DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 76th (Seventy-sixth) Annual Report on the business and operations of the Company with audited financial statements for the financial year ended March 31, 2022.

FINANCIAL PERFORMENCE

(Amount ₹ in Lakh)

Particulars	31.03.2022	31.03.2021
Revenue from Operations	40,429.64	37,482.42
Other Income	4485.20	5,667.16
Total Income	**44914.84**	**43,149.58**
Less: Total Expenses before Depreciation, tax and other amortization	38661.36	38,606.52
Profit/Loss from before Depreciation, tax and other amortization	**6,253.48**	**4,543.06**
Less: Depreciation and Amortization Expenses	368.14	285.72
Profit/Loss before Tax	**5,885.34**	**4,257.34**
Tax Expenses		
i) Current Income Tax	1,053.22	721.52
ii) Current tax for earlier years	0.03	9.11
iii) MAT Credit	(291.21)	(435.51)
iv) Deferred Tax Charge/(Credit)	338.01	613.63
Profit/Loss for the year	**4,785.28**	**3,348.59**
Other Comprehensive Income for the year (Net of Tax)	120.46	542.71
Total Comprehensive Income for the year	**4,905.74**	**3,891.29**

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, 2022 along with comparable figures as on 31st March, 2021.

HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS AND OPERATIONS

The turnover for the current year is Rs. 40,429.64/- as compared to the Previous Year Rs.37,482.42/-. The Total Other Comprehensive Income for the year ended on 31st March, 2022 is Rs. 4,905.74/- as compared to Previous year Rs. 3,891.29/-.

In Transformer manufacturing, after upgrading the manufacturing facilities, your company is getting orders of high mid range Transformers i.e. upto 160 MVA to be supplied to State Electricity Boards. Your company is expected to achieve more turnover and profit in Transformer business in coming years.

In Elevators, your company is getting high volume of repeat orders from the reputed Developers in NCR. The overall production of Elevators is increased with more profitability. More markets are being captured for further growth in Elevator Business.

During the Financial Year 2021-22, your Company has managed the affairs in a fair and transparent manner and there was no change in the business of the Company.

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

During the year under review, the Company has decided not to transfer any amount to any specific Reserve.

PARTICULARS OF HOLDING/SUBSIDIARY/ASSOCIATE/JOINT VENTURES COMPANIES

The Company have two wholly owned subsidiary viz. ECE Elevators Limited and ECE Transformers Limited incorporated on 23rd February, 2022 and 26th February, 2022.

The subsidiary Companies were incorporated after 1st Day of January of the year under review, therefore, the accounts of the subsidiaries will be closed on 31st March, 2023. Consequent, to which the Company is not liable to consolidate its Account in respect of the above-mentioned subsidiaries for the year under review and a statement in the prescribed **Form AOC-1** is also not applicable.

Further, the company does not have any holding or joint venture or associate company within the meaning of applicable provisions of the Companies Act, 2013, as on 31st March, 2022.

DIVIDEND

The Board of Directors of your Company has recommended a final dividend of INR 4 per equity share (i.e., @ 40%) on 50,42,449 Equity Shares of INR 10/- each fully paid up for the year ended March 31, 2022. The dividend proposal is subject to the approval of members at the ensuing Annual General Meeting.

Further, the Company has paid an interim dividend of INR 0.90 per preference share (i.e., @ 9%) on 5,66,049 non-cumulative Compulsorily Redeemable Preference Shares ("CRPS") of face value INR 10/-, at the time of redemption of such shares. The Board of Directors of your company has recommended this as final dividend to each CRPS.

SHARE CAPITAL

a) The Authorized Share Capital of the Company as on 31st March, 2022 is Rs. 15,00,00,000/- (Rupees Fifteen Crore only) divided into 1,43,00,000 Equity Shares of Rs. 10/- each and 7,00,000 Preference Shares of Rs. 10/- each.

b) The Issued Capital of the Company as on 31st March, 2022 is Rs. 7,33,38,750/- (Rupees Seven Crore Thirty Three Lakhs Thirty Eight Thousand Seven Hundred Fifty only) divided into 67,67,826 Equity Shares of Rs. 10/- each and 5,66,049 Preference Shares of Rs. 10/- each.

c) The Subscribed and Paid up Capital of the Company as on 31st March, 2022 is Rs. 7,28,86,450/-/- (Rupees Seven Crore Twenty Eight Lakhs Eghty Six Thousand Four Hundred Fifty only) divided into 67,22,596 Equity Shares of Rs. 10/- each and 5,66,049 Preference Shares of Rs. 10/- each.

During the financial year under review, there were following changes in the capital structure of the Company.

A. Change in authorized, Issued, Subscribed and Paid-up share capital:

1. The Company vide Ordinary Resolution passed in the Annual General Meeting **dated 18th November, 2022**, has cancelled its existing unissued Authorized Preference and Equity Shares and increase in Authorized Preference Shares by reorganizing from INR 15,00,00,000/- (Rupees Fifteen Crore only) divided into 1,45,00,000 (One Crore Forty Five Thousand 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/- (Rupee Hundred only) each to INR 15,00,00,000/- (Rupees Fifteen Crore

only) divided into 1,43,00,000 (One Crore Forty Three Lakh) 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/- (Rupee Ten only) each.

2. Further, in accordance with the certified copy of order received from Hon'ble National Company Law Tribunal (NCLT) in the matter of Scheme of Merger entered between ECE Industries Limited and Kumar Metals Pvt Ltd, the Company in its Board Meeting **dated 01st March, 2022**, approved the cancellation of its 5,66,049 (Five Lakhs Sixty Six Thousand Forty Nine) Equity Shares of INR 10 (Rupees Ten) each and consequently, issue 5,66,049 (Five Lakhs Sixty Six Thousand Forty Nine) 9% Non-Cumulative Compulsorily Redeemable Preference Shares ("CRPS") of INR 10 (Rupees Ten) each.

B. Equity shares with differential rights:

During the financial year, the Company has not issued any equity share with differential rights.

C. Buy Back of Securities:

During the financial year, the Company has not bought back equity shares.

D. Sweat Equity:

During the financial year, the Company has not issued any Sweat Equity Shares.

E. Bonus Shares:

During the financial year, the Company has not issued any Bonus Shares.

F. Stock Option Plan:

During the financial year, the Company has not given any Stock Options.

SCHEME OF ARRANGEMENT

During the Financial Year 2019-20, your Company has entered into a Scheme of Arrangement with M/s Kumar Metals Pvt. Ltd. (wholly owned subsidiary of the company) for a) Amalgamation of Kumar Metals with Company; and b) Re-organization of capital on voluntary basis with Hon'ble National Company Law Tribunal pursuant to Section- 230 to 232 of the Companies Act, 2013 and other applicable provisions and rules made thereunder

The scheme was approved by NCLT Kolkata Bench and NCLT New Delhi Bench vide their orders dated 03rd November, 2021 and 12th January, 2022 and both the Companies filed their INC-28 with their respective ROC within the timeline provided under the concerned provisions of Companies Act, 2013.

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-I***.

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. Therefore, the Company is required to transfer the unpaid or unclaimed dividends pertaining to Financial Year 2014-15 to the IEPF authority.

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. However, all the shares on which dividend remained unpaid or unclaimed of the F.Y. 2014-15 are not in existence on the date of this report, as the same was redeemed by the Company after converting them into the Preference Shares in pursuance of the Para 11(iv) of the Scheme of Amalgamation attached as annexure to Hon'ble National Company Law Tribunal ("NCLT") order dated 12th January, 2022, in the matter of Scheme of Arrangement entered between Kumar Metals Pvt Ltd ("transferor Company") and ECE Industries Ltd ("transferee Company") for (a) Amalgamation of Transferor and Transferee Company; and (b) Re-organization of Capital of Transferee Company.

Therefore, the Company is not required to comply with requirements pertaining to the transfer of Shares to the IEPF authority in accordance with the provisions of Rule 6(5) and 6(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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.

STATEMENT ON OPINION OF BOARD OF DIRECTORS WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE OF INDEPENDENT DIRECTORS APPOINTED DURING THE FINANCIAL YEAR 2021-22

As per opinion of the Board of Directors of Company, Mr. Basant Kumar Daga, who was appointed as an Additional Director in the capacity of Independent Director on the Board of the Company w.e.f. 12.01.2022 is the person of integrity, expertise and have appropriate experience as an Independent Director.

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. Anant Suresh Jatia (DIN:02655500), Non-Executive Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

Upon recommendation of Nomination & Remuneration Committee, your Board of Directors vide resolution passed in their meeting dated January 12, 2022 appointed Mr. Basant Kumar Daga (DIN: 00922769) as an

Additional Director in the capacity of Independent Director on the Board of the Company w.e.f. January 12, 2022 to hold office upto the date of ensuing Annual General Meeting of the Company.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

There were 5 (Five) meetings of the Board of Directors were held i.e., on 09.04.2021, 22.07.2021, 22.09.2022, 12.01.2022 and 01.03.2022 and 1 (One) meeting of the Independent Directors held on 01.03.2022 during the year ended on 31st March, 2022.

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 2021-22, the desired number 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 and Nomination and Remuneration 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. Prakash Kumar Mohta - Member	Managing Director
Mr. Yogesh D. Korani- Member	Independent Director

The Composition of Nomination & Remuneration 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. Anant Suresh Jatia	Non-Executive Director

**Mr. Anant Suresh Jatia- Non-Executive Director appointed as members of Nomination and Remuneration Committee as on 23.05.2022.*

The Composition of Stakeholder Relationship Committee is set out below:

Name of the Member	**Category**
Mr. Mahendra Kumar Jajoo- Chairman of the Committee	Independent Director
Mr. Rajat Sharma- Member	Chief Financial Officer
Mr. Vivek Kochar- Member	Manager- Accounts

KEY MANAGERIAL PERSONNEL

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

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, 2022. 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.

DEPOSITS

Your Company has not accepted any deposits from the public as well as employees during the financial year ended 31st March, 2022.

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. Further, the company also place its Vigil Mechanism Policy on its website www.eceindustriesltd.com.

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 8.31 Lakh on CSR activities through PM Cares fund and annual report of CSR annexed herewith at ***Annexure-II*** 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 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 AND REPORT

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 2022-23 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 2022-23 is required to be ratified by the members; the Board recommends the same for approval by members at the ensuing AGM.

Cost Audit Report of the Company are self-explanatory and do not call for any further comments from the management of the Company.

SECRETARIAL AND AUDIT REPORT

The Board of Directors has appointed M/s MT & Co., as the Secretarial Auditor of the Company for conducting the audit of Secretarial records made and maintained by the Company for the financial year 2022-23 pursuant to Section 148 of the Companies Act, 2013.

The secretarial Audit Report for the year ended 31st March, 2022 in prescribed form duly audited by the Practicing Company Secretary, M/s. MT & Co. is annexed herewith as ***Annexure-III*** and forming part of the Directors report.

INTERNAL AUDIT AND REPORT

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.

REPORTING OF FRAUDS BY AUDITORS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Board under Section143(12) of Act and Rules framed thereunder.

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, 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 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

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED AFTER THE DATE OF BALANCE SHEET

The major events occurred after the date of balance sheet of the Company for the year ended on March 31, 2022, are as follows:

Buy Back:

a) The Company approved the Buy Back of not exceeding 16,80,649 (Sixteen Lakh Eighty Thousand Six Hundred Forty Nine) fully paid-up equity shares of face value INR 10/- each (representing 25% of total number of the total outstanding equity shares of the Company) at a price of INR 145/- (Rupees One Hundred and Forty Five only) per equity share ("the Buy Back offer price") aggregating to INR 24,36,94,105/- (Rupees Twenty Four Crore Thirty Six Lakh Ninety Four Thousand One Hundred Five only) vide Board Resolution dated 07th April, 2022, which was further approved by the members of the Company in their EGM held on 9th May, 2022.

b) The company has received buy back request of 1680,147 equity shares out of 16,80,649 equity shares and paid all the consideration in respect of such shares on 1st June, 2022.

c) After successful completion of Buy Back of shares of the Company the company files eForm SH-11 with the ROC as on 20th June, 2022.

Early Redemption of Preference Shares:

a) In pursuance of the Para 11(iv) of the Scheme of Amalgamation attached as annexure to Hon'ble National Company Law Tribunal ("NCLT") order dated 12th January, 2022 received in the matter of Scheme of Arrangement of ECE Industries Ltd and Kumar Metals Pvt Ltd for (a) Amalgamation of Kumar Metals Pvt Ltd with ECE Industries Ltd; and (b) Re-organization of Capital of ECE Industries Ltd, the company in its Board Meeting dated 20th May, 2022 exercised a call option for early redemption of 5,66,049 (Five Lakh Sixty Six thousand Forty Nine) 9% non-cumulative Compulsorily Redeemable Preference Shares ("CRPS") of face value INR 10/- at a premium of Rs. 223.66 per preference share (i.e. at a total redemption amount of Rs. 233.66 per preference share) along with the dividend @ 9% (i.e. Rs. 0.90 per preference share of Rs. 10/- each) on 4th June, 2022, out of the Free Reserves of the Company.

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
Date : 05/09/2022

Sd/-	**Sd/-**
(Prakash Kumar Mohta)	(Mahendra Kumar Jajoo)
Managing Director	Director
DIN: 00191299	DIN: 00006504

(Annexure - I)

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, we are going to convert Diesel to Piped Natural Gas (PNG) for improving the process efficiency, reduction in pollution and reduced in maintenance / energy cost. We have replaced 400 W Metal Halide Lamps to 200 W LED lights in the 220 KV shop floor with high level lumens and energy saving and maintenance cost is less, 50% compare to Metal Halide Lamps.

In Elevator unit, the company is engaged continuously to conserve energy in the manufacturing process and development of energy efficient elevators. 4th generation permanent magnet synchronous machines (PMSM) are being used in our lift motors that are oil free and save almost 50% energy over geared induction machines. Gearless machines now constitute almost 95% of new elevator bookings. PMSM main motors, MPSM door motors, 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

Efforts made in technology absorption as per Form-B are furnished below.

Form-B
(Form for disclosure of Particulars with respect of Technology Absorption)

1. <u>Research and Development (R&D)</u>

During Transformers transportation, we have introduced shock recorder to monitor the shocks during transit. It will detect the abnormality of the transformer during transit. We have introduced Nitrogen Injection Fire Protection System (NIFPS) from 20 MVA Power Transformers to protect the transformers from fire. Further the design of transformers has been made suitable for mounting the state of the art components like maintenance free breather, on line Dissolved Gas Analyser, On line Drying equipment etc.

For Elevator unit, to enable and determine continuous development and improvement projects to improve on productivity, quality and process, company had launched **Mera Sujhav Meri Company (MSMC) Scheme,** wherein all employees can provide their Sujhav's online on a portal. These Sujhav's are being reviewed and approved at the highest level and acted upon and many new developments are attributed to this scheme.

SMART app has been released for our service users and clients to allow them to have control on their project and connect with us online on real time basis. The app allows transparency in our service operations and gives them insights on each step being taken by us.

2. <u>Technology Absorption, Adaptation & Renovation</u>

In Transformer Manufacturing, we are in the process of Shot Blasting Plant implementation, which will result in zero pollution and improvement quality of painting of transformers tanks. We have started monitoring of fine vacuum evacuations system with the help of Digital Pirani gauge with least count 0.001millibar. We have also increased the capacity of Tank fabrication by installation of 30-ton crane and addition of one more bay of 500 sq mtr.

The Company, in Elevator, has started to reap the benefits of Site management and Service Apps released last year to our Engineers, working at job sites to allow them to harness the power of digital to improve quality of all our offerings. Both App's have enabled us to serve our customers in an efficient manner providing Best in class experience.

C. Foreign Exchange Earnings & Outgo

During the year under review, foreign exchange earnings was nil and foreign exchange outgo was Rs. 557.39 lakh.

For and on Behalf of the Board of Directors

Place : New Delhi
Date : 05/09/2022

Sd/-	**Sd/-**
(Prakash Kumar Mohta)	(Mahendra Kumar Jajoo)
Managing Director	Director
DIN: 00191299	DIN: 00006504

(Annexure - II)

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.**

In accordance with the provision of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rule, 2014, ECE Industries Limited has formulated its CSR Policy duly approved by the Board of Directors. CSR is essentially a way of conducting business responsibly and ECE shall endeavor to conduct its business operations and activities in a socially responsible and sustainable manner at all times.

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 program 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 1,396.34 Lakh

7. **(a) Two percent of average net profit of the company as per section 135(5):** INR 8.31 Lakh

(b) Surplus arising out of the CSR projects or programs 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 8.31 Lakh

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

Total amount spent for the financial year (in Rs.)	**Amount Unspent (in Rs)**				
	Total Amount 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 8.31 Lakh	*Nil*	*Nil*	*PM Cares Fund*	*INR 7.00 Lakh*	*14.03.2022*
	Nil	*Nil*	*PM Cares Fund*	*INR 1.31 Lakh*	*29.03.2022*

(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 8.31 Lakh*

*(*g**) Excess amount for set off:** *NIL*

S. No	**Particular**	**Amount**
1	**Two percent of average net profit of the company as per section 135(5)**	INR 8.31 Lakh
2	**Total amount spent for the Financial Year**	INR 8.31 Lakh
3	**Excess amount spent for the financial year [(ii)-(i)]**	NIL
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**	NIL

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
Date : 05/09/2022

Sd/-	**Sd/-**
(Prakash Kumar Mohta)	(Mahendra Kumar Jajoo)
Managing Director	Director
DIN: 00191299	DIN: 00006504

(Annexure - III)

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

[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 2022, 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 2022 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 and Standards, 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 during the year under report, the Company has not undertaken any corporate event/action (except conversion of some equity shares into preference shares) having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **MT & Co.**
Company Secretaries

Place: Delhi
Date: 30/06/2022
UDIN No. A016464D000545806

Sd/-
(Tumul Maheshwari)
Proprietor
ACS No. 16464
C.P. No. 5554
PR-1749/2022

This report is to be read with Annexure-A which forms an integral part of this report.

ANNEXURE-A

To,
The Members,
ECE INDUSTRIES LIMITED,
New Delhi

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

Place: Delhi
Date: 30/06/2022
UDIN No. A016464D000545806

Sd/-
(Tumul Maheshwari)
Proprietor
ACS No. 16464
C.P. No. 5554
PR-1749/2022

INDEPENDENT AUDITORS' REPORT

To
The Members
ECE Industries Limited

Report on the audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **ECE Industries Limited, ('the Company')**, which comprise the Balance Sheet as at 31st March, 2022, 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 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March 2022, 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 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 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 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 Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the 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
A) Valuation of Investments Refer Note 2 to the Ind AS Financial Statements The Company's investment portfolio represents a significant portion of the Company's total assets, which primarily consists of: i. Non-convertible debentures; ii. Equity Shares; iii. Preference Shares; iv. Mutual Funds; v. Venture Capital Funds; and vi. Alternate Investments Funds The aforementioned instruments are valued at amortized cost or fair value through Other Compressive Income (FVOCI) or fair value through Profit and Loss (FVTPL) depending upon the nature as summarized below: 1. Instrument valued at amortized cost: a) Non-convertible debentures; and b) Equity shares (Unquoted) 2. Instrument valued at fair value through Other Comprehensive Income ('FVOCI'): a) Equity Shares (Quoted and unquoted) 3. Instrument valued at fair value through Profit & Loss ('FVTPL'): a) Venture Capital Funds; b) Alternate Investments Funds; c) Mutual funds; and d) Non-convertible debentures 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.	**Our key procedures included, but not limited to, the following:** 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: i. Assessed the availability of quoted prices in liquid markets; ii. Assessed whether the valuation process is appropriately designed and captures relevant valuation inputs; 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 e) 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: 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; f) 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.

B) Litigations and claims- Provisions and Contingent Liabilities	Our key procedures included, but not limited to, the following:
Refer note 24.1 and 39.1 to the Ind AS Financial Statements 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. 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. 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. 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.	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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, 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 the Ind AS Financial Statements

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

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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 of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Ind AS 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the 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 24 and 39 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.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries

c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (iv)(a) and (iv)(b) contain any material misstatement.

3. In our opinion, the managerial remuneration for the year ended 31st March, 2022 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
F.R.No.008726N

Sd/-
(Vinod Sahni)
Partner
M.No.086666

Place: New Delhi
Dated: 15/0/2022
UDIN: 22086666AQOXMD9398

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, 2022, we report that:

i) a) I. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.

II. The Company has maintained proper records showing full particulars of intangibles assets.

b) According to the information and explanations given to us, 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 included in property, plant and equipment are held in the name of the Company.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right-of-use assets) or intangible assets during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii) a) The inventory, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are more or less in agreement with the books of accounts of the Company.

iii) a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

b) During the year the investments made by the Company is not prejudicial to the Company's interest. The Company has not provided guarantees or security and has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties and hence not commented upon.

c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) to 3(iii)(f) of the Order is not applicable to the Company and hence not commented upon.

iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

v) According to the information and explanations given to us, the Company has not accepted any deposit from the public nor accepted any amounts which are deemed to be deposits during the year within the meaning of Sections 73 and 76 of the Companies Act, 2013. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

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, have 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 (₹ 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, Ghaziabad (U.P.)
The Uttar Pradesh Value Added Tax Act 2008	Demand towards VAT	2011-12	7.66	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 payment

viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the Year.

ix)

a) According to the information and explanations given to us, the Company has not defaulted in repayment of borrowing to financial institutions or banks. However, the Company has not taken any loans or borrowings from government or debenture holders during the year.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

c) According to the information and explanations given to us by the management, the Company has obtained term loans and such term loans were applied for the purpose for which they were obtained.

d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised for short-term basis have been used for long-term purpose by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does not have any subsidiaries, associates or joint ventures as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not Applicable.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company does not have any subsidiaries, associates or joint ventures as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

x) a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi) a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit

b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) According to information and explanations given to us, the Company has not received any complaint on the whistle blower during the year.

xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the clause (xii) of paragraph 3 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 Indian Accounting Standards.

xiv) a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the internal audit reports of the Company for the period under audit.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with its directors or persons connected with him and therefore the clause (xv) of paragraph 3 of the Order is not applicable.

xvi) In our opinion and according to the information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvii)(a) to (d) of the Order are not applicable

xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

for VSD & Associates
Chartered Accountants
F.R.No.008726N

Sd/-
(Vinod Sahni)
Partner
M.No.086666

Place: New Delhi
Dated: 15/07/2022
UDIN: 22086666AQOXMD9398

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 31st, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the 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 31^{st} March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

for VSD & Associates
Chartered Accountants
F.R.No.008726N

Sd/-
(Vinod Sahni)
Partner
M.No.086666

Place: New Delhi
Dated: 15/07/2022
UDIN: 22086666AQOXMD9398

ECE INDUSTRIES LIMITED
CIN: L31500DL1945PLC008279
Balance Sheet as at 31st March, 2022

Amount (in Lakh)

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
I. ASSETS			
(1) Non-Current assets			
(a) Property, Plant and Equipment	1A	**3,247.91**	2,896.90
(b) Other Intangible assets	1B	**0.16**	1.86
(c) Goodwill under Business Combination		**70.61**	-
(d) Capital work-in-progress	1C	**87.55**	119.90
(e) Financial Assets			
(i) Investments	2	**23,316.70**	21,307.20
(ii) Other Financial Assets	3	**2,521.13**	4,852.57
(f) Deferred Tax Assets (Net)	4	**650.52**	713.69
(g) Other Non-Current Assets	5	**57.24**	250.23
(2) Current assets			
(a) Inventories	6	**10,245.45**	5,275.38
(b) Financial Assets			
(i) Investments	2	**1,535.33**	476.16
(ii) Trade Receivables	7	**18,498.06**	17,004.31
(iii) Cash and Cash Equivalents	8A	**767.55**	557.78
(iv) Bank Balances other than (iii) above	8B	**670.23**	376.69
(v) Loans	9	**35.58**	24.93
(vi) Other Financial Assets	10	**1,490.86**	1,027.30
(c) Current Tax Assets	11	**779.73**	421.71
(d) Other Current Assets	12	**988.39**	438.14
Total Assets		**64,962.98**	55,744.75
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	13	**729.03**	729.03
(b) Other Equity	14	**32,315.21**	27,708.26
(2) Liabilities			
(A) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	**17.30**	18.37
(ia) Lease Liabilities	16	**188.51**	296.26
(ii) Others	17	**30.82**	30.64
(b) Provisions	18	**180.82**	267.73
(c) Other Non-Current Liabilities	19	**2,756.98**	2,756.98
(B) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	**11,235.14**	8,126.04
(ia) Lease Liabilities	16	**103.64**	103.02
(ii) Trade Payables	21	**11,382.10**	10,684.06
(iii) Other Financial Liabilities	22	**1,655.64**	1,976.89
(b) Other Current Liabilities	23	**3,853.93**	2,612.61
(c) Provisions	24	**513.85**	434.88
Total Liabilities		**64,962.98**	55,744.75

Summary of significant Accounting Policies	38
Other Notes to Accounts	33 to 37 & 39 to 43

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

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

Sd/-
(Vinod Sahni)
Partner
M.No. 086666

Date : 15.07.2022
Place : New Delhi

For and on behalf of Board of Directors

Sd/-
(Prakash Kumar Mohta)
Managing Director
DIN: 00191299

Sd/-
(Sakate Khaitan)
Director
DIN: 1248200

Sd/-
(Mahendra Kumar Jajoo)
Director
DIN: 00006504

Sd/-
(Rajat Sharma)
President & CFO

ECE INDUSTRIES LIMITED
CIN: L31500DL1945PLC008279
Statement of Profit and Loss for the year ended 31st March 2022

Amount (in Lakh)

Particulars	Note No.	1st April, 2021 to 31st March, 2022	1st April, 2020 to 31st March, 2021
Income			
Revenue from Operations	25	**40,429.64**	37,482.42
Other Income	26	**4,485.20**	5,667.16
Total Income		**44,914.84**	43,149.58
Expenses			
Cost of Materials Consumed		**33,349.23**	27,680.19
Purchases of Traded Goods		**28.46**	24.34
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	**(3,647.77)**	1,284.57
Employee Benefit Expense	28	**3,363.22**	2,652.92
Finance Costs	29	**697.77**	975.61
Depreciation and Amortization Expenses	30	**368.14**	285.72
Other Expenses	31	**4,870.45**	5,988.89
Total Expenses		**39,029.50**	38,892.24
Profit / (Loss) before tax		**5,885.34**	4,257.34
Tax expense/(income)			
(1) Current tax		**1,053.22**	721.52
(2) Current tax for earlier years		**0.03**	9.11
(3) MAT credit entitlement		**(291.21)**	(435.51)
(4) Deferred tax Charge/(Credit)	4	**338.01**	613.63
Profit/(Loss) for the Year		**4,785.29**	3,348.59
Other Comprehensive Income(OCI)			
(i) Items that will not be reclassified to statement of profit & loss	32	**126.45**	546.75
(ii) Income -tax relating to items that will not be reclassified to statement of profit & loss		(5.99)	(4.04)
Other Comprehensive Income for the year (Net of Tax)		**120.46**	542.71
Total Comprehensive Income for the year		**4,905.75**	3,891.29

Summary of significant Accounting Policies — 38
Other Notes on Accounts — 33 to 37 & 39 to 43
The Notes referred to above from an integral part of Balance Sheet.
As per our Report of even date attached.

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

Sd/-
(Vinod Sahni)
Partner
M.No. 086666

Date : 15.07.2022
Place : New Delhi

For and on behalf of Board of Directors

Sd/-
(Prakash Kumar Mohta)
Managing Director
DIN: 00191299

Sd/-
(Sakate Khaitan)
Director
DIN: 1248200

Sd/-
(Mahendra Kumar Jajoo)
Director
DIN: 00006504

Sd/-
(Rajat Sharma)
President & CFO

ECE INDUSTRIES LIMITED
CIN: L31500DL1945PLC008279
Statement of Changes in Equity
For the year Ended 31st March 2022

(A) Equity Share Capital — **Amount (in Lakh)**

	As at March 31, 2022			As at March 31, 2021		
	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
Less: Equity shares converted into Preference shares	**-**	**56.60**	**56.60**			
Total	**729.03**	**(56.60)**	**672.43**	729.03	-	729.03

(B) Other Equity — **Amount (in Lakh)**

	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 2020	**2,150.19**	**283.26**	**6,143.89**	**11,728.17**	**3,584.34**	**23,889.86**
Profit for the Year	-	-	-	3,348.59	-	3,348.59
Other comprehensive Income	-	-	-	20.19	522.52	542.71
Total Comprehensive Income	**2,150.19**	**283.26**	**6,143.89**	**15,096.95**	**4,106.86**	**27,781.15**
Transfer from Retained Earnings	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-
Dividend	-	-	-	(67.16)	-	(67.16)
Dividend Distribution Tax	-	-	-	(5.72)	-	(5.72)
As at March 2021	**2,150.19**	**283.26**	**6,143.89**	**15,024.07**	**4,106.86**	**27,708.27**
Profit for the Year	-	-	-	4,785.29	**-**	4,785.29
Other comprehensive Income	-	-	-	11.33	109.13	120.46
Profit/(Loss)arising from Business Combination	-	-	-	(8.71)	1.47	(7.24)
Total Comprehensive Income	**2,150.19**	**283.26**	**6,143.89**	**19,811.97**	**4,217.46**	**32,606.78**
Transfer from Retained Earnings	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-
Dividend	-	-	-	(261.88)	-	(261.88)
Dividend Distribution Tax	-	-	-	(29.66)	-	(29.66)
As at March 2022	**2,150.19**	**283.26**	**6,143.89**	**19,520.43**	**4,217.46**	**32,315.23**

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

As per our Report of even date attached.

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

Sd/-
(Vinod Sahni)
Partner
M.No. 086666

For and on behalf of Board of Directors

Sd/-
(Prakash Kumar Mohta)
Managing Director
DIN: 00191299

Sd/-
(Sakate Khaitan)
Director
DIN: 1248200

Sd/-
(Mahendra Kumar Jajoo)
Director
DIN: 00006504

Sd/-
(Rajat Sharma)
President & CFO

Date : 15.07.2022
Place : New Delhi

ECE INDUSTRIES LIMITED
CIN: L31500DL1945PLC008279
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2022

	Particulars	1st April, 2021 to 31st March, 2022	1st April, 2020 to 31st March, 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before tax	**5,885.34**	4,257.34
	Adjustments for:		
	Depreciation and Amortization Expenses	**368.14**	285.72
	Fair Value change in Financial Instruments	**(1,602.62)**	(3,398.95)
	(Profit)/ Loss on disposal of Property, Plant & Equipment (Net)	**(0.02)**	(4.67)
	Net Loss on Derecognition of Investment	**-**	500.00
	Dividend income on non-current Investments (other than Trade)	**(83.11)**	(53.15)
	Sundry Balance Written off	**(88.91)**	(241.01)
	Reversal of Provisions	**(57.22)**	(12.17)
	Debt, Advance & other debit Balance Written off	**13.65**	79.83
	Finance Costs	**697.77**	975.61
	Interest Income	**(1,006.15)**	(1,175.83)
	Interest Expense/(Income) on Financial Assets carried at fair value through Amortised cost (Net)	**(367.17)**	(499.75)
	Foreign Exchange Fluctuation	**(5.95)**	9.72
	Provision For Doubtful Debts	**-**	96.33
	Modification gain on financial asset	**(692.23)**	-
	Loss / (Profit) on Derivatives	**-**	551.55
	Operating Profit / (Loss) before working capital changes	**3,061.52**	1,370.56
	Movement in Working Capital :		
	(Increase) / Decrease in Trade Receivables	**(1,493.75)**	(6,541.92)
	(Increase) / Decrease in Inventories	**(4,970.07)**	2,130.51
	Decrease / (Increase) in Other Receivables	**(501.47)**	374.54
	Increase /(Decrease) in Trade Payables, Other Liabilities & Provisions	**1,606.51**	743.74
	Cash generated from/ (Used in) operations	**(2,297.26)**	(1,922.56)
	Direct Tax Paid (Net)	**(1,411.24)**	663.97
	Net cash from/ (used in) Operating Activities	**(3,708.50)**	(1,258.59)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant & Equipment	**(460.65)**	(732.16)
	Proceeds from sale of Property, Plant & Equipment including advance received	**3,415.75**	1,146.19
	Proceeds from sale of Investments	**11,204.47**	10,136.60
	Purchases of Investments	**(12,709.16)**	(8,096.62)
	Fixed Deposits	**(291.31)**	(304.28)
	Interest Received	**648.10**	838.06
	Dividend Received	**83.11**	53.15
	Net cash from/ (used in) Investing Activities	**1,890.32**	3,040.94
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Borrowings	**3,108.03**	(1,378.07)
	Payment of Lease Liabilities	**(101.89)**	(104.43)
	Finance Costs	**(688.87)**	(1,034.14)
	Dividend Paid	**(289.32)**	(71.46)
	Net cash from/ (used in) Financing Activities	**2,027.95**	(2,588.10)
	Net Increase/ (decrease) in Cash and Cash equivalents(A+B+C)	**209.78**	(805.75)
	Cash and Cash equivalents at the beginning of the year	**557.78**	1,363.53
	Cash and Cash equivalents at the end of the year	**767.55**	557.78

Cash on Hand	**45.28**	8.82
Cheques on Hand		-
Balances with Banks:		
In Current Accounts	**722.28**	527.20
In Cash Credit Accounts	-	1.76
Bank Deposits	**-**	20.00
Earmarked Balances		
In Unclaimed Dividend Accounts	**9.39**	7.16
	776.95	564.94
Less :- Unclaimed Dividend lying with Bank	**9.39**	7.16
	767.55	557.78

As per our Report of even date attached.

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

Sd/-
(Vinod Sahni)
Partner
M.No. 086666

Date : 15.07.2022
Place : New Delhi

For and on behalf of Board of Directors

Sd/-
(Prakash Kumar Mohta)
Managing Director
DIN: 00191299

Sd/-
(Sakate Khaitan)
Director
DIN: 1248200

Sd/-
(Mahendra Kumar Jajoo)
Director
DIN: 00006504

Sd/-
(Rajat Sharma)
President & CFO

ECE INDUSTRIES LIMITED
CIN: L31500DL1945PLC008279

Note 1A - PROPERTY, PLANT & EQUIPMENT
The changes in the carrying value of property, plant and equipment are as follows:

Amount (in Lakh)

Particulars	Own Assets									Right-of-use Asset	Total
	Freehold Land	Leasehold Land	Building, Road & Culverts	Factory Shed (On Lease)	Plant & Machinery	Electric and Gas Installation	Furniture & Fixtures	Office Equipments	Motor & Other Vehicles	Building	
Gross carrying amount											
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**
Acquired on business combination	-	-	14.54	0.84	6.37	0.05	0.27	2.79	3.69	-	28.55
Additions	-	-	170.81	-	356.58	76.92	5.44	52.52	26.60	-	688.87
Disposal	-	-	-	-	-	-	-	0.21	6.46	-	6.67
At 31 March 2022	**233.13**	**0.97**	**881.75**	**0.84**	**2,215.99**	**92.61**	**67.90**	**285.67**	**145.90**	**495.76**	**4,420.53**
Accumulated depreciation											
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**
Depreciation for the year	-	-	32.80	0.13	178.11	0.77	8.18	29.03	18.00	99.15	366.17
Deductions	-	-	-	-	-	-	0.40	0.20	5.83	-	6.43
At 31 March 2022	**-**	**0.04**	**123.77**	**0.13**	**568.96**	**12.39**	**38.31**	**137.19**	**68.74**	**223.09**	**1,172.62**
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**
Net carrying amount as at 31 March 2022	**233.13**	**0.93**	**757.98**	**0.70**	**1,647.03**	**80.22**	**29.59**	**148.48**	**77.16**	**272.67**	**3,247.91**

Note 1B - INTANGIBLE ASSETS

The changes in the carrying value of intangible assets are as follows:

Amount (in Lakh)

Particulars	Drawings & Development	Computer Software	Total
Gross carrying amount			
At 01 April 2020	**31.72**	-	**31.72**
Additions	-	-	-
Disposal	9.66	-	**9.66**
At 1 April 2021	**22.07**	**-**	**22.07**
Acquired on business combination	-	0.27	**0.27**
Additions	-	-	-
Disposal	11.44	-	**11.44**
At 31 March 2022	**10.63**	**0.27**	**10.90**
Accumulated depreciation			-
At 01 April 2020	**25.77**	**-**	**25.77**
Depreciation for the year	4.10	-	**4.10**
Deductions	9.66	-	**9.66**
At 01 April 2021	**20.21**	**-**	**20.21**
Depreciation for the year	1.86	0.11	**1.97**
Deductions	11.44	-	**11.44**
At 31 March 2022	**10.62**	**0.11**	**10.73**
Net carrying amount as at 31 March 2021	**1.86**	**-**	**1.86**
Net carrying amount as at 31 March 2022	**0.00**	**0.16**	**0.16**

Note 1C-CAPITAL WORK-IN-PROGRESS

Capital work-in progress ageing schedule

Amount (in Lakh)

Particulars	Total Amount	For the year ended 31st March 2022			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
Project in Progress	87.55	87.55	-	-	-
Total	**87.55**	**87.55**	**-**	**-**	**-**

Particulars	Total Amount	For the year ended 31st March 2021			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
Project in Progress	119.90	119.90	-	-	-
Total	**119.90**	**119.90**	**-**	**-**	**-**

NOTES:-

1. Further, there are no capital work-in-progress for which the completion is overdue or has exceeded its cost compared to its original budget.

2 INVESTMENTS

Particulars	Face Value (₹)	As At 31st March 2022 Number of units/shares	As At 31st March 2022 Amount (in Lakh)	As At 31st March 2021 Number of units/shares	As At 31st March 2021 Amount (in Lakh)
(A) Non-Current Investments					
(I) Investment Measured at Amortised Cost					
In Equity Shares of Subsidiary Companies					
Unquoted, Fully Paid					
Kumar Metals Pvt. Ltd. (Refer Note 2.1)	100/-	-	**-**	1,000	155.00
In Equity Shares of Other Companies					
Unquoted, Fully Paid					
Kesoram Textile Mills Ltd. (Refer Note 2.2)	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 2.3)	100000/-	480	**107.86**	480	133.16
Manipal Healthcare Pvt. Ltd. Series A 15.75% NCD	10,00,000/-	150	**1,680.11**	167	1,680.11
Total Investment at Amortised Cost (I)			**1,797.48**		1,977.79
(II) Investment Measured at Fair Value Through OCI					
In Equity Shares of Other Companies					
Quoted, Fully Paid					
Aditya Birla Capital Limited	10	4,71,931	**508.03**	4,71,931	563.49
Jayshree Tea & Industries Limited	5	-	**-**	4,45,600	294.99
Reliance Capital Limited	10	1	**0.00**		-
Unquoted, Fully Paid					
Banashankari Co-operative Housing Society limited	10	5	**0.00**		-
Gallant sales pvt. Ltd	10	100	**0.04**		-
Gangagham Merchandise Pvt. Ltd	10	100	**0.05**		-
Total Investment at Fair Value Through OCI (II)			**508.12**		858.48
(III) Investment at Fair Value Through PL					
In Mutual Funds					
Aditya Birla Sun Life Mutual Fund (Refer Note 2.4)		43,30,439.83	**1,101.91**	42,82,288	545.26
Bank of Baroda Mutual Fund		5,59,553	**75.07**		
In Venture Capital Fund/Alternative Fund (Refer 2.5)					
ICICI Venture Capital Fund Real Estate Scheme I (Refer Note 2.4)	10	66,75,945	**396.32**	76,63,406	605.77
IIFL Special Opp. Fund Series IV	10	-	**-**	47,41,523	714.70
IIFL Special Oppor. Fund Class A5	10	3,86,37,384	**3,786.31**	3,87,35,725	4,375.82
ICICI Prudential Real Estate AIF-I	100	4,64,596	**438.67**	7,02,924	778.75
ICICI Prudential Real Estate AIF-II	100	1,62,915	**108.99**	1,78,213	149.27
IIFL Income Oppor.Fund Spl.Situation (Piramal)(Refer Note 2.3)	10	-	**-**	4,04,34,847	548.66
IIFL Income Oppor. Fund Series-II	10	94,70,476	**1,124.05**	39,28,245	451.62
IIFL Real Estate Fund (Domestic) Series-II (Refer Note 2.3)	10	2,15,31,488	**785.92**	2,15,31,488	1,013.66
IIFL Real Estate Fund (Domestic) Series-III (Refer Note 2.3)	10	61,30,000	**150.38**	61,30,000	175.93
IIFL Special Opportunities Fund CAT-II AIF (Pre-Ipo) (Refer Note 2.4)	10	92,98,231	**833.87**	92,98,231	1,087.52
India Business Excellence Fund-III	1000	24,467	**242.66**	24,467	223.02
Indiareit Apartment Fund (Piramal)(Refer Note 2.3)	1,00,000	638	**710.12**	692	1,100.20
Sundaram Alt. Opport. Nano Cap CAT-III TF	1,00,000	-	**-**	230	206.21
India Realty Excelence Fund-III	100	6,52,043	**556.19**	8,75,930	1,099.11
India Housing Fund	10	-	**-**	3,00,00,000	1,364.28
India Reality Excellence Fund-IV	100	21,40,423	**2,248.88**	14,83,686	1,745.21
Emerging India Credit Opportunities Fund I	100000	1,557	**1,557.00**	-	-
IIFL Special Opportunities Fund Series-9	10	89,99,550	**898.19**	-	-
Northern Arc India Impact Fund	100000	1,981	**2,017.16**	-	-
India Realty Excellence Fund-V	100	4,02,320	**401.03**	-	-
Kotak Pre-Ipo Opportunities Fund	1000	97,423	**1,046.03**	-	-
IIFL Real Estate Fund (Domestic) Series-4	10	16,17,751	**91.19**	-	-
In Non-Convertible Debentures of Other Companies					
Reddy Veeranna Investments Pvt. Ltd. NCD	10,00,000	-	**-**	158	795.94
Reddy Veeranna Investments Pvt. Ltd. NCD-Series 2	10,00,000	229	**2,431.16**	149	1,490.00

In Insurance Wealth Plans		
IndiaFirst Life Wealth Maximizer Plan	**10.00**	-
Total Investment at Fair Value Through PL (III)	**21,011.09**	18,470.93
Total Non-Current Investments (A=I+II+III)	**23,316.70**	21,307.20

(B) Current Investments

Particulars	Face Value (₹)	Number of units/shares	Amount (in Lakh)	Number of units/shares	Amount (in Lakh)
Investment at Fair Value Through PL					
In Equity Shares of Other Companies					
Quoted, Fully Paid					
Tata Motors Limited- DVR	2	1,50,000	**309.68**	1,75,000	224.18
Jayshree Tea & Industries Limited	5	-	**-**	12,576	8.33
Bank of Baroda	2	4,00,000	**446.40**	1,00,000	74.15
National Aluminium Company Limited	5	-	**-**	1,00,000	54.00
Punjab National Bank	2	1,00,000	**35.05**	1,00,000	36.65
Sail Authority of India Limited	10	-	**-**	1,00,000	78.85
ITC Limited	1	1,00,000	**250.80**	-	-
State Bank of India	1	1,00,000	**493.40**	-	-
Total Current Investment(B)			**1,535.33**		476.16
Total Investment(A+B)			**24,852.03**		21,783.36

2.1 Amalgamated into ECE Industries Limited u/s 232 of the Companies Act, 2013 vide NCLT, Delhi and NCLT, Kolkata order dated 12.01.2022 and 03.11.2021 respectively.

2.2 Received on account of transfer of textile division by Kesoram Industries Ltd. to Kesoram Textile Mills Ltd. during the year 1999-2000.

2.3 Lien is created on the said investments towards allocation of demand loan upto maximum limit of Rs 9500 Lakh by IIFL wealth finance Ltd. Refer Note No. 20.3

2.4 Lien of Rs. 566 Crores out of Rs. 1101.91 Crores has been created in accordance with the terms of Bill Discounting Facility sanctioned by Aditya Birla Finance Limited.

2.5 All the above funds have been valued on the basis of latest data available with the management.

3 OTHER NON-CURRENT FINANCIAL ASSETS

Amount (in Lakh)

Particulars	As At 31st March 2022	As At 31st March 2021
Security Deposits	**48.69**	45.74
Deposits with Bank held as margin money	**140.69**	146.82
Earnest Money Deposits	**319.90**	292.05
Receivable against sale of Property, Plant & Equipment	**2,011.85**	4,367.96
	2,521.13	**4,852.57**

4 DEFERRED TAX ASSETS

Amount (in Lakh)

Particulars	As At 31st March 2022	As At 31st March 2021
Deferred Tax Assets		
Provision and Liabilities	**608.73**	596.27
Mat Credit Entitlement	**869.46**	591.80
Gross Deferred Tax Asset (A)	**1,478.19**	**1,188.07**
Less: Deferred Tax Liabilities		
Timing Difference on Depreciable Assets	**273.72**	242.24
Fair Value of Investments (Net)	**553.96**	232.14
Gross Deferred Tax Liability (B)	**827.67**	**474.38**
Net Deferred Tax Assets (A-B)	**650.52**	**713.69**

5 OTHER NON-CURRENT ASSETS

Amount (in Lakh)

Particulars	As At 31st March 2022	As At 31st March 2021
Capital Advances	**14.36**	210.23
Sub-Judicial Matter	**42.87**	40.00
	57.24	**250.23**

6 INVENTORIES

Amount (in Lakh)

Particulars	As At 31st March 2022	As At 31st March 2021
(Valued at Lower of Cost and Net Realisable Value)		
Raw Materials	**3,243.51**	1,929.46
Work in Progress	**6,936.69**	3,293.05
Finished Goods	**51.55**	37.92
Stores and Spares	**10.03**	10.23
Scrap at realizable value	**3.66**	4.72
	10,245.45	**5,275.38**

7 TRADE RECEIVABLES

Amount (in Lakh)

Particulars		As At 31st March 2022	As At 31st March 2021
Unsecured	7.1		
Considered Good		**18,498.06**	17,004.31
Considered Doubtful		**283.09**	283.09
Less: Allowance for doubtful receivables		**(283.09)**	(283.09)
		18,498.06	**17,004.31**

7.1 Balance with customers are subject to confirmations and reconciliations.

Trade receivables ageing schedule

Amount (in Lakh)

Particulars	Outstanding for the following periods from due date of payment as at 31st March 2022					
	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 years	Total
i) Undisputed Trade Receivables - Considered Good *	14,532.92	1,252.99	**1,313.16**	376.36	1,305.73	**18,781.15**
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	**-**	-	-	**-**
iii) Undisputed Trade Receivables - Credit Impaired	-	-	**-**	-	-	**-**
iv) Disputed Trade Receivables - Considered Good	-	-	**-**	-	-	**-**
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	**-**	-	-	**-**
vi) Disputed Trade Receivables - Credit Impaired	-	-	**-**	-	-	**-**
Sub-Total	**14,532.92**	**1,252.99**	**1,313.16**	**376.36**	**1,305.73**	**18,781.15**
Less: Allowance for doubtful receivables	**-**	**-**	**-**	**-**	**283.09**	**283.09**
Total	**14,532.92**	**1,252.99**	**1,313.16**	**376.36**	**1,022.64**	**18,498.06**

Financial Year - 2020-21

Amount (in Lakh)

Particulars	Outstanding for the following periods from due date of payment as at 31st March 2021					
	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 years	Total
i) Undisputed Trade Receivables - Considered Good *	13,243.60	1,197.74	**1,129.45**	191.50	1,525.11	**17,287.40**
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	**-**	-	-	**-**
iii) Undisputed Trade Receivables - Credit Impaired	-	-	**-**	-	-	**-**
iv) Disputed Trade Receivables - Considered Good	-	-	**-**	-	-	**-**
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	**-**	-	-	**-**
vi) Disputed Trade Receivables - Credit Impaired	-	-	**-**	-	-	**-**
Sub-Total	**13,243.60**	**1,197.74**	**1,129.45**	**191.50**	**1,525.11**	**17,287.40**
Less: Allowance for doubtful receivables	**-**	**-**	**-**	**-**	**283.09**	**283.09**
Total	**13,243.60**	**1,197.74**	**1,129.45**	**191.50**	**1,242.02**	**17,004.31**

8A CASH AND CASH EQUIVALENTS

Amount (in Lakh)

Particulars	As At 31st March 2022	As At 31st March 2021
Balances with Banks:		
-in Current Accounts	**722.28**	527.20
-in Cash Credit Accounts	**-**	1.76
Deposits with Bank	**-**	20.00
Cash on Hand	**45.28**	8.82
	767.55	557.78

8B BANK BALANCES OTHER THAN ABOVE

Amount (in Lakh)

Particulars	As At 31st March 2022	As At 31st March 2021
Earmarked Balances with Bank		
-in Unclaimed Dividend Accounts	**9.39**	7.16
Deposit with Banks held as margin money	**660.84**	369.53
	670.23	376.69

9 CURRENT LOANS

Amount (in Lakh)

Particulars	As At 31st March 2022	As At 31st March 2021
Unsecured, considered good		
Loan to Staff	**35.58**	24.93
	35.58	24.93

10 OTHER CURRENT FINANCIAL ASSETS

Amount (in Lakh)

Particulars	As At 31st March 2022	As At 31st March 2021
Security Deposits	**34.55**	28.33
Unbilled Revenue	**68.57**	42.69
Deposit with Banks held as margin money	**9.07**	9.45
Accrued Interest Receivable	**1,018.86**	660.81
Other Receivables	**359.80**	286.02
	1,490.86	**1,027.30**

11 CURRENT TAX ASSETS

Amount (in Lakh)

Particulars	As At 31st March 2022	As At 31st March 2021
Income Tax Assets (Net)	**779.73**	421.71
	779.73	421.71

12 OTHER CURRENT ASSETS

Amount (in Lakh)

Particulars	As At 31st March 2022	As At 31st March 2021
Advance to Suppliers	**306.90**	224.41
Balance with Revenue Authorities	**643.41**	163.95
Prepaid Expenses	**28.84**	41.84
Others	**9.25**	7.94
	988.39	438.14

13 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	Amount (in Lakh)	Nos.	Amount (in Lakh)
(a) Authorised Share Capital				
Equity shares				
Equity Shares of ₹ 10/- each	1,43,00,000	**1,430.00**	1,45,00,000	1,450.00
Preference shares				
Redeemable Cumulative Preference Shares of ₹ 10/- each	7,00,000	**70.00**	5,00,000	50.00
	1,50,00,000	**1,500.00**	1,50,00,000	1,500
(b) Issued Share Capital				
Equity shares				
Equity Shares of ₹ 10/- each, fully paid	67,67,826	**676.78**	72,88,645	728.86
Preference shares				
9% non-cumulative Redeemable preference shares	5,66,049	**56.60**	-	-
	73,33,875	**733.39**	72,88,645	728.86

(c) Subscribed and Paid-up Share Capital				
Equity shares				
Equity Shares of ₹ 10/- each, fully paid	67,22,596	**672.26**	72,88,645	728.86
Add: Forfeited Shares (Amount originally paid)		**0.17**	-	0.17
Preference shares				
9% Non-cumulative redeemable preference share	5,66,049	**56.60**	-	-
Total Paid-up share capital	**72,88,645**	**729.03**	72,88,645	729.03

13.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	Face Value	As at March 31, 2022		As at March 31, 2021	
		Nos	Amount (in Lakh)	Nos	Amount (in Lakh)
Equity shares					
Shares outstanding at the beginning of the period	10/-	72,88,645	**728.86**	72,88,645	728.86
Add: Shares issued during the year				-	-
Less: Equity shares converted into Preference shares	10/-	(5,66,049)	**(56.60)**	-	-
Shares outstanding at the end of the period	**(A)**	**67,22,596**	**672.26**	72,88,645	728.86
Preference shares					
Shares outstanding at the beginning of the period		**-**	**-**	-	-
Add: Equity shares converted into Preference shares	10/-	5,66,049	**56.60**	-	-
Shares outstanding at the end of the period	**(B)**	**5,66,049**	**56.60**	-	-
	(A+B)	**72,88,645**	**728.86**	72,88,645	728.86

13.2 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.

Preference share : The company has issued one class of 9% Non-Cumulative compulsory redeemable preference shares having at par value of ₹10 per share with a Premium of ₹ 223.66 per share. As per the Order of Hon'ble NCLT, these preference share can be redeemed within a maximum period of 20 years from the date of issue with a put and call option available to the Preference Shareholders and the Company for its early redemption. Preference Shareholders have no voting right.

13.3 Details of the Shareholders holding more than 5% shares along with number of shares held

Shareholder's Name	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Equity Shares	No. of Shares held	% of Equity Shares
Equity shares				
Jayantika Investment & Finance Ltd. (Formaly Parvati Tea Company Pvt. Ltd.)	27,09,997	**37.18**	27,09,997	37.18
Prakash Kumar Mohta	17,00,096	**23.33**	13,48,158	28.11
Jayshree Finvest Pvt. Ltd.	4,49,124	**6.16**	4,49,124	6.16
Preference shares				
Globe Capital Market Ltd	1,03,234	**18.24**	-	-
Investor Education And Protection Fund Authority, Ministry Of Corporate Affairs	60,677	**10.72**	-	-

13.4 Promoter's Shareholding

S. No.	Promoter Name	As on 'March 31, 2022 Number of Shares Held	Percentage of Total Shares	Percentage Change during the Year	As on 'March 31, 2021 Number of Shares Held	Percentage of Total Shares	Percentage Change during the Year
Equity shares							
1	Jayantika Investment & Finance Limited	27,09,997	37.18	-	27,09,997	37.18	-
2	Prakash Kumar Mohta	17,00,096	**23.33**	-	17,00,096	**23.33**	-
3	Jayashree Finvest Private Limited	4,49,124	6.16	-	4,49,124	6.16	-
4	Prakash Kumar Mohta(HUF)	3,48,451	4.78	-	3,48,451	4.78	-
5	Jayantika Jatia	3,48,448	4.78	-	3,48,448	4.78	-
6	Maitreyi Kandoi	3,48,447	4.78	-	3,48,447	4.78	-
7	Pratibha Khaitan	3,48,450	4.78	-	3,48,450	4.78	-
8	Maulashree Gani	3,48,547	4.78	-	3,48,547	4.78	-
9	Essel Mining & Industries Ltd	85,730	1.18	-	85,730	1.18	-
10	Jayashree Mohta	11,688	0.16	-	11,688	0.16	-
11	Kumar Mangalam Birla	6,750	0.09	-	6,750	0.09	-
12	Sakate Khaitan	200	-	-	200	-	-

14 OTHER EQUITY

Amount (in Lakh)

Particulars		As At 31st March 2022	As At 31st March 2021
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		**15,024.05**	11,728.17
Add: Profit/(Loss) for the period		**4,785.29**	3,348.58
Add: Profit/(Loss)arising from Business Combination (Note No. F)		**(8.71)**	-
		19,800.63	15,076.75
Less :			
Actuarial Loss on defined benefits Obligations(Net of Tax)		**(11.33)**	(20.19)
Proposed Dividend		**261.88**	67.16
Tax on Dividend		**29.66**	5.72
Balance Carried to Next Year	**(D)**	**19,520.41**	15,024.05
Other Comprehensive Income(OCI)			
Balance Brought Forward from Previous Year		**4,106.86**	3,584.34
Add: Movement in OCI(Net) during the year		**109.13**	522.52
Add: Movement in OCI(Net) arising from Business Combination (Note No. F)		**1.47**	-
	(E)	**4,217.46**	4,106.86
Total Other Equity (A+B+C+D+E)		**32,315.21**	27,708.26

(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.

(E) This amount represents the cumulative gains (net of losses) arising on revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

(F) Pursuant to the sanction of the Scheme of Arrangement for Amalgamation of Kumar Metals Pvt Ltd (Wholly-owned subsidiary of the Company), these items represent the movement arising post the appointed date i.e. 01st January 2020.

15 NON-CURRENT BORROWINGS

Particulars		As At 31st March 2022	As At 31st March 2021
			Amount (in Lakh)
Term Loans (Secured)			
- From Banks			
Yes Bank	15.1	**6.99**	16.73
Bank of Baroda	15.2	**8.07**	1.64
ICICI Bank	15.3	**2.24**	-
		17.30	18.37

15.1 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.

15.2 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.

15.3 The loan is sanctioned for ₹ 3.00 lakh repayable in 60 equal monthly instalments and is secured by way of Hypothecation of the respective Vehicle.

15.4 The Company has not defaulted in the repayment of dues to its lenders and has not declared as wilful defaulter by any of banks, financial institution or any other lender.

15.5 Borrowings from financial institution have been used for the specific purpose for which it was taken at the balance sheet date.

15.6 The current maturities of the long term borrowings are disclosed under the head 'Short term borrowings'.

16 LEASE LIABILITIES

Particulars	As At 31st March 2022	As At 31st March 2021
		Amount (in Lakh)
Non-Current Liabilities		
Lease Liabilities	**188.51**	296.26
Current Liabilities		
Lease Liabilities	**103.64**	103.02
	292.15	399.28
Movement of Lease Liabilities during the year		
Opening Lease Liabilities	**399.28**	484.74
New Leases recognised	**-**	-
Interest expense on Lease Liabilities	**2.98**	6.56
Exchange fluctuation on Lease Liabilities	**(8.22)**	12.41
Payment of Lease Liabilities	**(101.89)**	(104.43)
Closing Lease Liabilities	**292.15**	**399.28**

17 OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	As At 31st March 2022	As At 31st March 2021
		Amount (in Lakh)
Security Deposits	**30.82**	30.64
	30.82	30.64

18 NON-CURRENT PROVISIONS

Particulars		As At 31st March 2022	As At 31st March 2021
			Amount (in Lakh)
Provision for Employee Benefits	39.4	**106.94**	104.19
Provision for Warranty	24.1	**73.87**	163.54
		180.82	267.73

19 OTHER NON-CURRENT LIABILITIES

Amount (in Lakh)

Particulars		As At 31st March 2022	As At 31st March 2021
Sub Judicial Matter	39.5 to 39.7	**1,819.49**	1,819.49
Advance against sale of Property, Plant & Equipment		**937.49**	937.49
		2,756.98	2,756.98

20 CURRENT BORROWINGS

Amount (in Lakh)

Particulars		As At 31st March 2022	As At 31st March 2021
Secured Loans			
Repayable on Demand			
Cash Credit Facility from Banks	20.1	**1,265.88**	897.67
Bill Discounting Facility from NBFC	20.2	**2,067.97**	2,063.87
Loan against Securities from NBFC	20.3	**7,836.83**	5,154.58
Unsecured Loans			
Repayable on Demand			
Loan From Related Parties	20.4	**48.25**	-
Current Maturities of Long-Term Borrowings		**16.21**	9.91
		11,235.14	8,126.04

20.1 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
- Land & Building of Sonipat 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

20.2 The Company has entered into Bill Discounting Arrangement with Aditya Birla Finance Ltd. amounting to ₹2100 lakh against lien on units of Investments. (refer Note

20.3 IIFL Wealth Finance Ltd. have sanctioned ₹9500 lakh Loan against securities & lien on units of Venture Capital Fund, Debentures and other Investments. (refer Note

20.4 Loans from M/s. Mudrika Goods Pvt. Ltd. and Ms/s. Diplomat Ltd got amalgamated with the company after completion of Process of amalagamation with Kumar

20.5 The Company has not defaulted in the repayment of dues to its lenders and has not declared as wilful defaulter by any of banks, financial institution or any other

20.6 As on Balance Sheet date, the Borrowings have been used for the specific purpose, taken for.

20.7 No charge or satisfaction of charge is pending for registration with Registrar of companies.

21 TRADE PAYABLES

Amount (in Lakh)

Particulars		As At 31st March 2022	As At 31st March 2021
Payables for goods and services	21.1 & 21.2	**11,382.10**	10,684.06
		11,382.10	10,684.06

Trade Payable ageing schedule

Amount (in Lakh)

Particulars	Outstanding for following periods from due date of payment as on 31st March, 2022				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
MSME	689.00	2.20	-	-	**691.20**
Others	10,591.79	46.58	13.56	38.96	**10,690.89**
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	**11,280.79**	**48.78**	**13.56**	**38.96**	**11,382.09**

Amount (in Lakh)

Particulars	Outstanding for following periods from due date of payment as on 31st March, 2021				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
MSME	387.51	-	-	-	**387.51**
Others	10,134.49	132.50	19.43	10.14	**10,296.55**
Disputed dues - MSME					-
Disputed dues - Others					-
Total	**10,522.00**	**132.50**	**19.43**	**10.14**	**10,684.06**

21.1 The principal amount of INR 691.20 lakh (Previous Year INR 387.51 lakh) remaining unpaid on 31.03.2022 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.

21.2 Vendor's balances are subject to confirmations and reconciliations.

22 OTHER CURRENT FINANCIAL LIABILITIES

Amount (in Lakh)

Particulars	As At 31st March 2022	As At 31st March 2021
Interest accrued and not due on borrowings	**90.16**	88.53
Unpaid Dividend	**9.39**	7.16
Security Deposits	**7.00**	6.00
Contractual Deductions by Customers & Price Variation	**600.32**	1,046.70
Dues to Others	**596.74**	558.50
Book Overdraft	**13.33**	28.17
Employee's Emoluments and Other Payables	**338.70**	241.83
	1,655.64	1,976.89

23 OTHER CURRENT LIABILITIES

Amount (in Lakh)

Particulars	As At 31st March 2022	As At 31st March 2021
Statutory Dues	**110.30**	145.68
Advance from and Credit Balance of Customers & Others	**3,357.51**	2,162.30
Unearned Revenue	**386.12**	304.63
	3,853.93	2,612.61

24 CURRENT PROVISIONS

Amount (in Lakh)

Particulars		As At 31st March 2022	As At 31st March 2021
Provision for Employee Benefits	39.4	**236.23**	193.50
Provision for Warrantees	24.1	**277.62**	216.38
Provision for Contingency	24.1	**-**	25.00
		513.85	434.88

24.1 Disclosures as per Ind AS-37

Amount (in Lakh)

Particulars	Ref. No.	Balance as at 31.03.2021	Additions during the year	Used & reversed during the year	Balance as at 31.03.2022
Provision for Warranty	24.1.1	**379.92** (358.84)	**50.60** (93.83)	**79.03** (72.75)	**351.49** (379.92)
Provision for Contingency against sales tax demands		**25.00** (25.00)	**-** -	**25.00** -	**-** (25.00)
Current Year		**404.92**	**50.60**	**104.03**	**351.49**
Previous Year		(383.84)	**(93.83)**	(72.75)	(404.92)

Additional Notes :-

24.1.1 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.

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Notes forming part of the Statement of Profit & Loss

Amount (in Lakh)

Note No.	Particulars	Ref.	1st April, 2021 to 31st March, 2022	1st April, 2020 to 31st March, 2021
25	**REVENUE FROM OPERATIONS**			
	Sale of Product and Services			
	Sale of Finished Goods		**30,551.79**	30,857.13
	Contract Jobs		**7,596.02**	4,927.81
	Maintenance and Services Revenue		**2,016.08**	1,608.92
		(A)	**40,163.89**	37,393.86
	Other Operating Income			
	Sales of Production Scrap	**(B)**	**265.75**	88.56
	Total Revenue	**(A)+(B)**	**40,429.64**	37,482.42

25.1 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	**30,316.14**	31,063.14
b) Elevator	**9,541.49**	6,419.27
c) Chemical	**572.01**	-
Total revenue covered under Ind AS 115	**40,429.64**	37,482.42

* 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, Elevator and Chemical (refer note 39.2). 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	**3,357.51**	2,162.30
Total (A)	**3,357.51**	2,162.30
Receivables		
Trade Receivables	**18,498.06**	17,004.31
Total (B)	**18,498.06**	17,004.31
Net Receivables (B-A)	**15,140.55**	14,842.01

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	**2,162.30**	2,408.34
Addition during the year	**3,357.51**	2,162.30
Revenue recognized during the year	**2,162.30**	2,408.34
Closing Balance	**3,357.51**	2,162.30

26 OTHER INCOME

Amount (in Lakh)

Particulars		1st April, 2021 to 31st March, 2022	1st April, 2020 to 31st March, 2021
Interest Income		**1,006.15**	1,175.83
Rent & Licence Fees		**180.05**	192.40
Royalty Received		**3.90**	31.55
Dividend Income from Non-Current Investments (Other than Trade)		**83.11**	53.15
Sundry Balances Written Back		**88.91**	241.01
Profit on Sale of Property, Plant & Equipment		**0.60**	4.67
Reversal of Provisions		**57.22**	12.17
Net gain on Investments carried at fair value through Profit & Loss		**1,731.89**	3,443.46
Modification Gain on Financial Asset	26.1	**692.23**	-
Interest Income on Financial Assets carried at fair value through Amortised cost		**367.17**	499.75
Bad-debts Recovered		**263.27**	10.52
Misc. Income		**10.68**	2.65
		4,485.20	5,667.16

26.1 Modification gain on financial asset has been recognized on account of revision in contractual terms w.r.t repayment of money to the Company.

27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Amount (in Lakh)

Particulars	1st April, 2021 to 31st March, 2022	1st April, 2020 to 31st March, 2021
Closing Stock		
Finished Goods	**5.88**	-
Work-in-Progress	**6,936.24**	3,282.19
Stock-in-Trade	**0.45**	10.98
	6,942.57	3,293.17
Less:		
Opening Stock		
Finished Goods	**12.61**	-
Work-in-Progress	**3,282.19**	4,577.74
Stock-in-Trade	**-**	-
	3,294.80	4,577.74
Decrease / (Increase) in Stock	**(3,647.77)**	1,284.57

28 EMPLOYEE BENEFIT EXPENSES

Amount (in Lakh)

Particulars	1st April, 2021 to 31st March, 2022	1st April, 2020 to 31st March, 2021
Salaries and Wages	**2,972.55**	2,315.64
Contribution to Provident and Others Funds	**269.04**	233.01
Workmen and Staff Welfare Expenses	**121.63**	104.27
	3,363.22	2,652.92

29 FINANCE COSTS

Amount (in Lakh)

Particulars	1st April, 2021 to 31st March, 2022	1st April, 2020 to 31st March, 2021
Interest Expense	**658.77**	927.60
Interest on Lease Liabilities	**7.26**	6.56
Other Borrowing Cost	**31.74**	41.45
	697.77	975.61

30 DEPRECIATION & AMORTIZATION EXPENSE

Amount (in Lakh)

Particulars	1st April, 2021 to 31st March, 2022	1st April, 2020 to 31st March, 2021
Depreciation & Amortization Expense	**368.14**	285.72
	368.14	285.72

31 OTHER EXPENSES

Amount (in Lakh)

Particulars		1st April, 2021 to 31st March, 2022	1st April, 2020 to 31st March, 2021
Processing & Material Handling Expenses		1,584.96	1,316.33
Freight outwards, Transport and Octroi Expenses		420.97	249.57
Power & Fuel Expenses		346.36	301.40
Rent		112.18	103.25
Rates and Taxes		72.47	108.19
Auditor's Remuneration	31.1	10.10	6.52
Repair and Maintenance:			
- Buildings		34.64	30.25
- Plant and Machinery		89.96	37.45
- Others		57.69	35.75
Commission on Sales		217.63	176.94
Net Loss on Derivatives		-	551.55
Net Loss on Derecognition of Investment		-	500.00
Insurance		56.23	33.15
Legal & Professional Charges		296.60	248.62
Travelling & Conveyance Expenses	31.2	351.73	245.01
Bank Charges		333.87	412.06
After Sales Services		59.58	110.81
Impulse & Short Circuit Charges		104.67	61.67
Debt, Advance & other debit balance written off		8.26	79.83
Provision For Doubtful Debts		-	96.33
Contractual Deductions / Recoveries by Customers		134.21	769.46
Directors Sitting Fees		1.09	0.61
Miscellaneous Expenses	31.3	577.23	514.14
		4,870.45	**5,988.89**

31.1 **Payment to Statutory Auditors :**

i) Audit Fee	4.75	4.75
ii) Reimbursement of Expenses	0.45	0.34
iii) Certification	0.95	1.43
iv) Taxation and other matters	3.95	-

31.2 Includes Directors' Travelling ₹ 39.10 Lakh (Previous Year ₹ 47.15 Lakh).

31.3 Expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities is ₹ 8.31 Lakh (Previous year ₹ 5 Lakh) which has been spent as per Schedule VII to the Companies Act, 2013.

32 OTHER COMPREHENSIVE INCOME

Amount (in Lakh)

	Particulars	1st April, 2021 to 31st March, 2022	1st April, 2020 to 31st March, 2021
A.	**Items that will not be reclassified to Statement of Profit & Loss**		
1.	Actuarial gain/(loss) on Defined Benefit Obligations	17.32	24.23
	Income Tax Effect	(5.99)	(4.04)
2.	Net gain/(loss) on FVTOCI Equity securities	109.13	522.52
	Income Tax Effect	-	-
B.	**Items that will be reclassified to Statement of Profit & Loss**	-	-
		120.46	**542.71**

Note No. 33 Category - Wise Classification of Financial Instruments

Amount (in Lakh)

PARTICULARS	NON- CURRENT		CURRENT	
	31st March, 2022	**31st March, 2021**	**31st March, 2022**	**31st March, 2021**
Financial Assets				
Measured at Amortised Cost				
Investments	1,797.48	1,977.79	-	-
Trade Receivables	-	-	18,498.06	17,004.31
Cash & cash equivalents	-	-	767.55	557.78
Other Bank balances	-	-	670.23	376.69
Loans	-	-	35.58	24.93
Other Financial Assets	2,521.13	4,852.57	1,490.86	1,027.30
Measured at Fair Value through Profit or Loss				
Investments	21,011.09	18,470.93	1,535.33	476.16
Measured at Fair Value through Other Comprehensive Income				
Investments	508.12	858.48	-	-
Total Financial Assets	**25,837.83**	**26,159.77**	**22,997.59**	**19,467.17**
Financial Liabilities				
Measured at Amortised Cost				
Borrowings	17.30	18.37	11,235.14	8,126.04
Lease Liabilities	188.51	296.26	103.64	103.02
Trade Payables	-	-	11,382.10	10,684.06
Other Financial Liabilities	30.82	30.64	1,655.64	1,976.89
Total Financial Liabilities	**236.64**	**345.27**	**24,376.53**	**20,890.00**

Note No. 34 Fair Value Measurements Of Financial Instruments

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

Amount (in Lakh)

Particulars	Fair Value Hierarchy (Level)	31st March, 2022	31st March, 2021
Financial Assets			
Measured at Amortised Cost			
Investments	3	1,797.48	1,977.79
Loans	3	35.58	24.93
Other Financial Assets	3	4,011.98	5,879.87
Measured at Fair Value through Profit or Loss			
Investments	2	22,546.42	18,947.09
Measured at Fair Value through Other Comprehensive Income			
Investments	1	508.12	858.48
Total Financial Assets		**28,899.59**	**27,688.15**

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.

There were no transfers between Level 1, 2 and 3 during the year ended 31st March 2022.

Note No. 35 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 and its management is supported by a Risk management committee that advises on risks and the appropriate risk governance framework for the Company. The Risk management committee provides assurance to the Company's management 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

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

Amount (in Lakh)

Particulars	**31st March 2022**		**31st March 2021**	
Investment	2052.96		1344.15	
Price Change	+5%	-5%	+5%	-5%
Effect on Profit before Tax	102.65	(102.65)	67.21	(67.21)

(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 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 analyse financial liabilities of the Company into relevant maturity 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.

Amount (in Lakh)

	Less than 1 Year	Between 1 to 5 Years	Total	Carrying Value
As at 31st March, 2022				
Borrowings (Refer Note No. 15, 20)	11,235.14	17.30	11,252.44	11,252.44
Lease Liabilities (Refer Note No. 16)	103.64	188.51	292.16	292.16
Trade Payables (Refer Note No. 21)	11,382.10	-	11,382.10	11,382.10
Other Financial Liabilities (Refer Note No. 17, 22)	1,655.64	30.82	1,686.47	1,686.47
As at 31st March, 2021				
Borrowings (Refer Note No. 15, 20)	8,126.04	18.37	8,144.41	8,144.41
Lease Liabilities (Refer Note No. 16)	103.02	296.26	399.28	399.28
Trade Payables (Refer Note No. 21)	10,684.06	-	10,684.06	10,684.06
Other Financial Liabilities (Refer Note No. 17, 22)	1,976.89	30.64	2,007.52	2,007.52

Note No. 36 - 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

Amount (in Lakh)

Particulars	2022	2021
Net Debts*	10,575.05	7,675.15
Total equity	33,044.24	28,437.29
Net debt to equity ratio	**0.32**	**0.27**

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

Note No. 37 - 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

(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 Statement of 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.

(ii) 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. 39.4.

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 33.

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

38 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 analyse 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 No. 37.

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 transaction. 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 Software, 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 33 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 32 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 33 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 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.

39 Other Notes on Accounts

39.1 Commitments & Contingent Liabilities :

		2021-22	**2020-21**
(a)	**Contingent liabilities not provided for in respect of :**		
	Claims against the Company not acknowledged as debts, are as given below :		
(i)	Sales Tax / VAT / Work Contract Tax etc.	**103.88**	**105.18**
(ii)	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.

39.2 Segment Information

(a) ***Business Segments:***

As of 31st March, 2022, there are three business segments i.e. Electrical Equipments for Power Transmission and Distribution (comprising of Transformer and Switchgear), Elevator and Chemical. A description of the types of products and services provided by each reportable segment is as follows:

i) Electrical Equipments for Power Transmission and Distribution – the Company deals in manufactures and supplies power and distributes transformers and switchgear.
ii) 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, 2022 and March 31, 2021 and certain assets and liability information regarding business segments at March 31, 2022 and March 31, 2021.

(d) ***Segment Information Disclosure:***

Amount (in Lakh)

Particulars	Electrical Equipment for Power Transmission and Distribution		Elevator		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue						
Revenue from operation	30,316.14	31,063.14	9,541.49	6,419.27	39,857.63	37,482.42
Other Income	360.38	181.85	42.21	245.99	402.60	427.85
Total income	**30,676.52**	31,245.00	**9,583.70**	6,665.26	**40,260.23**	37,910.26
Results						
Segment results Profit/(Loss)	3,488.45	1,606.51	(39.83)	201.21	3,448.62	1,807.72
Finance Cost					(697.77)	(975.61)
Unallocated Corporate Income (Net)					3,134.49	3,425.23
Profit before Tax					**5,885.34**	**4,257.34**
Tax Expense					1,100.05	908.75
Net Profit					**4,785.29**	**3,348.59**
Other Information						
Segment Assets	26,367.39	20,627.14	7,332.30	5,590.79	33,699.69	26,217.93
Unallocated Corporate Assets					31,263.29	29,526.82
Total Assets					**64,962.98**	**55,744.75**
Segment Liabilities	14,106.80	14,628.15	6,092.54	4,366.66	20,199.34	18,994.82
Unallocated Corporate Liabilities					11,719.39	8,312.65
Total Liabilities					**31,918.74**	**27,307.46**
Capital Expenditure	602.26	541.81	67.87	69.01	670.13	610.82
Corporate Office Capital Expenditure					18.74	-
Total Capital Expenditure					**688.87**	**610.82**
Depreciation & Amortisation	205.72	139.64	40.99	33.77	246.71	173.41
Unallocated Depreciation					121.43	112.32
Total Depreciation					**368.14**	**285.72**
Other Non Cash Expenses						
Provision for Doubtful Debts	-	-	283.09	283.09	283.09	283.09

39.3 Basic and diluted Earning per share

		2021-22	2020-21
Profit/(Loss) for the year	₹ in lakh	**4,785.29**	**3,348.59**
Equity Shares Outstanding at the beginning of the year	Numbers	72,88,645	**72,88,645**
Equity Shares Outstanding at the year end	Numbers	67,22,596	**72,88,645**
Weighted Average Number of equity shares	Numbers	72,41,474	**72,88,645**
Earnings Per Share	(₹)	**66.08**	**45.94**

39.4 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) : -

		Gratuity		Leave	
	Particulars	**2021-22**	**2020-21**	**2021-22**	**2020-21**
(a)	**Statement of Profit and Loss:**				
	Net employee benefit expense (recognised in Employee Cost)				
	Current service cost	67.28	67.67	42.83	46.61
	Interest cost on benefit obligation	42.80	39.94	17.50	17.96
	Expected return on Plan Assets	(41.79)	(38.32)	-	-
	Net actuarial(gain) / loss recognised in the year	-	-	(19.57)	(60.47)
	Net benefit expense	**68.29**	**69.28**	**40.75**	**4.10**
(b)	**Balance Sheet:**				
	Defined benefit obligation	714.28	648.16	295.86	262.54
	Fair value of plan assets	(664.86)	(613.17)	-	-
	Net Liability arising from defined benefit obligation	**49.42**	**34.99**	**295.86**	**262.54**
(c)	**Changes in the present value of the defined benefit obligation are as follows:**				
	Opening defined benefit obligation	648.16	611.13	262.54	269.75
	Interest cost	42.80	39.94	17.50	17.96
	Current service cost	67.28	67.67	42.83	46.61
	Actuarial (gains)/losses arising from experience variance	14.37	(38.98)	-	-
	Actuarial (gains)/losses arising from change in financial assumption	(28.18)	16.00	-	-
	Benefits paid	(30.14)	(47.60)	(7.43)	(11.32)
	Actuarial (gains) / losses on obligation	-	-	(19.57)	(60.47)
	Closing defined benefit obligation	**714.28**	**648.16**	**295.85**	**262.54**
(d)	**Changes in the fair value of plan assets are as follows:**				
	Opening fair value of plan assets	613.17	553.59	-	-
	Expected return on plan assets	41.79	38.32	-	-
	Contributions by employer	10.00	20.00	-	-
	Withdraw	-	-	-	-
	Remeasurement Gain/(Loss) on return plan assets	3.51	1.26	-	-
	Closing fair value of plan assets	**668.46**	**613.17**	**-**	**-**
(e)	**Other Comprehensive Income are as follows:**				
	Return on plan assets(excluding amounts included in net interest Expense	3.51	1.26	-	-
	Actuarial (gains)/losses arising from experience adjustment	14.37	(38.98)	-	-
	Actuarial (gains)/losses arising from change in financial assumption	(28.18)	16.00	-	-
		(17.32)	**(24.23)**	**-**	**-**

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

	2021-22	2020-21
	%	%
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	**10.00%**	**5.00%**
Imputed Rate of Interest(D)	**7.24%**	**6.76%**
Imputed Rate of Interest(IC)	**6.76%**	**6.80%**
Salary Rise	**8.00%**	**8.00%**
Return on Plan Assets	**6.76%**	**6.80%**
Remaining Working Life	**21.22**	**21.13**
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	**10.00%**	**5.00%**
Imputed Rate of Interest(D)	**7.24%**	**6.76%**
Imputed Rate of Interest(IC)	**6.76%**	**6.80%**
Salary Rise	**8.00%**	**8.00%**
Return on Plan Assets	**N.A.**	**N.A.**
Remaining Working Life	**21.22**	**21.13**
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**	
	2021-22	**2020-21**	**2021-22**	**2020-21**
Current Portion of defined benefit obligation	281.50	199.35	190.33	158.36
Non-Current Portion of defined benefit obligation	432.78	448.81	105.53	104.19

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

Particulars	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Attrition rate increase by 1%	(1.66)	(3.64)	(0.22)	(0.73)
Attrition rate decrease by 1%	1.78	4.10	0.25	0.86
Salary growth rate increase by 1%	26.99	36.68	6.29	9.08
Salary growth rate decrease by 1%	(24.92)	(32.83)	(5.79)	(8.06)
Imputed rate of return rate increase by 1%	(24.87)	(32.90)	(5.77)	(8.08)
Imputed rate of return rate decrease by 1%	27.46	37.50	6.40	9.29

39.5 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 INR 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.

39.6 During the F.Y 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 INR 881.33 lakh has been provided in books of account towards such charges.

39.7 During the F.Y 2016-17, the company on the order passed by Hon'ble High Court of Judicature at Hyderabad has provided INR 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.

39.8 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 Relatives of Key Management Personnel

Ms. Pratibha Khaitan	Relative of Mr. Prakash Kumar Mohta
Mr. Sakate Khaitan	Director

D Persons having singnificant 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 Autocraft 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: **Amount (in Lakh)**

Nature of Transactions	**2021-22**	**2020-21**
Salary/Perquisites	398.16	**309.57**
Provident/Superannuation Fund	73.32	**32.00**
Dividend Paid during the year	68.01	**20.48**
Sitting Fees	0.165	**-**
Advance for purchase of Investment	0	**141.62**

* Excluding Gratuity and Leave Encashment provision on actuarial basis.

III. Transactions with enterprises over which Key Management Personnel exercise significant influence are as under:

Amount (in Lakh)

Particulars	**Loan Received**	**Loan Paid/Refund**	**Interest Paid**	**Sale of Goods / Assets**	**Payment of services & Reimbursement of expenses**	**Receipt of Services Rendered**
(i) Bhiragacha Finance Company Pvt. Ltd.	-	-	-	-	-	3.19
(ii) Diplomat Ltd	-	-	0.25	-	-	-
(iii) Mudrika Goods Private Limited	-	1.00	1.42	-	-	-
(iv) P P Packagings Pvt Ltd	-	-	-	0.39	0.09	-
(v) Unique Manufacturing & Marketing Ltd	-	-	-	-	-	1.42
(vi) Universal Autocrafts Private Limited	-	-	-	0.39	1.02	-
(vii) Universal Enterprises Ltd	-	-	-	-	2.45	-
(viii) Universal Prime Aluminium Limited	-	-	-	-	1.69	1.51

IV. Amount of outstanding balances are as under:

Nature of Transactions	**2021-22**	**2020-21**
Salary/Perquisites	**32.54**	11.03
Provident/Superannuation Fund	**3.99**	2.66
Advance given for puchase of Investment	**-**	141.62
Loans received	**48.25**	-
Trade receivable (net)	**0.35**	-

40 During the year, the Scheme of Arrangement for Amalgamation of Kumar Metals Pvt Ltd (Wholly-owned subsidiary of the Company) with the Company was sanctioned by the Hon'ble National Company Law Tribunal, New Delhi and Kolkata Bench vide order dated 12.01.2022 and 03.11.2021 respectively. The fair value of assets and liabilities of Kumar Metals Pvt Ltd have been recorded in accordance with Ind AS 103 - 'Business Combinations'. The financial statements, therefore, reflect the effect of the Scheme and the consequential effect of the above is not material. Accordingly, no separate disclosures for each class has been provided separately.

41 **Financial Ratios**

Ratios	Numerator	Denominator	31st March 2022	31st March 2021
Current Ratio (in times)	Current assets	Current liabilities	1.22	1.07
Return on Equity Ratio (in %)	Profit for the year	Average Shareholder's Equity	0.14	0.12
Inventory turnover Ratio (in times)	Gross Revenue from sale	Average Inventories	5.21	5.91
Trade Receivables turnover ratio (in times)	Gross Revenue from sale	Average Trade receivables	2.28	2.72
Trade Payables turnover ratio (in times)	Net purchases	Average Trade payables	3.03	2.70
Net Capital turnover ratio (in times)*	Gross Revenue from sale	Working Capital	6.45	22.51
Net Profit ratio (in %)**	Profit for the year	Gross Revenue from sale of products and services	0.12	0.09
Return on Capital employed (in %)	Profit before interest and	Average Capital employed	0.18	0.16
Return on investment (in %)***	Income from Investments	Average Investments	0.12	0.19
Debt Equity ratio	Total debt	Equity shareholder's fund	0.35	0.30
Debt service coverage ratio	Net operating income	Total debt service	0.51	0.54

* increase in working capital as compared to the base year.

** increase in profits of the company as compared to the base year.

*** reduced payouts received from investments.

42 **Other statutory information**

a) During the current financial year, the Company has not undertaken any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

b) During the current financial year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium) to any other person(s) or entities, including foreign entities (intermediaries).

c) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

d) The Company has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

f) The Company has not made any further investments in any company, hence, clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable on the Company.

43 Previous year figures has been reclassified/regrouped to confirm current year figures.

As per our report of even date attached.

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

Sd/-
(Vinod Sahni)
Partner
M.No. 086666

Date : 15.07.2022
Place : New Delhi

For and on behalf of Boards of Directors

Sd/-
(Prakash Kumar Mohta)
Managing Director
Din: 00191299

Sd/-
(Sakate Khaitan)
Director
DIN: 1248200

Sd/-
(Mahendra Kumar Jajoo)
Director
DIN: 00006504

Sd/-
(Rajat Sharma)
President & CFO