5	4,45,600	294.99	4,45,600	136.80
Universal Prime Aluminium Ltd.	10			40,150	0.92
Unique Manufacturing & Marketing Ltd.	10	3,200	0.57	3,200	0.53
Pee Bee Steel Industries Ltd.	10	200	0.03	200	0.04
Universal Enterprises Ltd.	10			10,000	-
Reliance Capital Ltd.	10	1	0.00	1	0.00
Unquoted, Fully Paid					
Banashankari Co-operative Housing Society Ltd.	50	5	0.00	5	0.00
Gallant Sales Pvt. Ltd.	10	100	0.04	100	0.03
Gangadham Merchandise Pvt. Ltd.	10	100	0.05	100	0.03
Total Investment at Fair Value Through OCI (II)			859.16		337.50
(III) Investment at Fair Value Through PL					
In Mutual Funds					
Aditya Birla Sun Life Mutual Fund (Refer Note 2.4)		42,82,288	545.26	42,82,288	500.06
In Venture Capital Fund/Alternative Fund (Refer 2.6)					
ICICI Venture Capital Fund Real Estate Scheme I (Refer Note 2.4)	10	76,63,406	605.77	85,57,111	657.97
IIFL Special Opp. Fund Series IV	10	47,41,523	714.70	47,41,523	356.85
IIFL Special Oppor. Fund Class A5	10	3,87,35,725	4,375.82	3,89,61,859	3,284.21
ICICI Prudential Real Estate AIF-I	100	7,02,924	778.75	8,32,050	878.23
ICICI Prudential Real Estate AIF-II	100	1,78,213	149.27	1,82,266	155.56
IIFL Income Oppor. Fund Spl. Situation (Piramal)(Refer Note 2.2)	10	4,04,34,847	548.66	4,04,34,847	883.74
IIFL Income Oppor. Fund Series-II	10	39,28,245	451.62	38,34,088	416.70
IIFL Real Estate Fund (Domestic) Series-II (Refer Note 2.2)	10	2,15,31,488	1,013.66	2,15,31,488	1,277.66
IIFL Real Estate Fund (Domestic) Series-III (Refer Note 2.2)	10	61,30,000	175.93	61,30,000	203.47
IIFL Re Organize India Eq Fund CAT-III AIF(Kotak)TF	10	-	-	27,40,371	135.17
IIFL Special Opportunities Fund CAT-II AIF (Pre-Ipo)	10	92,98,231	1,087.52	92,98,231	842.62
India Business Excellence Fund-III	1000	24,467	223.02	-	-
Indiareit Apartment Fund (Piramal)(Refer Note 2.2)	1,00,000	692	1,100.20	703	1,302.28
Sundaram Alt. Oppor. Nano Cap CAT-III TF	1,00,000	230	206.21	230	97.88
India Realty Excellence Fund-III	100	8,75,930	1,099.11	9,51,342	1,125.75
India Housing Fund	10	3,00,00,000	1,364.28	3,00,00,000	3,067.38
India Realty Excellence Fund-IV	100	14,83,686	1,745.21	16,07,327	1,714.22

(₹ in Lakh)

Particulars	Face Value (in ₹)	As at March 31, 2021		As at March 31, 2020	
		Nos.	Amount	Nos.	Amount
In Non-Convertible Debentures of Other Companies					
Edelweiss Finvest Private Ltd NCD	1,00,000	-	-	25	35.65
Reddy Veeranna Investments Pvt. Ltd. NCD	10,00,000	158	795.94	158	1,602.25
Reddy Veeranna Investments Pvt. Ltd. NCD-Series 2	10,00,000	149	1,490.00	-	-
Total Investment at Fair Value Through PL (III)			18,470.93		18,537.65
Total Non-Current Investments (A=I+II+III)			21,152.89		21,225.70
(B) Current Investments					
Investment at Fair Value Through PL					
In Equity Shares of Other Companies Quoted, Fully Paid					
Tata Motors Limited- DVR	2	1,75,000	224.18	80,000	24.80
Jayshree Tea & Industries Limited	5	12,576	8.33	-	-
Bank of Baroda	2	1,00,000	74.15	-	-
National Aluminium Company Limited	5	1,00,000	54.00	1,00,000	29.15
Punjab National Bank	2	1,00,000	36.65	-	-
Steel Authority of India Limited	10	1,00,000	78.85	-	-
Total Current Investment(B)			476.16		53.95
Total Investment(A+B)			21,629.04		21,279.65

	Non-Current	Current	Non-Current	Current
Aggregate Value of Quoted Investments	859.16	476.16	337.50	53.95
Aggregate Value of Unquoted Investments	20,769.88	-	20,942.15	-

- 2.1 Received on account of transfer of textile division by Kesoram Industries Ltd. to Kesoram Textile Mills Ltd. during the year 1999-2000.
- 2.2 Lien is created on the said investments towards allocation of demand loan upto maximum limit of Rs 7500 Lakh by IIFL wealth finance Ltd. (Refer Note No. 20.3).
- 2.3 During the year 2015-16, under the scheme for the transfer/ vesting by way of demerger of the "Madura Undertaking" an undertaking of Aditya Birla Nuvo Limited (ABNL), on a going concern basis, to Aditya Birla Fashion and Retail Limited (ABFRL), 6,19,647 equity shares of ABFRL were allotted against 1,19,163 equity shares of Aditya Birla Nuvo Limited (ABNL). As such, cost of acquisition of equity shares to be issued by ABFRL for every one equity share held in ABNL is 0.87% of the total cost of acquisition of shares held in ABNL prior to the scheme.
- 2.4 Lien has been created in accordance with the terms of Bill Discounting Facility sanctioned by Aditya Birla Finance Limited referred to in Note No. 20.2.
- 2.5 During the year 2020-21, the Company has written off the investment held by it in Preference Shares of IL&FS as there is no reasonable expectation of recovering the same in entirety. The loss on such derecognition has been disclosed under 'Other Expenses' in Statement of Profit & Loss.
- 2.6 All the above funds have been valued on the basis of latest data available with the management.



Particulars	Ref.	(₹ in Lakh)	
		As at March 31, 2021	As at March 31, 2020
3 NON-CURRENT LOANS			
Unsecured, considered good			
Security Deposits		47.21	45.18
		47.21	45.18
4 OTHER NON-CURRENT FINANCIAL ASSETS			
Deposits with Bank held as margin money		106.17	-
Earnest Money Deposits		292.05	241.56
Receivable against sale of Property, Plant & Equipment		4,367.96	5,006.71
		4,766.18	5,248.27
5 DEFERRED TAX ASSETS			
Deferred Tax Assets			
Provision and Liabilities		596.27	555.83
Mat Credit Entitlement		-	156.29
Fair Value of Investments (Net)		591.80	543.94
Gross Deferred Tax Asset (A)		1,188.07	1,256.06
Less : Deferred Tax Liabilities			
Timing Difference on Depreciable Assets		245.40	369.42
Fair Value of Investment (net)		232.14	-
Gross Deferred Tax Liability (B)		477.54	369.42
Net Deferred Tax Assets (A-B)		710.86	886.92
6 OTHER NON-CURRENT ASSETS			
Capital Advances		210.23	110.06
Sub-Judicial Matter		40.00	40.00
		250.23	150.06

(₹ in Lakh)			
Particulars	Ref.	As at March 31, 2021	As at March 31, 2020
7 INVENTORIES			
(Valued at Lower of Cost and Net Realisable Value)			
Raw Materials		1,941.37	2,462.63
Work in Progress		3,293.05	4,870.24
Finished Goods		39.55	89.39
Packing Material		1.23	0.59
Stores and Spares		10.86	12.02
Scrap at realizable value		4.72	1.63
		5,290.78	7,436.50
8 TRADE RECEIVABLES			
Unsecured	8.1		
Considered Good		17,114.75	10,725.16
Considered Doubtful		283.09	186.76
Less: Allowance for Doubtful Receivables		(283.09)	(186.76)
		17,114.75	10,725.16
8.1 Balance with customers are subject to confirmations and reconciliations.			
9A CASH AND CASH EQUIVALENTS			
Balances with Banks:			
-in Current Accounts		534.05	665.01
-in Gratuity Accounts		0.11	0.12
-in Cash Credit Accounts		1.76	671.33
Deposits with Bank		20.00	25.00
Cash on Hand		9.15	9.02
		565.07	1,370.47
9B BANK BALANCES OTHER THAN ABOVE			
Earmarked Balances with Bank			
-in Unclaimed Dividend Accounts		7.16	5.74
Deposit with Banks held as margin money		392.53	91.25
		399.69	96.99
10 CURRENT LOANS			
Unsecured, considered good			
Loan to Staff		24.93	71.52
		24.93	71.52
11 OTHER CURRENT FINANCIAL ASSETS			
Unbilled Revenue		42.69	62.31
Deposit with Others		78.44	135.03
Accrued Interest Receivable		660.81	323.05
Other Receivables		286.45	425.22
		1,068.39	945.61

(₹ in Lakh)			
Particulars	Ref.	As at March 31, 2021	As at March 31, 2020
12 CURRENT TAX ASSETS			
Income Tax Assets (Net)		420.89	1,074.78
		420.89	1,074.78

13 OTHER CURRENT ASSETS

Advance to Suppliers	224.41	269.03
Balance with Revenue Authorities	163.95	480.10
Prepaid Expenses	42.69	13.15
Others	8.47	15.31
	439.52	777.60

14 EQUITY SHARE CAPITAL

(₹ in Lakh)				
Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	Amount	Nos.	Amount
(a) Authorised Share Capital				
Equity Shares of ₹ 10 Each	1,45,00,000	1,450.00	1,45,00,000	1,450.00
Redeemable Cumulative Preference Shares of ₹ 100/- each	50,000	50.00	50,000	50.00
	1,45,50,000	1,500.00	1,45,50,000	1,500.00
(b) Issued Share Capital				
Equity Shares of ₹ 10/- each fully paid	73,33,875	733.39	73,33,875	733.39
	73,33,875	733.39	73,33,875	733.39
(c) Subscribed and Paid - up Share Capital				
Equity Shares of ₹ 10/- each fully paid	72,88,645	728.86	72,88,645	728.86
Add: Forfeited Shares (Amount originally Paid)		0.17		0.17
	72,88,645	729.03	72,88,645	729.03

14.1 Reconciliation of the number of Equity shares outstanding

(₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos.	Amount	Nos.	Amount
Number of shares at the beginning	72,88,645	728.86	72,88,645	728.86
Add: Shares issued during the year	-	-	-	-
Add/(Less) : Shares issued/bought back during the year	-	-	-	-
Number of shares at the end	72,88,645	728.86	72,88,645	728.86

14.2 Details of the Shareholders holding more than 5% shares alongwith number of shares held

Shareholder's Name	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Equity Shares	No. of Shares held	% of Equity Shares
Jayantika Investment & Finance Ltd. (Formerly Parvati Tea Company Pvt. Ltd.)	27,09,997	37.18	27,09,997	37.18
Prakash Kumar Mohta	13,48,158	28.11	15,24,182	20.91
Jayshree Finvest Pvt. Ltd.	4,49,124	6.16	4,49,124	6.16
Bhiragacha Finance Co. Pvt. Ltd.	-	-	9,17,734	12.59

14.3 Rights, preferences and restrictions attached with Shares

Equity Shares : The company has issued one class of Equity Share having a par value of ₹ 10/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(₹ in Lakh)

Particulars	Ref.	As at March 31, 2021	As at March 31, 2020
15 OTHER EQUITY			
Securities Premium			
As per last Balance Sheet		2,150.19	2,150.19
	(A)	2,150.19	2,150.19
Share Buy Back Reserve			
As per last Balance Sheet		283.26	283.26
	(B)	283.26	283.26
General Reserve			
As per last Balance Sheet		6,143.89	6,143.89
	(C)	6,143.89	6,143.89
Retained Earnings			
Balance Brought Forward from Previous Year		11,716.30	12,980.86
Add: Profit/(Loss) for the period		3,350.36	(1,018.27)
		15,066.66	11,962.58
Less :			
Actuarial Loss on defined benefits Obligations (Net of Tax)		(20.19)	19.76
Revaluation of Building(Net of Tax)		-	6.84
Proposed Dividend		67.16	182.22
Tax on Dividend		5.72	37.46
Balance Carried to Next Year	(D)	15,013.97	11,716.30
Other Comprehensive Income (OCI)			
Balance Brought Forward from Previous Year		3,583.79	4,325.43
Add: Movement in OCI(Net) during the year		522.57	(741.64)
	(E)	4,106.36	3,583.79
Total Other Equity (A+B+C+D+E)		27,697.67	23,877.43

- (A) The amount received in excess of the par value has been classified as securities premium and shall be utilized in accordance with Section 52 of Companies Act, 2013.
- (B) The amount equal to the nominal value of the shares purchased by the Company has been classified as Share Buy Back Reserve and shall be utilized in accordance with Section 69 of the Companies Act, 2013.
- (C) This amount represents retained earnings of a company which are kept aside out of company's profits to meet future (known or unknown) obligations.
- (D) This amount represents the accumulated earnings of the Company.

(₹ in Lakh)

Particulars	Ref.	As at March 31, 2021	As at March 31, 2020
16 NON-CURRENT BORROWINGS			
Term Loans (Secured)			
- From Banks			
Yes Bank	16.1	16.73	25.66
Bank of Baroda	16.2	1.64	2.09
		18.37	27.75
16.1	The loan is sanctioned for ₹ 43.72 lakh repayable in 60 equal monthly instalments and is secured by way of Hypothecation of the respective Vehicle.		
16.2	The loan is sanctioned for ₹ 4.50 lakh repayable in 60 equal monthly instalments and is secured by way of Hypothecation of the respective Vehicle.		
17 LEASE LIABILITIES			
Non-Current Liabilities			
Lease Liabilities		296.26	389.59
Current Liabilities			
Lease Liabilities		103.02	95.15
		399.28	484.74
Movement of Lease Liabilities during the year			
Opening Lease Liabilities		484.74	-
New Leases recognised		-	494.83
Interest expense on Lease Liabilities		6.56	2.35
Exchange fluctuation on Lease Liabilities		12.41	12.94
Payment of Lease Liabilities		(104.43)	(25.38)
Closing Lease Liabilities		399.28	484.74
18 OTHER NON-CURRENT FINANCIAL LIABILITIES			
Security Deposits		30.64	26.55
		30.64	26.55
19 NON-CURRENT PROVISIONS			
Provision for Employee Benefits	40.4	105.38	119.65
Provision for Warranty	25.1	163.54	144.06
		268.92	263.72
20 OTHER NON-CURRENT LIABILITIES			
Sub Judicial Matter	40.5 to 40.7	1,819.49	1,818.67
Advance against sale of Property, Plant & Equipment		937.49	937.49
		2,756.98	2,756.16



(₹ in Lakh)			
Particulars	Ref.	As at March 31, 2021	As at March 31, 2020
21 CURRENT BORROWINGS			
Secured Loans			
Repayable on Demand			
Cash Credit Facility from Banks	21.1	897.67	445.55
From Bodies Corporate (Related Parties)		57.25	107.20
Bill Discounting Facility from NBFC	21.2	2,063.87	1,581.05
Loan against Securities from NBFC	21.3	5,154.58	7,459.06
		<u>8,173.37</u>	<u>9,592.86</u>
21.1 First Pari-Passu charge by way of hypothecation on all Current Assets of the company both present & future. Second Pari-Passu charge on Fixed Assets of the company as under :-			
- Land & Building of Sonepat unit admeasuring 16.86 acres.			
- Plant & Machinery of all units except Ghaziabad unit.			
- Pari-Passu charge on other Fixed Assets of all units except Ghaziabad unit			
21.2 The Company has entered into Bill Discounting Arrangement with Aditya Birla Finance Ltd. amounting to ₹ 2100 lakh against lien on units of ICICI Venture Capital Funds. (refer Note No. 2.4)			
21.3 The Company has got corporate loan from IIFL Wealth Finance Ltd. amounting to ₹ 7500 lakh sactioned against securities & lien on units of Venture Capital Fund and Debentures. (refer Note No. 2.2).			
22 TRADE PAYABLES			
Payables for Goods and Services	21.1 & 21.2	10,811.76	9,858.32
		<u>10,811.76</u>	<u>9,858.32</u>
22.1 The principal amount of INR 387.61 lakh (Previous Year INR 278.36 lakh) remaining unpaid on 31.03.2021 to suppliers as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to the extent such suppliers have been identified on the basis of information provided during the year to the Company. The Company generally makes payments to all its suppliers within the agreed credit period and thus the management is confident that the liability of interest under this Act, if any, would not be material.			
22.2 Vendor's balances are subject to confirmations and reconciliations.			
23 OTHER CURRENT FINANCIAL LIABILITIES			
Current maturities of non-current borrowings		9.91	9.07
Interest accrued and not due on borrowings		103.77	170.69
Unpaid Dividend		9.69	8.08
Security Deposits		6.00	6.00
Contractual Deductions by Customers & Price Variation		1,046.70	1,067.41
Dues to Others		509.89	640.88
Book Overdraft		-	53.85
Employee's Emoluments		215.04	107.02
		<u>1,901.00</u>	<u>2,063.00</u>
24 OTHER CURRENT LIABILITIES			
Statutory Dues		150.74	127.52
Advance from and Credit Balance of Customers & Others		2,162.70	2,408.74
Unearned Revenue		304.63	220.65
		<u>2,618.07</u>	<u>2,756.91</u>

Particulars	Ref.	(₹ in Lakh)	
		As at March 31, 2021	As at March 31, 2020
25 CURRENT PROVISIONS			
Provision for Employee Benefits	40.4	193.50	208.65
Provision for Warrantees	25.1	216.38	214.78
Provision for Contingency	25.1	25.00	25.00
		434.97	448.43

Particulars	Ref. No.	(₹ in Lakh)			
		Balance as at 01.04.2020	During the year Additions	Used & reversed	Balance as at 31.03.2021
25.1 Disclosures as per Ind AS-37					
Provision for Warranty	25.1.1	358.84	93.83	72.75	379.92
		(302.84)	(129.16)	(73.16)	(358.84)
Provision for Contingency against Sales tax demands	25.1.2	25.00	-	-	25.00
		(25.00)	-	-	(25.00)
Current Year		383.84	93.83	72.75	404.92
Previous Year		(327.84)	(129.16)	(73.16)	(383.84)

Additional Notes :-

25.1.1 Warranty provision covers the estimated expenses to be incurred during warranty period of the products of the company determined on the basis of past experience. The company reviews the warranty provisions at periodical intervals and the same is adjusted to the estimated expenses to be incurred during the balance warranty period of the product. Expenses incurred during the year against warranty are being directly charged to Statement of Profit & Loss.

25.1.2 Refer Note No. 40.1(a)(ii).



CONSOLIDATED NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS

(₹ in Lakh)			
Particulars	Ref.	1st April, 2020 to 31st March, 2021	1st April, 2019 to 31st March, 2020
26 REVENUE FROM OPERATIONS			
Sale of Product and Services			
Sale of Finished Goods		31,315.03	21,520.60
Contract Jobs		4,927.81	7,223.80
Maintenance and Services Revenue		1,608.92	1,641.87
	(A)	37,851.76	30,386.27
Other Operating Income			
Sales of Production Scrap	(B)	88.64	95.32
Total Revenue	(A)+(B)	37,940.40	30,481.59

26.1 Disclosure on Revenue pursuant to Ind AS 115- Revenue from Contract with Customers**A. "Disaggregation of Revenue**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Revenue from contracts with customers**i) Revenue from Operations***

a) Electrical Equipment for Power Transmission and Distribution	31,063.14	21,524.50
b) Elevator	6,419.27	8,796.57
c) Chemical	457.98	160.52
Total revenue covered under Ind AS 115	37,940.39	30,481.59

*The Company has disaggregated the revenue from contracts with customers on the basis of nature of products into Electrical Equipment for Power Transmission and Distribution and Elevator (refer note 40.2). The Company believes that the disaggregation of revenue on the basis of nature of products has no impact on the nature, amount, timing and uncertainty of revenue and cash flows.

B. Contract Balances

The following table provides information about receivables and contract liabilities from contract with customers:

Contract Liabilities

Advance from Customers	2,162.30	2,408.34
Total (A)	2,162.30	2,408.34

Receivables

Trade Receivables	17,114.75	10,725.16
Total (B)	17,114.75	10,725.16

Net Receivables (B-A)

14,952.05	8,316.42
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Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance.

C. Significant changes in the contract liabilities balances during the year are as follows:

Opening Balance	2,408.74	2,665.04
Addition during the year	2,162.70	2,408.74
Revenue recognized during the year	2,408.74	2,665.04
Closing Balance	2,162.70	2,408.74

D. The Company has applied Ind AS 115 prospectively from 01st April, 2018 and the adoption of this standard did not have a material impact on the financial statements of the Company.

(₹ in Lakh)			
Particulars	Ref.	1st April, 2020 to 31st March, 2021	1st April, 2019 to 31st March, 2020
27 OTHER INCOME			
Interest Income		1,177.42	889.13
Rent & Licence Fees		199.45	168.32
Royalty Received		31.55	33.00
Dividend Income from Non-Current Investments (Other than Trade)		53.15	55.43
Sundry Balances Written Back		241.07	20.41
Profit on Sale of Property, Plant & Equipment		4.69	30.73
Reversal of Provisions		12.17	143.73
Net gain on Investments carried at fair value through Profit & Loss		3,443.95	-
Net gain on Derivatives		-	70.01
Interest Income on Financial Assets carried at fair value through Amortised cost		499.75	476.99
Bad-debts Recovered		10.52	68.04
Misc. Income		2.72	12.93
		<u>5,676.44</u>	<u>1,968.73</u>
28 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE			
Closing Stock			
Finished Goods		1.63	5.96
Work-in-Progress		3,282.19	4,577.74
Stock-in-Trade		10.98	-
		<u>3,294.80</u>	<u>4,583.70</u>
Less:			
Opening Stock			
Finished Goods		5.96	4.34
Work-in-Progress		4,577.74	2,697.08
Stock-in-Trade		-	-
		<u>4,583.70</u>	<u>2,701.42</u>
Decrease / (Increase) in Stock		<u>1,288.90</u>	<u>(1,882.27)</u>
29 EMPLOYEE BENEFIT EXPENSES			
Salaries and Wages		2,379.49	2,773.88
Contribution to Provident and Others Funds		234.47	244.28
Workmen and Staff Welfare Expenses		105.29	119.88
		<u>2,719.25</u>	<u>3,138.04</u>
30 FINANCE COSTS			
Interest Expense		935.65	831.51
Interest on Lease Liabilities		6.56	2.35
Other Borrowing Cost		41.50	14.82
		<u>983.71</u>	<u>852.11</u>
31 DEPRECIATION & AMORTIZATION EXPENSE			
Depreciation & Amortization Expense		296.11	189.87
		<u>296.11</u>	<u>189.87</u>



				(₹ in Lakh)
Particulars	Ref.	1st April, 2020 to 31st March, 2021	1st April, 2019 to 31st March, 2020	
32 OTHER EXPENSES				
Processing & Material Handling Expenses		1,316.33	1,493.90	
Freight outwards, Transport and Octroi Expenses		268.13	397.22	
Power & Fuel Expenses		317.12	298.89	
Rent		106.46	108.51	
Rates and Taxes		108.77	128.66	
Auditor's Remuneration	32.1	7.60	6.72	
Repair and Maintenance:		-	-	
- Buildings		31.18	38.65	
- Plant and Machinery		38.64	24.29	
- Others		36.48	63.03	
Commission on Sales		176.94	149.09	
Net Loss on Investments carried at fair value through Profit & Loss		-	2,100.10	
Net Loss on Derivatives		551.55	-	
Net Loss on Derecognition of Investment		500.00	-	
Insurance		33.69	41.61	
Legal & Professional Charges		249.82	339.45	
Travelling & Conveyance Expenses	32.2	245.01	418.42	
Bank Charges		412.06	249.38	
After Sales Services		110.81	96.89	
Impulse & Short Circuit Charges		61.67	114.51	
Debt, Advance & other debit balance written off		79.83	64.17	
Provision For Doubtful Debts		96.33	22.52	
Contractual Deductions / Recoveries by Customers		769.46	78.95	
Miscellaneous Expenses	32.3	526.97	519.89	
		6,044.85	6,736.48	

32.1 Payment to Statutory Auditors

i) Audit Fee	5.79	5.09
ii) Reimbursement of Expenses	0.42	0.82
iii) Certification	1.39	0.82

32.2 Includes Directors' Travelling ₹ 47.15 Lakh (Previous Year ₹ 64.28 Lakh).

32.3 Expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities is INR 5 lakh which has been spent as per Schedule VII to the Companies Act, 2013.

(₹ in Lakh)			
Particulars	Ref.	1st April, 2020 to 31st March, 2021	1st April, 2019 to 31st March, 2020
33 OTHER COMPREHENSIVE INCOME			
A. Items that will not be reclassified to Profit & Loss			
1. Actuarial gain/(loss) on Defined Benefit Obligations		24.23	(30.22)
Income Tax Effect		(4.04)	10.46
2. Net gain/(loss) on FVTOCI Equity securities		522.57	(741.64)
Income Tax Effect		-	-
2. Revaluation of Building		-	0.06
Income Tax Effect		-	(6.91)
B. Items that will be reclassified to Profit & Loss			
		-	-
		542.76	(768.25)

34 CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

(₹ in Lakh)

PARTICULARS	NON- CURRENT		CURRENT	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Financial Assets				
Measured at Amortised Cost				
Investments	1,822.79	2,350.55	-	-
Trade Receivables	-	-	17,114.75	10,725.16
Cash & cash equivalents	-	-	565.07	1,370.47
Other Bank balances	-	-	399.69	96.99
Loans	45.74	43.68	24.93	71.52
Other Financial Assets	4,767.65	5,248.76	1,068.39	945.61
Measured at Fair Value through Profit or Loss				
Investments	18,470.93	18,537.65	476.16	53.95
Measured at Fair Value through Other Comprehensive Income				
Investments	859.16	337.50	-	-
Total Financial Assets	25,966.28	26,519.15	19,648.99	13,263.70
Financial Liabilities				
Measured at Amortised Cost				
Borrowings	18.37	27.75	8,173.37	9,592.86
Lease Liabilities	296.26	389.59	103.02	95.15
Trade Payables	-	-	10,811.76	9,858.32
Other Financial Liabilities	30.64	26.55	1,901.00	2,063.00
Total Financial Liabilities	345.27	443.89	20,989.14	21,609.33



35 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The following table provides Fair Value measurement hierarchy of company's financial asset and financial liabilities

(₹ in Lakh)

Particulars	Fair Value Hierarchy (Level)	31st March, 2021	31st March, 2020
Financial Assets			
Measured at Amortised Cost			
Investments	3	1,822.79	2,350.55
Loans	3	70.67	-
Other Financial Assets	3	5,836.04	5,006.71
Measured at Fair Value through Profit or Loss			
Investments	2	18,947.09	18,591.60
Measured at Fair Value through Other Comprehensive Income			
Investments	1	859.16	337.50
Total Financial Assets		27,535.75	26,286.35

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are based on unobservable market data.

36 FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The company's principal financial liabilities comprise borrowings, trade payables, other financial liabilities and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include investments, trade receivables, cash and cash equivalents, other bank balances and loans. The Company is exposed to market risk and credit risk.

The Company has a Risk management policy. The Board of Directors provides assurance that the Company's risk activities are governed by appropriate policies and procedures and that 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 summarised below.

(i) 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. Market risk comprises two types of risk: currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include FVTOCI investments and FVTPL investments.

(a) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a foreign currency 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 which is minimal. The Company monitors the foreign exchange fluctuations on continuous basis and advises the management of any material adverse effect on the Company and for taking risk mitigation measures. Since the Company's foreign currency risk exposure is limited, therefore detailed disclosure of the same has not been provided.

(b) Equity Price Risks

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments/mutual funds. Reports on the investment portfolio are submitted to the Company's management on a regular basis.

Equity Price Sensitivity

The following table shows the effect of price changes in quoted and unquoted equity shares , quoted and unquoted equity mutual funds/fixed maturity plan.

(₹ in Lakh)

Particulars	31st March, 2021		31st March, 2020	
	Investment	1344.14		399.42
Price Change	+5%	-5%	+5%	-5.00%
Effect on Profit before Tax	67.24	(67.24)	19.97	(19.97)

(ii) Credit Risks

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on credit losses of historical data. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

(iii) Liquidity Risk

Liquidity risk is the risk that Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial asset and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analysis financial liabilities of the Company into relevant maturity Companyings based on the remaining period from the reporting date to the contractual maturity date. The amount disclosed in the table are the contractual undiscounted cash flow.



	(₹ in Lakh)			
	Less than 1 Year	Between 1 to 5 Years	Total	Carrying Value
As at 31st March, 2021				
Borrowings (Refer Note No.16,21,23)	8,183.28	18.37	8,201.65	8,201.65
Lease Liabilities (Refer Note No. 17)	103.02	296.26	399.28	399.28
Trade Payables (Refer Note No. 22)	10,811.76	-	10,811.76	10,811.76
Other Financial Liabilities (Refer Note No. 18,23)	1,891.08	30.64	1,921.72	1,921.72
As at 31st March, 2020				
Borrowings (Refer Note No.16,21,23)	9,601.93	27.75	9,629.68	9,629.68
Lease Liabilities (Refer Note No. 17)	95.15	389.59	484.74	484.74
Trade Payables (Refer Note No. 22)	9,858.32	-	9,858.32	9,858.32
Other Financial Liabilities (Refer Note No. 18,23)	2,053.93	26.55	2,080.47	2,080.47

37 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to :

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

	(₹ in Lakh)	
Particulars	31st March, 2021	31st March, 2020
Net Debts*	7,740.34	8,429.90
Total equity	28,426.70	24,606.46
Net debt to equity ratio	0.27	0.34

* Net debt = non-current borrowings + current borrowings + current maturities of non-current borrowings + interest accrued – cash and cash equivalents.

38 SIGNIFICANT ACCOUNTING JUDGEMENTS, 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(i) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

(a) Equity Investments measured at FVTOCI

The company has exercised the option to measure investment in equity instruments, not held for trading at FVTOCI in accordance with Ind AS 109. It has exercised this irrevocable option for its class of quoted equity shares. The option renders the equity instruments elected to be measured at FVTOCI non-recyclable to Profit & Loss.

(b) Business Model for Investment of Debt Instruments

For the purpose of measuring investments in debt instruments in accordance with Ind AS 109, the company has evaluated and determined that the business model for investments in quoted debentures and bonds is to collect the contractual cash flows and sell the financial asset. Such financial assets have been accordingly classified and measured at FVTOCI. For the purpose of measuring investments in debt instruments in accordance with Ind AS 109, the company has evaluated and determined that the business model for investments in unquoted debentures and bonds is only to collect the contractual cash flows. Such financial assets have been accordingly classified and measured at amortised cost.

(iii) 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.

(a) 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. Further details about gratuity obligations are given in Note No. 40.4.

(b) 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 including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements 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. Refer Note No 34.



(c) Depreciation / amortization and useful lives of property, plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortized over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

(d) Impairment of non-financial asset

"The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal systems. The Company uses internal business plans, quoted market prices and the Company's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed for a period of three to five years with projections thereafter. The Company does not include a general growth factor to volumes or cash flows for the purpose of impairment tests, however, cash flows are generally increased by expected inflation and market recovery towards previously observed volumes is considered."

(e) Taxes

"The Company calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability."

NOTES TO ACCOUNTS**39 1. BASIS OF PREPARATION****a. Statement of Compliance**

"These financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standard) Rules, 2015 (as amended) notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the Act. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted IND AS from 01st April, 2017.

With effect from 1st April, 2019, Ind AS 116 – "Leases" (IndAS 116) supersedes Ind AS 17 – "Leases". The Company has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the Balance Sheet."

b. Functional and Presentation Currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to the nearest two decimals of lakh, unless otherwise indicated.

c. Historical Cost Convention

The financial statements have been prepared following accrual basis of accounting on a historical cost basis, except for the following which are measured at fair value :

- (i) Certain financial assets and liabilities
- (ii) Defined benefit plans
- (ii) Property, Plant & Equipment

d. Fair Value Measurement

A number of Company's accounting policies and disclosures require fair value measurement for both financial and non-financial assets and liabilities.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement, as under:

- (i) Level I - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (ii) Level II - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (iii) Level III - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation, based on the lowest level input that is significant to the fair value measurement, at the end of each reporting period.

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

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.



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.

e. Current Versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset or liability is treated as current if it satisfies any of the following condition :

- (i) the asset/liability is expected to be realised/settled in normal operating cycle;
- (ii) the asset is intended for sale or consumption;
- (iii) the asset/liability is held primarily for the purpose of trading;
- (iv) the asset/liability is expected to be realised/settled within twelve months after the reporting period;
- (v) the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;
- (vi) in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period;

All other assets and 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 realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

f. Use of Estimates and Judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures and disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. The revisions in accounting estimates and assumptions are recognised prospectively. Detailed information about estimates and judgements is included in Note 38.

2. SIGNIFICANT ACCOUNTING POLICIES

g. Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency at the exchange rates on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange difference arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss on net basis.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively.

h. Property, Plant & Equipment

(i) Recognition & Measurement

All items of property, plant and equipment (PPE) are stated at cost less accumulated depreciation and impairment, if any. Cost of an item of PPE includes its purchase cost, non refundable taxes and duties, directly attributable cost of bringing the item to its working condition for its intended use and borrowing cost if the recognition criteria is met.

Subsequent costs are included in an item of PPE's carrying value or recognised as a separate item, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Capital work-in-progress is stated at cost.

An item of PPE or any significant part thereof is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on derecognition of an item of PPE is recognized in Statement of Profit and Loss.

(ii) Transition to Ind AS

On transition to Ind AS the Company has elected to measure all items of PPE at fair value and use that as the deemed cost of such PPE.

(iii) Depreciation methods, Estimated Useful Lives and Residual Value

Depreciation on all items of PPE is calculated using the straight line method to allocate their cost, net of their residual value, over their estimated useful lives as prescribed in Schedule II to the Act except for certain items where the management estimates the life indifferently basis the usage of such items.

"Depreciation on an item of PPE purchased/sold during the year is provided on pro-rata basis. Freehold land is not depreciated. The residual values are not more than 5% of the cost of an item of PPE. Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

i. Intangible Assets

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and impairment losses, if any.

On transition to Ind As the Company has elected to continue with the carrying value of all its intangible assets recognised as at April 01, 2016, measured as per previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Intangible assets such as Softwares, Design & Development, Patents etc. are amortized based upon their estimated useful lives of 5-6 years.



j. Lease Accounting

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

"The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any

and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset."

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

Leasehold land with perpetual right has been included in property plant & equipment.

k. Inventories

Inventories are valued as follows :-

Raw materials, stores, spares, other materials and traded goods	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on first in first out basis.
Finished goods and Work-in-progress (own manufactured)	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
Work in Progress (Long Term Contracts)	Work in Progress i.e. jobs under execution (including materials supplied to clients under the contract) to the extent of work done but not billed is valued at the lower of actual cost incurred upto the completion on reporting date and net realizable value. Cost includes direct materials, labour and proportionate overheads.
Scrap	Net Realizable Value

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision for obsolete/old inventories is made, wherever required, as per the consistently followed system.

l. 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 :

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss (FVTPL), are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

Subsequent measurement :

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria :

- a. The Company's business model for managing the financial asset and
- b. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories :

- a. Financial assets measured at amortized cost
- b. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- c. Financial assets measured at fair value through profit or loss (FVTPL)

A. *Financial assets measured at amortized cost*

A financial asset is measured at the amortized cost if both the following conditions are met :

- (i) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments (Refer Note 33 for further details). Such financial assets are subsequently measured at amortized cost using the EIR method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

B. *Financial assets measured at FVTOCI :*

A financial asset is measured at FVTOCI if both of the following conditions are met :

- (i) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in equity instruments (Refer Note 34 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.



Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer Note 34 for further details). The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

C. Financial assets measured at FVTPL :

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company (Refer Note 34 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs :

- (i) The contractual rights to cash flows from the financial asset expires;
- (ii) The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- (iii) The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- (iv) The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of Financial Assets :

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following :

- (i) Trade receivables
- (ii) Financial assets measured at amortized cost (other than trade receivables)
- (iii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss under the head 'Other expenses'.

(ii) Financial Liabilities

Initial recognition and measurement :

The Company recognizes a financial liabilities in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All Financial Liabilities are initially recognised at fair value.

Subsequent measurement :

All financial liabilities of the Company are subsequently measured at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition :

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 Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.



m. Impairment

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognised in the Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

n. Income Tax

Income Tax comprises current and deferred tax and is recognised in Statement of Profit and Loss except to the extent that it relates to an item recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or in equity as the case may be.

(i) Current Tax

Current tax comprises the expected tax payable on the taxable income for the year and any adjustments to the tax payable in respect of previous years. It is measured using tax rates and tax laws enacted or substantively enacted by the reporting date.

(ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax asset is also recognised in respect of carried forward tax losses and unused tax credits.

Deferred Tax assets are recognised to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences, carried forward tax losses and unused tax credits.

Deferred Tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax laws that have been enacted or substantively enacted by the reporting date.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

o. Revenue Recognition

The Company recognises revenue when it is probable that future economic benefits will flow to the Company and the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The following specific recognition criteria must also be met for main revenue streams of the company for its recognition :

(i) Sale of Goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and includes excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

(ii) Sale of Contract Jobs

Revenue on long term contracts is recognized on the basis of percentage of completion method which is based on specified milestone or in proportionate to the work completed against each contract which are fixed price contract. Provisions are made for the entire loss on a contract irrespective of the amount of work done. Claims on account of price variation receivable / payable from / to the customers are accounted for on the basis of contractual terms. Final adjustments towards estimated claims for extra work are made in the year of settlement.

(iii) Income from Services

Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

(iv) Interest

Revenue is recognized using effective interest method.

(v) Dividend

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

(vi) Royalties

Revenue is recognized on an accrual basis in accordance with the terms of the relevant agreement.

(vii) Income Distributed by Venture Capital Fund

Revenue received from Investments made in Venture Capital Funds is recognized on actual receipt basis and are shown in respective heads of Income in Statement of Profit and Loss.



p. Employee Benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and expensed as the relative service is provided. A liability is recognised for the amount expected to be paid e.g. towards bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plan

Provident Fund, a defined contribution plan, is a post employment benefit plan under which the Company pays contributions into a separate entity and has no legal or constructive obligation to pay further amounts. The Company recognises the contributions payable towards the provident fund as an expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees.

(iii) Defined benefit plan

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The Company has funded Gratuity liability towards this which is provided on the basis of actuarial valuation made by an external valuer at the end of each financial year using the projected unit credit method and is contributed to the Gratuity Fund formed by the company.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (if any, excluding interest) are immediately recognised in the balance sheet with corresponding debit or credit to Other Equity through OCI. Remeasurements are not classified to profit or loss in subsequent periods.

Net interest and changes in the present value of defined benefit obligation resulting from plan amendments or curtailments are recognised in Statement of Profit & Loss.

(iv) Other long term employee benefits

The liabilities for earned leave are measured and provided on the basis of actuarial valuation made by an external valuer at the end of each financial year using the projected unit credit method. Remeasurement gains or losses are recognised in Statement of Profit and Loss in the period in which they arise.

q. Borrowing Costs

Borrowing costs consists of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs attributable to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowings costs eligible for capitalisation. All other borrowing costs are expensed in the period in which they are incurred. Transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

r. Earnings per Share

Basic earnings per share is calculated by dividing the Net Profit or Loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the post tax effect of finance costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the issue of all dilutive potential equity shares.

s. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with remaining maturity of 12 months or less, which are subject to an insignificant risk of change in value.

t. Cash Dividend to Equity Shareholders

The Company recognises a liability to make distribution of cash dividend to equity shareholders of the Company when the distribution is approved by the shareholders. A corresponding amount is recognised directly in equity.

u. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation 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.

Where the effect of time value of money is material, provisions are measured at present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to liability. The increase in the provision due to passage of time is recognised as interest expense.

v. Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM).

Identification of segments :

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing strategic business unit/units that/those offer/offers different products and serve/serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter Segment Transfer :

The Company generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs :

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items :

Unallocated items includes general corporate income and expense items which are not allocated to any business segment.

w. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.



(₹ in Lakh)

2020–21

2019–20

40 OTHER NOTES ON ACCOUNTS**40.1 COMMITMENTS & CONTINGENT LIABILITIES :****(a) Contingent liabilities not provided for in respect of :****Claims against the Company not acknowledged as debts, are as given below :**

(i) Excise Duty & Service Tax	-	6.99
(ii) Sales Tax / VAT / Work Contract Tax etc.	105.18	25.72
Provision of Rs. 25 lakh (Previous year Rs. 25 lakh) made in an earlier year is being carried forward under the head Provision for contingencies.		
(iii) Cess & Others	0.60	0.60

(b) Other Claims :**Other claims against the Company not acknowledged as debts, are as given below** :**

Labour Cases	2.00***	2.00***
Demands raised by Provident Fund / Employee State Insurance department	1.55***	1.55***
Other Claims	26.40***	26.40***

**The Management feels that the Company has a good chance of success in above mentioned cases hence no provision there against is considered necessary.

***In view of large number of cases pending at various Forums / Courts, it is not practicable to give the details of each case. List also includes certain labour matters for which amount of liability is not ascertainable at this stage.

40.2 SEGMENT INFORMATION**(a) Business Segments :**

As of 31st March, 2021, there are two business segments i.e. Electrical Equipments for Power Transmission and Distribution (comprising of Transformer and Switchgear) and Elevator. A description of the types of products and services provided by each reportable segment is as follows:

- Electrical Equipments for Power Transmission and Distribution – the Company deals in manufactures and supplies power and distributes transformers and switchgear.
- Elevator Division manufactures equipments/ components of elevators for execution of jobs for erection and installation and also for supplies to other parties in the market.

(b) Geographical Segments :

Since the Company does not exports and operates in the domestic market which is governed by the same risks and returns, no geographical information is provided.

(c) Primary segment information (by Business segments)

The following table presents revenue and profit information regarding business segments for the years ended March 31, 2021 and March 31, 2020 and certain assets and liability information regarding business segments at March 31, 2021 and March 31, 2020.

(d) Segment Information Disclosure :

(₹ in Lakh)

Particulars	Electrical Equipment for Power Transmission and Distribution		Elevator		Chemical		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue								
Revenue from operation	31,063.14	21,524.50	6,419.27	8,796.57	457.98	160.52	37,940.39	30,481.59
Other Income	181.85	277.03	245.99	43.63	9.28	2.68	437.12	323.34
Total income	31,245.00	21,801.53	6,665.26	8,840.21	467.25	163.19	38,377.51	30,804.93
Results								
Segment results Profit/(Loss)	1,606.51	1,369.32	201.21	(503.32)	11.31	(1.85)	1,819.02	864.15
Finance Cost							(983.71)	(852.11)
Unallocated Corporate Income (Net)							3,425.22	(1,348.94)
Profit before Tax							4,260.53	(1,336.89)
Tax Expense							910.17	(318.62)
Net Profit							3,350.36	(1,018.27)
Other Information								
Segment Assets	20,627.14	16,887.10	5,590.79	5,709.67	183.04	262.80	26,400.97	22,859.56
Unallocated Corporate Assets	-	-	-	-	-	-	29,439.09	30,025.32
Total Assets							55,840.06	52,884.89
Segment Liabilities	14,628.15	12,348.87	4,366.66	4,937.10	105.88	187.47	19,100.70	17,473.44
Unallocated Corporate Liabilities	-	-	-	-	-	-	8,312.65	10,804.98
Total Liabilities							27,413.34	28,278.43
Capital Expenditure	541.81	695.27	69.01	18.32	3.80	38.60	614.62	752.19
Corporate Office Capital Expenditure	-	-	-	-	-	-	-	497.34
Total Capital Expenditure							614.62	1,249.53
Depreciation & Amortisation	139.64	108.24	33.77	37.53	10.39	5.10	183.80	150.87
Unallocated Depreciation	-	-	-	-	-	-	112.32	39.00
Total Depreciation							296.11	189.87
Other Non Cash Expenses								
Provision for Doubtful Debts	-	-	283.09	186.76	-	-	283.09	186.76



40.3 BASIC AND DILUTED EARNING PER SHARE

		2020-21	2019-20
Profit/(Loss) for the year	₹ in lakh	3,350.36	(1,018.27)
Equity Shares Outstanding at the beginning of the year	Numbers	72,88,645	72,88,645
Equity Shares Outstanding at the year end	Numbers	72,88,645	72,88,645
Weighted Average Number of equity shares	Numbers	72,88,645	72,88,645
Earnings Per Share	(₹)	45.97	(13.97)

40.4 DISCLOSURE UNDER INDIAN ACCOUNTING STANDARD - 19 (EMPLOYEES' BENEFIT)

The Company has a defined benefit gratuity plan and leave encashment plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service and every employee who discontinues his services to the company gets leave encashment (last drawn salary).

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the plan (based on Actuarial Valuation) :-

Particulars	Gratuity		Leave	
	2020-21	2019-20	2020-21	2019-20
(₹ in Lakh)				
(a) Statement of Profit and Loss :				
Net employee benefit expense (recognised in Employee Cost)				
Current service cost	67.67	63.76	46.61	49.62
Interest cost on benefit obligation	39.94	38.22	17.96	19.05
Expected return on Plan Assets	(38.32)	(38.99)	-	-
Net actuarial(gain) / loss recognised in the year	-	-	(60.47)	(40.89)
Net benefit expense	69.28	62.99	4.10	27.78
(b) Balance Sheet :				
Defined benefit obligation	648.16	611.13	262.54	269.75
Fair value of plan assets	(613.17)	(553.59)	-	-
Net Liability arising from defined benefit obligation	34.99	57.55	262.54	269.75
(c) Changes in the present value of the defined benefit obligation are as follows :				
Opening defined benefit obligation	611.13	517.47	269.75	256.16
Interest cost	39.94	38.22	17.96	19.05
Current service cost	67.67	63.76	46.61	49.62
Actuarial (gains)/losses arising from experience variance	(38.98)	6.58	-	-
Actuarial (gains)/losses arising from change in financial assumption	16.00	20.77	-	-
Benefits paid	(47.60)	(35.68)	(11.32)	(14.19)
Actuarial (gains) / losses on obligation	-	-	(60.47)	(40.89)
Closing defined benefit obligation	648.16	611.13	262.54	269.75
(d) Changes in the fair value of plan assets are as follows :				
Opening fair value of plan assets	553.58	501.79	-	-
Expected return on plan assets	38.32	38.99	-	-
Contributions by employer	20.00	15.68	-	-
Withdraw	-	-	-	-
Remeasurement Gain/(Loss) on return plan assets	1.26	(2.87)	-	-
Closing fair value of plan assets	613.16	553.58	-	-
(e) Other Comprehensive Income are as follows :				
Return on plan assets(excluding amounts included in net interest Expense	1.26	(2.87)	-	-
Actuarial (gains)/losses arising from experience adjustment	(38.98)	6.58	-	-
Actuarial (gains)/losses arising from change in financial assumption	16.00	20.77	-	-
	(24.23)	30.22	-	-



(f) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	2020-21	2019-20
	%	%
Investments with insurer	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

(g) The Principal assumptions used in determining gratuity obligations for the Company's plans are shown below :

Attrition Rate	5.00%	10.00%
Imputed Rate of Interest(D)	6.76%	6.80%
Imputed Rate of Interest(IC)	6.80%	7.65%
Salary Rise	8.00%	8.00%
Return on Plan Assets	6.80%	7.65%
Remaining Working Life	21.13	21.58
Mortality Rate(Table)	IAL 2012-14 Ultimate	IAL 2012-14 Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Principal assumptions used in determining leave obligations for the Company's plans are shown below :

Attrition Rate	5.00%	10.00%
Imputed Rate of Interest(D)	6.76%	6.80%
Imputed Rate of Interest(IC)	6.80%	7.65%
Salary Rise	8.00%	8.00%
Return on Plan Assets	N.A.	N.A.
Remaining Working Life	21.13	21.58
Mortality Rate(Table)	IAL 2012-14 Ultimate	IAL 2012-14 Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(h) Disclosure

The amounts for the Non-Current and Current in respect of gratuity and Leave are as follows :

(₹ in Lakh)

	Gratuity		Leave	
	2020-21	2019-20	2020-21	2019-20
Current Portion of defined benefit obligation	199.35	203.40	158.36	151.08
Non-Current Portion of defined benefit obligation	448.81	407.73	104.19	118.68

(i) The Impact of sensitivity analysis on defined benefit plan is given below :-

(₹ in Lakh)

Particulars	2020-21	2019-20	2020-21	2019-20
Attrition rate increase by 1%	(3.64)	(2.03)	(0.73)	(0.47)
Attrition rate decrease by 1%	4.10	2.49	0.86	0.54
Salary growth rate increase by 1%	36.68	26.29	9.08	7.58
Salary growth rate decrease by 1%	(32.83)	(24.21)	(8.06)	(6.92)
Imputed rate of return rate increase by 1%	(32.90)	(24.26)	(8.08)	(6.94)
Imputed rate of return rate decrease by 1%	37.50	26.86	9.29	7.74

- 40.5** The Company had made claims against Uttar Haryana Bijli Vitran Nigam Limited (UHBVN) for refund of liquidated damages deducted by the Electricity Board as well as interest on delayed payment of bills/due instalments by the Electricity Board. The arbitrator, appointed by the chairman, UHBVN, had given award in favour of the Company which was subsequently confirmed by the Additional Distt. Judge, Panchkula (Haryana). The Electricity Board has, however, filed an appeal with the Hon'ble High Court, Punjab & Haryana. While admitting the appeal, the Hon'ble High Court passed an interim order dated 25.08.2009, directing the Electricity Board to pay to the company a sum of Rs. 608.08 lakh against bank guarantee of the same amount as security to the Electricity Board. The Electricity Board has made payment against bank guarantee given to them as security. As the matter is still sub-judice, the amount is lying in Other Current Liabilities.
- 40.6** During the FY 2016-17, a suit in the court of Civil Judge (Sr. Div.) Sealdah, West Bengal for recovery of possession of land and structure thereon which was taken on rent by the company was filed by the Lessor on expiration of lease by efflux of time. The court order was passed to hand over the possession of the suit property and the company to pay mesne profit and occupational charges till hand over of the possession to the lessor. In the year 2014, the property was handed over to the lessor by the company. The matter went upto High Court at Calcutta and is still pending in the Civil court. A sum of Rs. 881.33 lakh has been provided in books of account towards such charges.
- 40.7** During the FY 2016-17, the company on the order passed by Hon'ble High Court of Judicature at Hyderabad has provided Rs. 266.11 lakh. The amount was charged towards any unexpected outcome of the challenge testing ordered by the Court to be conducted at Central Power Research Institute to establish that the transformers which were supplied to The Southern Power Distribution Company of Telangana Limited were within technical parameters as mentioned in the purchase order.



40.8 Related Party Disclosure :

Related party Disclosure as identified by the management in accordance with the Indian Accounting Standard -24 issued under Section 133 of the Companies Act, 2013.

I. Names of Related Parties**A Key Management Personnel**

Mr. Prakash Kumar Mohta Chairman & Managing Director

B The entity and the Company are of the same group

Kumar Metals Pvt Ltd Wholly-owned Subsidiary Company

C Relatives of Key Management Personnel

Ms. Pratibha Khaitan Relative of Mr. Prakash Kumar Mohta

D Persons having significant influence

Mr. Prakash Kumar Mohta has significant influence in the following Companies:

- (i) Bhiragacha Finance Company Pvt. Ltd.
- (ii) Diplomat Ltd
- (iii) Mudrika Goods Private Limited
- (iv) P. P. Packagings Pvt Ltd (a 100% subsidiary of Universal Autocrafts Pvt. Ltd.)
- (v) Unique Manufacturing & Marketing Ltd
- (vi) Universal Autocrafts Private Limited
- (vii) Universal Enterprises Ltd
- (viii) Universal Prime Aluminium Limited

II. Transactions with Key Management Personnel are as under :**(₹ in Lakh)**

Nature of Transactions	2020-21	2019-20
Salary/Perquisites	309.57	228.94*
Provident/Superannuation Fund	32.00	27.47
Dividend Paid during the year	20.48	50.48

* Excluding Gratuity and Leave Encashment provision on actuarial basis.

Transactions with relative of Key Management Personnel are as under:**(₹ in Lakh)**

Nature of Transactions	2020-21	2019-20
Advance given for purchase of Investment	141.62	-

III. Transactions with enterprises over which Key Management Personnel exercise significant influence are as under:

Particulars	(₹ in Lakh)						
	Loan Received	Loan Paid/Refund	Interest Paid	Sale of Goods/Assets	Payment of services & Reimbursement of expenses	Receipt of Services Rendered	Closing Balance
(i) Bhiragacha Finance Company Pvt. Ltd.	-	-	-	-	-	3.40 (3.89)	- (Dr. 0.584)
(ii) Diplomat Ltd	- (20.00)	49.95 (135.00)	6.13 4.87	-	-	-	Cr. 41.674 (Cr. 95.21)
(iii) Mudrika Goods Private Limited	-	-	1.91 (1.91)	-	-	-	Cr 30.812 (Cr. 9.043)
(iv) P. P. Packagings Pvt Ltd	-	-	-	0.11 (5.44)	4.04	-	- -
(v) Unique Manufacturing & Marketing Ltd	-	-	-	-	-	1.42 (1.42)	Dr. 1.416 (Dr. 1.06)
(vi) Universal Autocrafts Private Limited	-	-	-	3.10 (15.09)	0.19 (0.15)	-	- -
(vii) Universal Enterprises Ltd	-	-	-	-	11.12 (8.16)	0.45 (0.54)	- -
(viii) Universal Prime Aluminium Limited	-	-	-	-	2.33 (1.69)	0.20	Dr. 0.0945 -

IV. Amount of outstanding balances are as under:

Nature of Transactions	(₹ in Lakh)	
	2020-21	2019-20
Salary/Perquisites	11.03	10.52
Provident/Superannuation Fund	2.66	2.42
Advance given for purchase of Investment	141.62	-



40.9 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

(₹ in Lakh)

Name of Entity	Net Assets		Share in Profit & Loss		Share in Other Comprehensive income		Share in Total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit & loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
ECE Industries Limited	99.73	28349.56	99.95	3348.58	99.99	542.71	99.95	3891.28
Subsidiary Kumar Metals Pvt Ltd	0.27	77.16	0.05	1.78	0.01	0.05	0.05	1.84
Total	100.00	28426.72	100.00	3350.36	100.00	542.76	100.00	3893.12

41. Previous year figures have been reclassified/regrouped to confirm current year figures.
42. The outbreak of COVID-19 pandemic led the company to a pause, to certain extent, to run its manufacturing activities at its fullest and for restrictive supplies. However, due to business profile of the Company, the impact of pandemic on the Company is expected to be minimal.
43. During the FY 2019-20, the Company has filed for a Scheme of Arrangement for Amalgamation of Kumar Metals Pvt Ltd (Wholly-owned subsidiary of the Company) with Hon'ble National Company Law Tribunal ('NCLT') to attain operational synergies. The scheme is pending for approval before the Hon'ble NCLT as on the date of approval of Financial Statements by the Board of Directors. Consequently, no effect of such scheme has been recorded in these Financial Statements.

As per our Report of even date attached.

For VSD & Associates
Chartered Accountants
Firm Reg. No. : 008726N

For and on behalf of the Board of Directors

(Vinod Sahni)
Partner
Membership No. 086666
Dated : 22.09.2021
Place : New Delhi

(Prakash Kumar Mohta)
Managing Director
DIN : 00191299

(Mahendra Kumar Jajoo)
Director
DIN : 00006504

(Rajat Sharma)
President & CFO



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