EIMCO ELECON

Eim/Sec/SE

Date: 12th July, 2021

To, BSE Ltd. Phiroze Jeejeebhoy Towers 25th Floor, Dalal Street Mumbai - 400 001 Company Code 523708	To, National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Symbol EIMCOELECO - Series EQ

Sub.: Annual Report for the Financial Year 2020-21 including Notice convening the 47th Annual General Meeting (AGM) - reg

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2020-21 along with the Notice convening the 47th Annual General Meeting of the Members of the Company, being sent to the Members through electronic mode, is attached.

The Annual Report including Notice is also uploaded on the Company's website and can be accessed at https://eimcoelecon.in/wp-content/uploads/2021/07/AR-2020-21_Eimco-Elecon.pdf.

Please take the same on your record.

Thanking you,

Yours faithfully,

For Eimco Elecon (India) Limited

Eimco Elecon (India) Ltd. V. V. Nagar

Rikenkumar Dalwadi
Company Secretary & Compliance Officer

Enclosure: As above

EIMCO ELECON (INDIA) LIMITED

ANNUAL REPORT
2020-2021

BOARD OF DIRECTORS

Shri Pradip M. Patel	-	Chairman
Shri Mukulnarayan Dwivedi	-	Executive Director
Shri Prayasvin B. Patel	-	Executive Director
Shri Prashant C. Amin Shri Nirmal P. Bhogilal Shri Nalin M. Shah Smt. Manjuladevi P. Shroff Ms. Reena P. Bhagwati	-	Directors

CHIEF FINANCIAL OFFICER

Shri Nilesh D. Shelat

COMPANY SECRETARY

Shri Rikenkumar Dalwadi

CORPORATE IDENTITY NUMBER (CIN)

L29199GJ1974PLC002574

REGD. OFFICE & WORKS

Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120, Dist. Anand.
Gujarat.

AUDITORS

Messrs Thacker Butala Desai
Chartered Accountants
Navsari

BANKERS

State Bank of India
Axis Bank Limited

REGISTRAR & SHARE TRANSFER AGENT

Mumbai Office

Link Intime India Private Limited
C-101, 247 Park,
LBS Marg, Vikhroli (West)
Mumbai - 400 083.

Vadodara Office

Link Intime India Private Limited
B-102 &103, Shangrila Complex,
First Floor, Opp. HDFC Bank,
Near Radhakrishna Crossing, Akota,
Vadodara - 390 020.

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EIMCO ELECON (INDIA) LIMITED
(CIN : L29199GJ1974PLC002574)
Registered Office : Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120, Dist. Anand, Gujarat.
E-mail : investor@eimcoelecon.in
Website : www.eimcoelecon.in
Phone : 02692 - 230502 / 230602,
Fax : 02692 - 236506

NOTICE OF THE 47TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 47th Annual General Meeting of Members of Eimco Elecon (India) Limited will be held on **Thursday**, the **5th** day of **August, 2021** at **04:00 p.m.** IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements (Both Standalone and Consolidated) of the Company for the financial year ended on 31st March, 2021 and the Reports of the Board of Directors ("the Board") and Auditors thereon.
2. To declare Dividend on Equity Shares for the financial year ended on 31st March, 2021.
3. To appoint a Director in place of Shri Pradip M. Patel, (DIN: 00012138), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015(including any statutory modification(s) and or re-enactment(s) thereof for the time being in force) and subject to such other laws, rules and regulations as may be applicable in this regard and on the basis of recommendation of the Nomination and Remuneration Committee, Ms. Reena P. Bhagwati (DIN: 00096280), who was appointed as an Independent Director and who holds office of Independent Director upto 8th November, 2021 and being eligible for re-appointment, who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of five (5) consecutive years from 9th November, 2021 on the Board of the Company.

   RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To consider and if thought fit, to pass following resolution as an **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Shri Pradip M. Patel (holding DIN: 00012138) be continued as a Non- Executive Non- Independent Director of the Company liable to retire by rotation, notwithstanding that on 5th November, 2022 he attains the age of 75 years.

   RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

   "RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 ('the Act') and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and the Company's policy on Related Party Transactions, the approval of the Members be and is hereby accorded to the contract(s)/ arrangement(s)/ transaction(s) to be entered into by the Company with Emtici Marketing LLP, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, on such terms and conditions as may be mutually agreed between the Company and Emtici Marketing LLP, the Commission payable to Emtici Marketing LLP being the material transaction as per the Act and the Listing Regulations may exceed the 10% of consolidated turnover of last audited financial results of the

Company, for the period commencing from 31st March, 2021 to 31st March, 2023, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to the Board of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution".

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the payment of remuneration of ₹ 45,000/- (Rupees Forty Five Thousand only) per annum plus taxes as applicable and out of pocket expenses incurred in connection with the audit to Messrs Y. S. Thakar & Co., Cost Accountants (Registration No.000318) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2022, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors,

Registered Office:

Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120,
Gujarat.

Place : Vallabh Vidyanagar
Date : 13th May, 2021

Rikenkumar Dalwadi
Company Secretary

NOTES :

A. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM.

B. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.

C. Generally, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

D. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

E. Since the AGM will be held through VC/ OAVM, the route map of the venue of the meeting is not annexed hereto. The venue of the meeting shall be deemed to be the Registered Office of the Company at Vallabh Vidyanagar-388120, Gujarat.

F. As required by Regulation 36 of the SEBI (LODR) Regulations, 2015 (Listing Regulations) and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India, the relevant details of Director retiring by rotation and seeking appointment / re-appointment at the ensuing AGM are given in the Annexure to the Notice of the AGM.

G. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE: In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories Participants. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.eimcoelecon.in, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

H. For receiving all communication (including Annual Report) from the Company electronically:

   a) Members holding shares in physical mode and who have not registered/updated their e-mail address with the Company are requested to register/update the same by visiting the website of Link Intime India Private Limited at https://www.linkintime.co.in/EmailReg/Email_Register.html with details of folio number and attaching/uploading a self-attested documents required therein. The Company urges all the members to use this link effectively since the Email IDs and Mobile Numbers could help the Company for sending paperless communication in future.

   b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

I. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LINK INTIME at https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

J. Procedure for Inspection of Documents:

   a) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available

electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investor@eimcoelecon.in.

b) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Thursday, 29th July, 2021 through email on investor@eimcoelecon.in. The same will be replied by the Company suitably.

K. IEPF related information:

a) The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2012-13, from time to time, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

b) The details of unpaid and unclaimed dividends lying with the Company as on March 31, 2021 are uploaded on the website of the Company and can be accessed through the link https://eimcoelecon.in/wp-content/uploads/2021/06/Unpaid-Dividend-7-years_2021-06-28.pdf.

Details of unpaid and unclaimed dividends up to March 31, 2020 are also uploaded on the website of the IEPF Authority and can be accessed through the link: www.iepf.gov.in.

Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2020-21, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e., September 10, 2021. Details of shares so far transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: https://eimcoelecon.in/wp-content/uploads/2021/05/EIMCO_IEPF_13-14_31082021_2021-05-06-1.pdf.

The said details have also been uploaded on the website of the IEPF Authority and can be accessed through the link: www.iepf.gov.in.

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority.

The concerned members/investors are advised to visit the weblink of the IEPF Authority http://iepf.gov.in/IEPF/refund.html, or contact Link Intime India Private Limited, for detailed procedure to lodge the claim with the IEPF Authority.

Due dates for transfer to IEPF, of the unclaimed/unpaid dividends for the financial year 2013-14 and thereafter, are as under:

Financial year	Declaration Date	Due Date
2013-14	5th August, 2014	10th September, 2021
2014-15	13th August, 2015	18th September, 2022
2015-16	25th July, 2016	31st August, 2023
2016-17	2nd August, 2017	7th September, 2024
2017-18	31st July, 2018	5th September, 2025
2018-19	25th July, 2019	30th August, 2026
2019-20	10th August, 2020	16th September, 2027

L. DIVIDEND RELATED INFORMATION:

a) Subject to approval of the Members at the AGM, the dividend will be paid within a week from the conclusion of the AGM, to the Members whose names appear on the Company's Register of Members as on the Record Date, and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts will be despatched to the registered address of the shareholders who have not updated their bank account details, after normalisation of the postal service. Members are requested to register / update their complete bank details:

I. with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialised mode by submitting the requisite documents, and

II. with the Company / Link Intime India

Private Limited or by emailing at investor@eimcoelecon.in or vadodara@linkintime.co.in, if shares are held in physical mode, by submitting (i) scanned copy of the signed request letter which shall contain shareholder's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details), (ii) self-attested copy of the PAN card and (iii) cancelled cheque leaf.

OR

Members are requested to visit on the website of the Company's Registrar and Share Transfer Agent i.e. Link Intime India Private Limited (LINK INTIME) at https://www.linkintime.co.in/EmailReg/Email_Register.html and upload the documents required therein.

TAX DEDUCTIBLE AT SOURCE/ WITHHOLDING TAX:

Pursuant to the requirement of Income Tax, 1961, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and documents submitted by shareholder with the Company/Link Intime/ Depository Participant.

❖ **RESIDENT SHAREHOLDERS:**

a) Tax Deductible at Source for Resident Shareholders:

Sr. No.	Particulars	Withholding tax Rate	Documents required (if any)
1	Valid PAN updated in the Company's Register of Members	10%	No document required If dividend does not exceed ₹ 5,000/-, no TDS withholding tax will be deducted. Also, please refer note (v) below.
2	No PAN/Valid PAN not updated in the Company's Register of Members	20%	TDS/ Withholding tax will be deducted, regardless of dividend amount, if PAN of the shareholder is not registered with the Company/Link Intime/ Depository Participant. All the shareholders are requested to update, on or before 15th July, 2021, their PAN with their Depository Participant (if shares are held in electronic form) and Company/Link Intime (if shares are held in physical form). Please quote all the folio numbers under which you hold your shares while updating the records. Please also refer note (v) below.
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority to be submitted on or before 15th July, 2021.

b) No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents as mentioned in column no.4 of the below table with the Company /Link Intime/ Depository Participant on or before 15th July, 2021.

Sr. No.	Particulars	Withholding tax Rate	Documents required (if any)
1	Submission of form 15G/15H	NIL	Declaration in Form No. 15G (applicable to an Individual who is below 60 years)/ Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions.
2	Shareholders to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc.	NIL	Documentary evidence for exemption u/s 194 of Income Tax Act, 1961.
3	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds.	NIL	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961
4	Category I and II Alternative Investment Fund	NIL	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961
5	• Recognised provident funds • Approved superannuation fund • Approved gratuity fund	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	NIL	No TDS as per section 197A (1E) of Income Tax Act, 1961
7	Any resident shareholders exempted from TDS deduction as per the provisions of Income Tax Act or by any other law or notification.	NIL	Necessary documentary evidence substantiating exemption from deduction of TDS.

❖ **NON-RESIDENT SHAREHOLDERS:**

The table below shows that withholding tax on dividend payment to non-resident shareholders who submit, on or before 15th July, 2021, the following document(s), as mentioned in column no.4 of the below table, to the Company / Link Intime. In case all necessary documents are not submitted, then the TDS/Withholding tax will be deducted @20% (plus applicable surcharge and cess).

Sr. No.	Particulars	Withholding tax Rate	Documents required (if any)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)/Other Non-Resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	FPI registration certificate in case FIIs/ FPIs. To avail beneficial rate of tax treaty following tax documents would be required: 1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received 2. PAN or declaration as per Rule 37BC of Income Tax Rules, 1962 in a specified format. 3. Form 10F filled & duly signed

			4. Self-declaration for non-existence of permanent establishment/ fixed base in India (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company)
2	Indian Branch of a Foreign Bank	Nil	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India.
3	Availability of Lower/NIL tax deduction certificate issued by Income Tax Authority	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority
4	Any non-resident shareholder exempt from WHT deduction as per the provisions of Income Tax Act or any other law such as The United Nations (Privileges and Immunities) Act, 1947, etc.	Nil	Necessary documentary evidence substantiating exemption from WHT deduction.

Notes:

(i) The Company will issue soft copy of the TDS certificate to its shareholders through email registered with the Company / LINK INTIME post payment of the dividend. Shareholders will be able to download Form 26AS from the Income Tax Department's website https://incometaxindiaefiling.gov.in.

(ii) The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link https://www.linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before 15th July, 2021 to enable the Company to determine the appropriate TDS/withholding tax rate applicable. Any communication on the tax determination/ deduction received after 15th July, 2021 shall not be considered. Formats of Form 15G/Form 15H are available on the website of the Company and can be downloaded from the link.

(iii) Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company / Link Intime.

(iv) In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.

(v) No TDS will be deducted in case of resident individual shareholders who furnish their PAN details and whose dividend does not exceed ₹ 5,000/-. However, where the PAN is not updated in Company/Link Intime/Depository Participant records or in case of an invalid PAN, the Company will deduct TDS u/s 194 without considering the exemption limit of ₹ 5,000/-. All the shareholders are requested to update their PAN with their Depository Participant (if shares are held in electronic form) and Company/Link Intime(if shares are held in physical form) against all their folio holding on or before 15th July, 2021.

(vi) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

M. OTHER INFORMATION

i. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by the Link Intime India Private Limited (LINK INTIME). Shareholders who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by shareholders holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice.

ii. The e-voting period begins on **Monday, 2nd August, 2021** at **09:00 a.m.** and ends on **Wednesday, 4th August, 2021** at **5:00 p.m.** During this period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Thursday, 29th July, 2021** may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited ("LIIPL") for voting thereafter.

iii. The voting rights of shareholders shall be in proportion to their shares of the paid up Equity Share Capital of the Company as on the cut-off date.

iv. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

v. Any person who acquires shares of the Company and becomes a shareholders of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at instameet@linkintime.co.in. However, if he/she is already registered with LIIPL for remote e-voting then he/she can use his/her existing user ID and password for casting the vote.

vi. Shri Dineshkumar G. Bhimani, Practicing Company Secretary (Membership No. FCS: 8064; CP No. 6628) has been appointed as the Scrutinizer to scrutinize the e-voting at the meeting and remote e-voting process in a fair and transparent manner.

vii. The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorised by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The results declared along with the Scrutinizer's Report shall be communicated to the stock exchanges, LINK INTIME and will also be displayed on the Company's website.

viii. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company / LIIPL have stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

ix. Members holding shares in physical mode are: a) required to submit their Permanent Account Number (PAN) and bank account details to the Company/ LIIPL, if not registered with the Company/LIIPL, as mandated by SEBI by writing to the Company at investor@eimcoelecon.in or to LIIPL at vadodara@linkintime.co.in along with the details of folio no., self-attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque.

x. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form may file their nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent i.e. LIIPL. In respect of shares held in electric/demat form, the nomination form may be filed with the respective Depository Participant.

xi. Non-Resident Indian members are requested to inform LIIPL / respective DPs, immediately of:

a) Change in their residential status on return to India for permanent settlement.

b) Particulars of their bank account maintained

in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

Members are requested to send all their documents and communications pertaining to shares to the Registrar & Transfer (R&T) Agent of the Company: Link Intime India Private Limited ("LIIPL")at their address at B-102 &103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Nr. Radhakrishna Crossing, Akota, Vadodara - 390 020, Tel. No. +91 265 2356573/6136000, for both physical and demat segments of Equity Shares.

Please quote on all such correspondence – "Unit – Eimco Elecon (India) Limited." For Shareholders queries – Tel. No. +91 265 2356573/6136000, Email ID vadodara@linkintime.co.in, Website www.linkintime.co.in.

N. Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

▸ Select the **"Company"** and **'Event Date'** and register with your following details:-

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No.

- Shareholders/members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/members holding shares in **physical form shall provide** Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

▸ Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the specific email id at investor@eimcoelecon.in for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option

"Favour/ Against" for voting.

4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

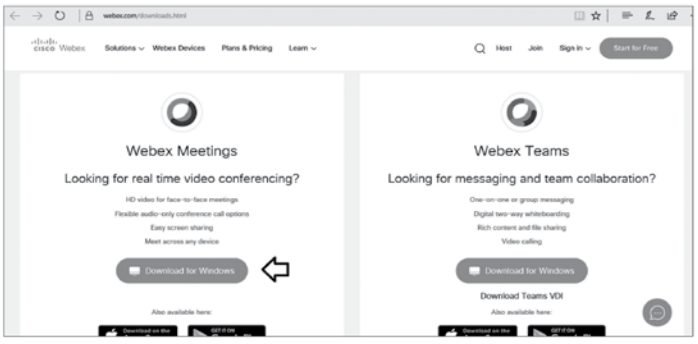
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175. **InstaMeet Support Desk, Link Intime India Private Limited.**

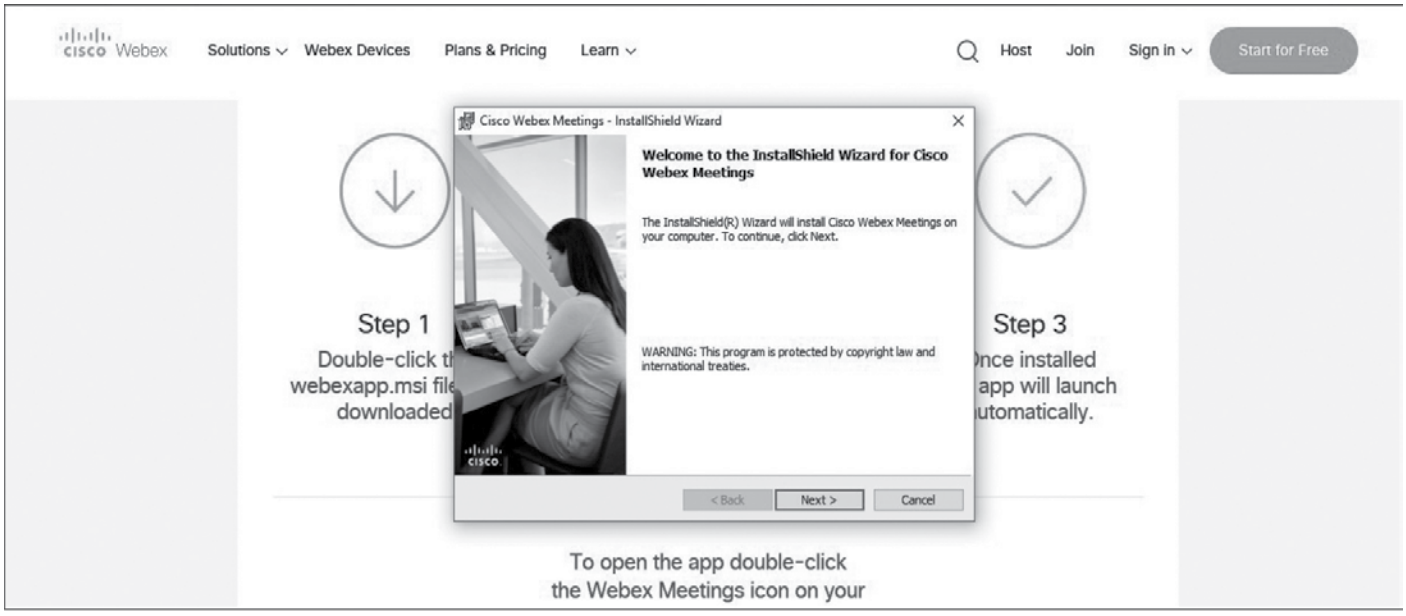
Annexure

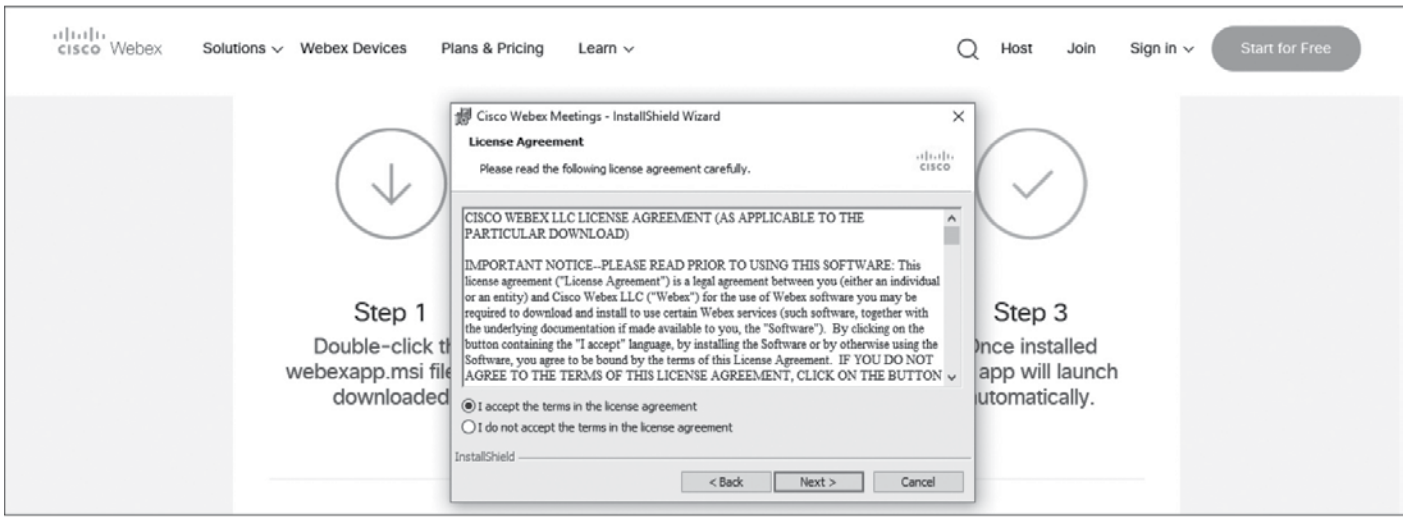
Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/.




Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
Welcome to the InstallShield Wizard for Cisco Webex Meetings
The InstallShield(R) Wizard will install Cisco Webex Meetings on your computer. To continue, click Next.
WARNING: This program is protected by copyright law and international treaties.
< Back
Next >
Cancel
Step 1
Step 3
To open the app double-click the Webex Meetings icon on your


Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
License Agreement
Please read the following license agreement carefully.
CISCO WEBEX LLC LICENSE AGREEMENT (AS APPLICABLE TO THE PARTICULAR DOWNLOAD)
IMPORTANT NOTICE--PLEASE READ PRIOR TO USING THIS SOFTWARE: This license agreement ("License Agreement") is a legal agreement between you (either an individual or an entity) and Cisco Webex LLC ("Webex") for the use of Webex software you may be required to download and install to use certain Webex services (such software, together with the underlying documentation if made available to you, the "Software"). By clicking on the button containing the "I accept" language, by installing the Software or by otherwise using the Software, you agree to be bound by the terms of this License Agreement. IF YOU DO NOT AGREE TO THE TERMS OF THIS LICENSE AGREEMENT, CLICK ON THE BUTTON
I accept the terms in the license agreement
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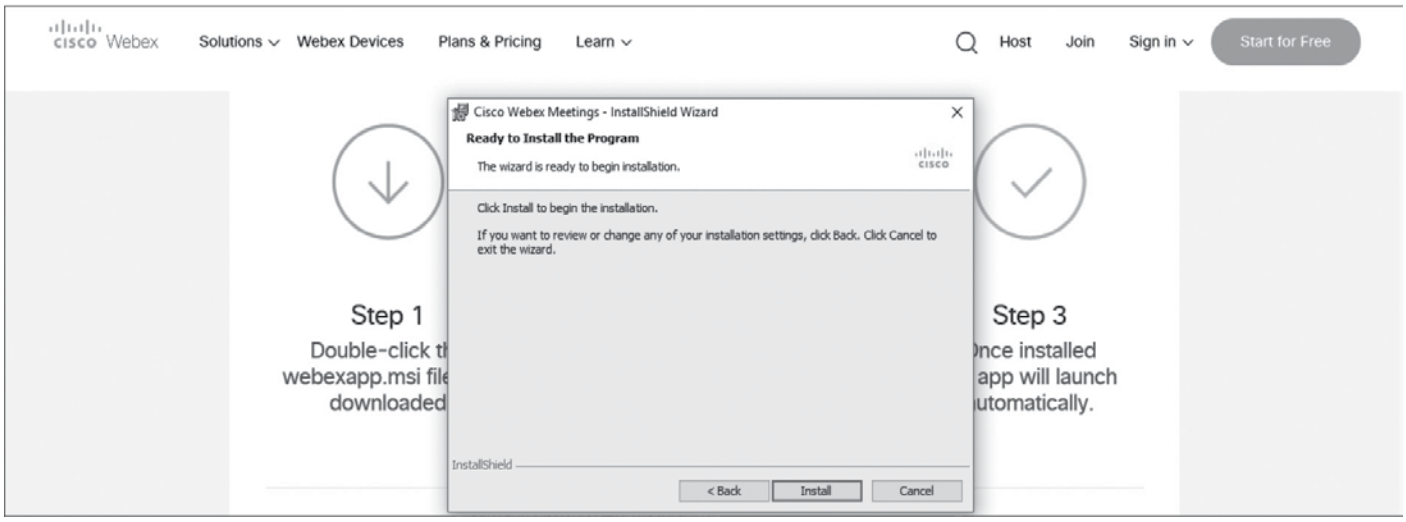

Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
Ready to Install the Program
The wizard is ready to begin installation.
Click Install to begin the installation.
If you want to review or change any of your installation settings, click Back. Click Cancel to exit the wizard.
InstallShield
< Back
Install
Cancel
Step 1
Step 3

OR

Step 1 : Enter your First Name, Last Name and Email ID and click on Join Now.

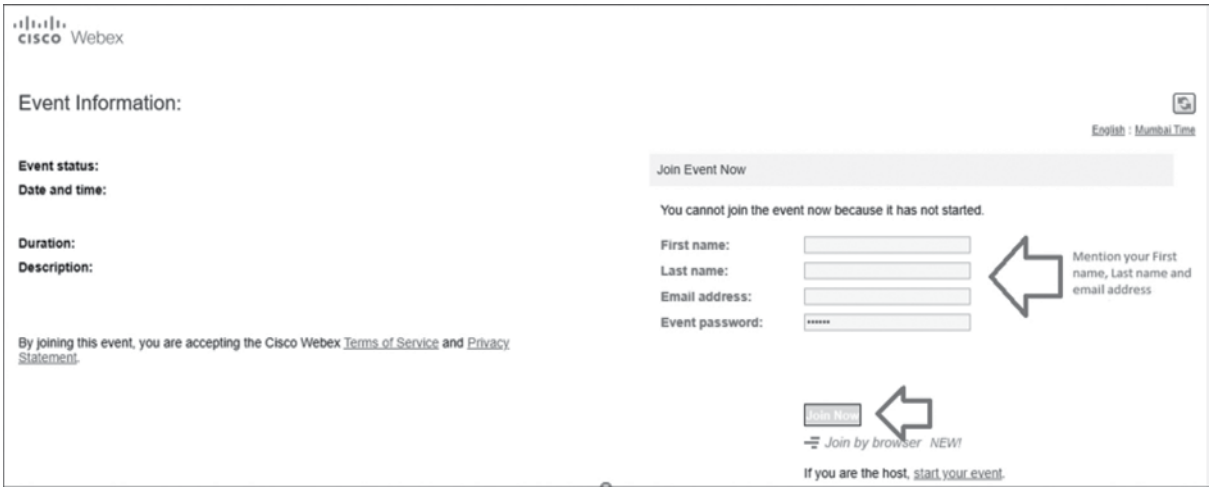
1 (A) If you have already installed the Webex application on your device, join the meeting by clicking on Join Now

1 (B) If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.

Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now.

OR

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:



O. Remote e-Voting Instructions for shareholders:

The instructions for remote e-voting are as for Individual Shareholders holding shares in demat mode:

As per the SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	• If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
  - ➢ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - ➢ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
  - ➢ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

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

Individual Shareholders holding securities in Physical mode & e-voting service Provider is Link Intime.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in ▸ Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details:- **A. User ID:** Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. **B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. **C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) **D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company. • Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above ▸ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter). ▸ Click "confirm" (Your password is now generated). 2. Click on 'Login' under 'SHARE HOLDER' tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'. 4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). 7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & e-voting service Provider is Link Intime, have forgotten the password:

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- o Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & e-voting service Provider is Link Intime.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at https://instavote.linkintime.co.in, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

By Order of the Board of Directors,

Registered Office:

Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120,
Gujarat.

Place : Vallabh Vidyanagar
Date : 13th May, 2021

Rikenkumar Dalwadi
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES Act, 2013

Item No. 4

The Members of the Company at the 43rd Annual General Meeting held on 2nd August, 2017 had appointed Ms. Reena P. Bhagwati (DIN: 00096280) as Independent Director of the Company for the first term to hold office upto 8th November, 2021 pursuant to the provisions of the Companies Act, 2013 ("the Act") and Rules framed thereunder read with Schedule IV to the Companies Act, 2013 and the Listing Regulations.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five (5) consecutive year on the Board of the Company, and shall be eligible for re-appointment on passing of a special resolution by the Company for another term of upto five (5) consecutive years.

The Nomination and Remuneration Committee (NRC) has, its meeting held on 13th May, 2021, recommended to the Board, the re-appointment of Ms. Reena P. Bhagwati as Independent Director for a further term of five (5) consecutive years from 9th November, 2021 to 8th November, 2026.

The Board at its meeting held on 13th May, 2021, based on the outcome of the performance evaluation exercise, recommendations of the Nomination and Remuneration Committee, skills, experience, knowledge contributions made by Ms. Reena P. Bhagwati during her tenure, have approved the re-appointment (not liable to retire by rotation) of Ms. Reena P. Bhagwati as Independent Director subject to approval of shareholder of the Company from 9th November, 2021 to 8th November, 2026. The Board of Directors states that the re-appointment of Ms. Reena P. Bhagwati would be in the interest of the Company and its shareholders.

Ms. Reena P. Bhagwati is not disqualified from being appointed as Director in terms of Section 164 of the Act and any other applicable law prescribed by SEBI or any other authority and has consented to act as Independent Director of the Company. The Company has also received declaration from Ms. Reena P. Bhagwati that she meets the criteria of independence as prescribed under Section 149 of the Act and the Listing Regulations.

In the opinion of the Board, Ms. Reena P. Bhagwati meets the criteria of independence as specified in the Act, the Rules framed thereunder and the Listing Regulations and they are independent of the management.

Details of Ms. Reena P. Bhagwati is provided in the "Annexure" to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India.

Copy of draft appointment letter setting out the terms and conditions of her re-appointment is available electronically for inspection by the members till the date of AGM.

Save and except, Ms. Reena P. Bhagwati and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4.

The Board considers that her continued association as Independent Director would be of immense benefit to the Company. Accordingly, the Board recommends the special resolution set out at Item No. 4 for approval of the members.

Item No.5

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), with effect from April 1, 2019, no listed company shall appoint or continue the directorship of a Non-Executive Director who has attained the age of 75 (Seventy Five) years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Shri Pradip M. Patel is Non-Executive Non-Independent Director of the Company and is liable to retire by rotation. Shri Pradip M. Patel has been a Director of the Company since 11th January, 1996 and has vast experience in the field of Bearing Industry.

Shri Pradip M. Patel would be attaining the age of 75 years on 5th November, 2022, it is necessary to approve continuation of his directorship on the Board of Directors of the Company.

The Nomination and Remuneration Committee and the Board of Directors of the Company at their meeting held on 13th May, 2021 have recommended the continuation of directorship of Shri Pradip M. Patel as a "Non-Executive Director" of the Company, considering his rich experience, expertise and immense contribution in the growth of the Company.

The Members are, therefore, requested to grant their approval by way of passing a Special Resolution for the continuation of directorship of Shri Pradip M. Patel as a 'Non-Executive Director' of the Company, liable to retire by rotation.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives [except Shri Pradip M. Patel, Shri Prayasvin B. Patel (Sister of Shri Prayasvin B. Patel, Executive Director has married to Shri Pradip M. Patel)]. is in any way concerned or interested, financially or otherwise, in the said Resolution.

A brief profile of Shri Pradip M. Patel is attached to this notice.

Item No. 6

The Company had sought the approval of the Members at the 44th Annual General Meeting held on 31st July, 2018 by way of Ordinary Resolution for material transaction to be entered into by the Company with Emtici Engineering Limited for a period of 5 years commencing from 1st April, 2018 to 31st March, 2023.

Emtici Engineering Limited has transferred its marketing business to Emtici Marketing LLP w.e.f. 31st March, 2021. Therefore, the Company has executed the Dealership Agreement with Emtici Marketing LLP, which would be effective from 31st March, 2021. The term of the Dealership Agreement shall be for a period from 31st March, 2021 to 31st March, 2023 with Emtici Marketing LLP.

Emtici Marketing LLP is a related party of the Company under the provisions of the Companies Act, 2013 ('Act') and related regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of Shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per the last audited financial statements of the Company.

In financial year 2020-21, the turnover of the Company was ₹125.84 crores. However, the turnover of the Company is subject to change every year in future.

However, in compliance of Section 188 of the Companies Act, 2013 and Rules made thereunder read with Regulation 23 and other related regulations of Listing Regulations and the Company's policy on Related Party Transactions; the value of the proposed aggregate commission to be paid to Emtici Marketing LLP is likely to exceed the said threshold limit for a period of 31st March, 2021 to 31st March, 2023.

The Company had received the prior approval of Audit Committee and the consent from Board of Directors of the Company in their respective meetings held on 8th February, 2021, for execution of the Agreement.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, particulars of the transactions with Emtici Marketing LLP are as follows:

1. Name of the Related Party:- Emtici Marketing LLP
2. Name of the Director or KMP who is related:- None of the Director except Shri Prayasvin B. Patel to the extent of shareholding therein and Shri Pradip M. Patel, being the relative of Shri Prayasvin B. Patel.
3. Nature of Relationship :- Group Company.
4. Nature, material terms, monetary value and particulars of the contract or arrangement:- Agreement of Dealership. Monetary value of proposed aggregate transactions for a period from 31st March, 2021 to 31st March, 2023 is expected to be varied depending on the turnover of the Company from year to year, which may exceed the threshold limit.

A copy of the above said Agreement will be available electronically for inspection by the members till the date of AGM.

Shri Prayasin B. Patel, Executive Director and Shri Pradip M. Patel, Director are interested in the resolution. None of the other Directors and any other Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the Resolution.

The Board of Directors recommends passing of the resolution as set out at Item No. 6 of this Notice as an Ordinary Resolution.

Item No. 7

The Board of Directors at its meeting held on 13th May, 2021, upon the recommendation of the Audit Committee, approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2022 as per the following details:

Sr. No.	Name of Cost Auditor	Industry	Audit Fees
1.	Y. S. Thakar & Co.	Engineering	₹ 45,000/- Plus Govt. Levies/Taxes as applicable and out of pocket expenses at actual.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (as amended from time to time) the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year ending on 31st March, 2022, as set out in the Ordinary Resolution for the aforesaid services to be rendered by them.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Members.

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings (SS2)]

Item No. 3 & 5

Name of Director	**Shri Pradip M. Patel**
Date of Birth	5th November, 1947
Date of Appointment	11th January, 1996
DIN	00012138
Nationality	British
Qualifications	MBA (USA)
Brief Resume and Expertise in specific Functional areas	He had engaged in the field of Bearing Industry for over 4 decades. He has expertise in the areas of strategy and business development, corporate management and leadership.
Terms and Conditions of Appointment / Re-appointment	As per the Resolution at Item No. 3 & 5 of the 47th Annual General Meeting
Details of remuneration sought to be paid	As per the Nomination and Remuneration Policy of the Company.
Details of remuneration last drawn	For remuneration details, please refer to the Board's Report
No. of Board Meetings attended	4 out of 4
List of Directorships held in other Companies.	Elecon Engineering Company Limited Emtici Engineering Limited Power Build Private Limited Manoway Investments Private Limited Mipco Investments Private Limited Emsons Leasing Company Private Limited Taveta Properties Private Limited Elecon Hydraulics Private Limited Tech Elecon Private Limited Aakaaish Investments Private Limited Vijay M. Mistry Construction Private Limited Maple Properties And Commodities Private limited Neelyog Consultancy Services Private Limited Shimona Advisory Services Private Limited Solai Consulting Private Limited
Chairman/Membership of the Committees of the Boards of other Companies in which he is Director	**Elecon Engineering Company Limited** Member – Audit Committee Member – Stakeholders' Relationship Committee Member – Nomination & Remuneration Committee **Power Build Private Limited** Member – Audit Committee
No. of Shares held	NIL
Relationship with any Director of the Company	Sister of Shri Prayasvin B. Patel, Executive Director has married to Shri Pradip M. Patel

Item No. 4

Name of Director	Ms. Reena P. Bhagwati
Date of Birth	26th August, 1966
Date of Appointment	9th November, 2016
DIN	00096280
Nationality	Indian
Qualifications	MBA (USA)
Brief Resume and Expertise in specific Functional areas	She had been appointed as an Independent Director w.e.f. 9th November, 2016 of the Company. She is the Managing Director of Bhagwati Autocast Limited and has very vast experience in management field. Her expertise is mentioned in Corporate Governance Section.
Terms and Conditions of Appointment / Re-appointment	As per the Resolution at Item No. 4 of the 47th Annual General Meeting
Details of remuneration sought to be paid	As per the Nomination and Remuneration Policy of the Company.
Details of remuneration last drawn	For remuneration details, please refer to the Board's Report
No. of Board Meetings attended	4 out of 4
List of Directorships held in other Companies.	Bhagwati Autocast Limited The Anup Engineering Limited Symphony Limited Bhagwati Filters Private Limited Bhagwati Spherocast Private Limited
Chairman / Membership of the Committees of the Boards of other Companies in which he is Director	**Bhagwati Autocast Limited** Member – Audit Committee Member – Stakeholders' Relationship Committee **The Anup Engineering Limited** Member – Audit Committee **Symphony Limited** Member – Audit Committee Member – Stakeholders' Relationship Committee Chairperson – Nomination & Remuneration Committee
No. of Shares held	NIL
Relationship with any Director of the Company	Not related to any Director/Key Managerial personnel.

By Order of the Board of Directors,

Registered Office:
Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120, Gujarat.

Place : Vallabh Vidyanagar
Date : 13th May, 2021

Rikenkumar Dalwadi
Company Secretary

BOARD'S REPORT

To,
The Members of EIMCO ELECON (INDIA) LIMITED

The Directors take pleasure in presenting the 47th Annual Report together with the Audited Financial Statements for the Financial Year ended on 31st March, 2021.

1. HIGHLIGHTS OF PERFORMANCE

Total Revenue for the year increased to ₹ 13,717.07 Lakh as compared to ₹ 11,860.74 Lakh in the previous year. Profit Before Tax for the year was ₹ 1,427.01 Lakh as compared to ₹ 1020.16 Lakh in the previous year. Profit After Tax for the year was ₹ 1,125.70 Lakh as compared to ₹ 940.60 Lakh in the previous year.

2. FINANCIAL RESULTS

(₹ in Lakh)

Particulars	**31-03-2021 Standalone**	31-03-2020 Standalone	**31-03-2021 Consolidated**	31-03-2020 Consolidated
Revenue from Operations	12,584.02	10,791.06	12,584.02	10,791.06
Other Income	1,133.05	1,069.68	1,133.05	1,069.68
Total Income from Operations	13,717.07	11,860.74	13,717.07	11,860.74
Profit Before Tax	**1,427.01**	**1,020.16**	**1,428.81**	**1,020.16**
Tax Expenses	301.31	79.56	301.31	79.56
Share in Profit of Associates	-	-	1.80	8.22
Profit for the Year	**1,125.70**	**940.60**	**1,127.50**	**948.82**
Other Comprehensive Income	(1.09)	(0.93)	(1.09)	(0.93)
Total Comprehensive Income for the year	**1,124.61**	**939.67**	**1,126.41**	**947.89**
Equity Reserves	31,849.49	31,013.30	32,154.31	31,316.32

3. DIVIDEND

Your directors recommend for your consideration a dividend of 50% i.e. ₹ 5/- per share on 57,68,385 equity shares of ₹10/- each for the year ended on 31st March, 2021 (Previous Year ₹5/- per share on 57,68,385 equity shares of ₹ 10/- each). Dividend is subject to approval of members at the ensuing Annual General Meeting (AGM) and shall be subject to deduction of income tax at source.

The Dividend Distribution Policy is available on the Company's website www.eimcoelecon.in.

During the year, the unclaimed dividend pertaining to the Financial Year 2012-13 has been transferred to the Investor Education & Protection Fund.

4. TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profit for the Financial Year 2020-21 in the Statement of Profit & Loss.

5. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company has neither subsidiary nor Joint Venture Company.

Associate Company :

Eimco Elecon Electricals Limited

Your Company holds 47.62% of the Equity Shares of Eimco Elecon Electricals Limited. The profit of the Associate for the Financial Year ended on 31st March, 2021 was ₹ 3.77 Lakh as against profit of ₹17.27 Lakh for the previous year.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company are prepared in accordance with the relevant Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 and form an integral part of this Report. Pursuant to Section 129(3) of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/ Associate Companies/ Joint Ventures is given in Form AOC-1 which forms an integral part of this Report.

6. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2021 was ₹ 576.84 Lakh. During the year under review, the Company has neither issued shares with differential voting rights nor granted stock options or sweat equity.

7. FINANCE

The Company continues to focus on judicious management of its working capital. Receivables, Inventories and other working capital parameters were kept under strict check through continuous monitoring. The whole of the properties of the Company have been suitably insured.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the financial statements provided in this Annual Report.

9. FIXED DEPOSITS

The Company has not accepted any deposit from

public falling within the ambit of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014. There are no unpaid / unclaimed deposits as on 31st March, 2021.

10. DIRECTORS

Director Retiring by Rotation

Shri Pradip M. Patel retires by rotation at the forthcoming Annual General Meeting of the Company and, being eligible, offers himself for re-appointment. The Board recommends his appointment for your approval.

Re-appointment of Independent Directors

The term of office of Ms. Reena P. Bhagwati as an Independent Director will expire on 8th November, 2021. The Board of Directors, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee has recommended the re-appointment of Ms. Reena P. Bhagwati as an Independent Director of the Company for a second term of 5 (five) consecutive years on the expiry of her current term of office. The Board considers that, given her background, experience and contributions made by her during her tenure, the continued association of Ms. Reena P. Bhagwati would be beneficial to the Company.

Independent Directors:-

The Independent Directors met on 9th March, 2021 without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors and Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Statutory Declarations / Disclosures by Directors:-

All Independent Directors of the Company have given declarations to the Company under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Director of your Company is disqualified as per the provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the frame work of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory, cost and secretarial auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year ended on 31st March, 2021. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, based on the above and the representations received from the Operating Management, the Board of Directors, to the best of their knowledge and ability, confirm that:

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom;

(ii) They have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations 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 as at 31st March, 2021 and of the profit of the Company for the year ended on that date;

(iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) They have prepared the annual accounts on a going concern basis;

(v) They have laid internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the year ended on 31st March, 2021; and

(vi) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended on 31st March, 2021.

12. KEY MANAGERIAL PERSONNEL (KMP)

As on 31st March, 2021, Shri Mukulnarayan Dwivedi, Executive Director; Shri N. D. Shelat, Chief Financial Officer and Shri Rikenkumar Dalwadi, Company Secretary are designated as KMP of the Company.

13. COMMITTEES OF THE BOARD

The Board of Directors have the following Committees:

a. Audit Committee
b. Nomination and Remuneration Committee
c. Stakeholders' Relationship Committee
d. Corporate Social Responsibility Committee.

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

14. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and notifications/ circulars of SEBI, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

15. REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The weblink of the policy is https://eimcoelecon.in/wp-content/uploads/2020/06/THE-NOMINATION-AND-REMUNERATION-POLICY.pdf.

16. NUMBER OF MEETINGS OF THE BOARD

During the year under review, the Board met 4 times. The meeting details are provided in the Corporate Governance Report that forms part of this Annual Report. The maximum interval between any two meetings are as prescribed under the Companies Act, 2013.

17. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of the Company's business.

All Related Party Transactions are placed before the Audit Committee and the Board for approval. Prior approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature and in the ordinary course of the Company's business. Transactions with related parties are disclosed in the notes to accounts to the financial statements.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. The weblink of the policy is https://eimcoelecon.in/wp-content/uploads/2012/11/Related-Party-Policy-EIMCO.pdf.

18. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

As part of its initiatives under the Corporate Social Responsibility (CSR), the Company has undertaken projects in the area of education and health care. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy. The Annual Report on CSR activities is annexed herewith as **Annexure 'A'.**

19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

20. MANAGEMENT'S DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of the Company is given in the Management's Discussion and Analysis appearing as **Annexure 'B'** to this Report.

21. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation systems, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to Messrs C.F. Patel & Co., Chartered Accountants. The main thrust of internal audit is to test and review controls,

appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, the Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions are taken by the Management. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the Management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

22. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established Vigil Mechanism system and framed Whistle Blower Policy. Whistle Blower Policy is disclosed on the website of the Company at following web-link- https://eimcoelecon.in/wp-content/uploads/2021/06/The-Whistle-Blower-Policy_2021-06-03.pdf.

23. CORPORATE GOVERNANCE

Your Company has always striven to incorporate appropriate standards for good Corporate Governance. It has taken adequate steps to ensure that the provisions of Corporate Governance as prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 are complied with.

A detailed report on Corporate Governance is appearing as **Annexure 'C'** to this Report along with the Auditors' Certificate on its compliance by the Company.

24. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company are set out in the **Annexure 'D'** to the Board's Report.

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The information on conservation of energy, technology of absorption and foreign exchange earning and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in **Annexure 'E'** forming part of this report.

26. STATUTORY AUDITORS

Messrs Thacker Butala Desai, Chartered Accountants, Navsari were appointed as the Statutory Auditors of the Company for a period of 5 (five) consecutive years at the 43rd Annual General Meeting of the Company.

There is no audit qualification, reservation or adverse remark in the Auditors' Report for the year under review.

27. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its activity are required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed Messrs Y. S. Thakar & Co., Cost Accountants, to audit the cost accounts of the Company for the financial year ending 31st March, 2022 on a remuneration of ₹ 45,000/- plus taxes as applicable and out of pocket expenses. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to Messrs Y. S. Thakar & Co., Cost Accountants, the Cost Auditors is included at Item No. 6 of the Notice convening the Annual General Meeting.

28. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs D. G. Bhimani & Associates, a firm of Company Secretaries in Practice, to

undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit carried out during the year 2020-21 is annexed herewith as **Annexure 'F'**. There is no secretarial audit qualification for the year under review.

29. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on 31st March, 2021 is available on the Company's website at https://eimcoelecon.in/wp-content/uploads/2021/07/MGT-7_2021-07-09.pdf.

30. INSURANCE

The Company takes a very pragmatic approach towards insurance. Adequate insurance cover has been taken for all movable and immovable assets for various types of risks.

31. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Companies Act, 2013 and Rules framed thereunder.

32. RISK MANAGEMENT

Although it is not mandatory for the Company, the Board of Directors of your Company has constituted a Risk Management Committee to assist the Board in overseeing and approving the Company's enterprise wide risk management framework. The Company monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

33. DISCLOSURE UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

The following is a summary of sexual harassment complaints received and disposed-off during the year 2020-21:

No. of complaints received	:	Nil
No. of complaints disposed off	:	N.A.
No. of complaints pending	:	Nil

The policy on Sexual Harassment at workplace is placed on the Company's website at https://eimcoelecon.in/wp-content/uploads/2019/04/Sexual-Harassment-Policy.pdf.

34. INDUSTRIAL RELATIONS/PERSONNEL

Your Company is committed to upholding its excellent reputation in the field of Industrial relations. Through continuous efforts the Company invests and improvises development programmes for its employees.

35. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. During the first Board Meeting attended, each newly appointed Independent Director is taken through a formal induction program, including the presentation from the Whole-time Director on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about his/her legal and regulatory responsibilities as a Director.

The Familiarization Programme for Independent Directors includes a detailed presentation by Business and Functional Heads, visit to the manufacturing site, etc. Weblink for the Policy for the Familiarisation Programme for Independent Directors https://eimcoelecon.in/wp-content/uploads/2012/11/Familiarization_Programme.pdf.

36. MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the Financial Year and date of this report.

37. COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards as issued by the Institute of Company Secretaries of India.

38. ACKNOWLEDGEMENT

Your Directors are highly grateful for the unstinted guidance, support and assistance

received from the Government, Bankers and Financial Institutions. Your Directors are thankful to all valuable Stakeholders of the Company viz. shareholders, customers, dealers, vendors, suppliers, collaborators, business associates and other agencies for their faith, trust and confidence reposed in the Company.

Your Directors wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors,

Mukulnarayan Dwivedi
Executive Director
DIN : 08442155

Prayasvin B. Patel
Executive Director
DIN : 00037394

Place : Vallabh Vidyanagar
Date : 13th May, 2021

ANNEXURE - 'A' TO BOARD'S REPORT - ITEM NO.18

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and Rules made thereunder. The CSR Policy provides for carrying out CSR activities in respect of those areas as provided in Schedule VII of the Companies Act, 2013.

2. Composition of the CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Pradip M. Patel	Chairman, Non-Independent, Non-Executive	1	1
2.	Shri Prashant C. Amin	Member, Non-Independent, Non-Executive	1	1
3.	Smt. Manjuladevi P. Shroff	Member, Independent, Non-Executive	1	1

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.

These details are disclosed on the Company's website at https://eimcoelecon.in.

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).

The Company at present is not required to carry out impact assessment in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014.

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1.	Prior to 2020-21	NIL	NIL
	Total	**NIL**	**NIL**

6. Average net profit of the company as per section 135(5): ₹ 1,310.34 Lakh

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 26.21 Lakh

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: ₹ Nil

(c) Amount required to be set off for the financial year, if any: ₹ Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 26.21 Lakh

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

Total Amount Spent for the Financial Year. (₹ in Lakh)	Amount Unspent (₹ in Lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
26.21	**NIL**	**NA**	**NA**	**NIL**	**NA**

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

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financia	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Imple-mentation - Direct (Yes/No)	Mode of Implementa-tion - Through Implementing Agency	
				State	District						Name	CSR Regis-tration num-ber
	Not Applicable											

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
1	PM CARES Fund for COVID-19 Relief Support	Clause (viii)	-	-	-	11.00	Yes	-	-
2	Scholarship and Education support	Clause (ii)	Yes	Gujarat	Anand	15.06	No	B. I. Patel Charitable Trust	CSR00004791
3	Provide support for Health treatment	Clause (i)	Yes	Gujarat	Anand	0.15	No	B. I. Patel Charitable Trust	CSR00004791
					Total	**26.21**			

(d) Amount spent in Administrative Overheads: ₹ Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 26.21 Lakh

(g) Excess amount for set off, if any

Sr. No.	Particulars	Amount (in ₹ in Lakh)
(i)	Two Percent of average net profit of the Company as per Section 135(5)	26.21
(ii)	Total amount spent for the Financial Year	26.21
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
	Not Applicable						

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

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed / Ongoing
1	Not Applicable							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable
    (a) Date of creation or acquisition of the capital asset(s) : NA
    (b) Amount of CSR spent for creation or acquisition of capital asset : NA
    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : NA
    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : NA
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : The Company has completed spending its CSR obligation in full for the financial year 2020-21.

Mukulnarayan Dwivedi	**Prayasvin B. Patel**	**Pradip M. Patel**
Executive Director	Executive Director	Chairman of
DIN : 08442155	DIN : 00037394	CSR Committee
		DIN : 00012138

Place : Vallabh Vidyanagar
Date : 13th May, 2021

Management's Discussion and Analysis

ANNEXURE - 'B' TO BOARD'S REPORT - ITEM NO. 20

INDUSTRY STRUCTURE AND DEVELOPMENT

INDUSTRY STRUCTURE AND DEVELOPMENTS : COAL / METAL INDUSTRY

This FY 20-21 Coal India Limited, the largest coal producer in India could not increase their production over the last FY. On the other hand SCCL's annual production dipped by 20 percent over the last FY. For the financial year 2020-21, total coal and coke imports stood at 215.92 MT, about 12.62 per cent lower than 247.10 MT imported during FY20.

However to reduce coal import bill the Coal mining industry needs to enhance its capacity rapidly. In fact the captive coal blocks already allocated were also taken at unreasonably high price and therefore, they are either not working or working at the lowest possible capacities. Few of the coal blocks allocated to the private sector have progressed well and may see the production to its installed / planned capacity within a year or two.

Last year, our Parliament passed a bill that removed end-use restrictions for participating in coal mine auctions and open up the coal sector fully for commercial mining by domestic and global companies. The government offered major rebates on revenue share to winners of commercial coal block auctions in order to draw investments from local and global miners.

OPPORTUNITIES AND THREATS :

Our equipment demand largely depends on the underground coal mining expansion. The growth in underground production was stagnant due to higher cost of mining, however now the technology upgradation to blast free technology due to the same reason will open up new avenues for us. Also the introduction of high capacity underground loaders for the metal mines will add to our revenues.

The renewable energy uses and alternate fuels are growing in India but the demand increase in power sector is much higher to be compensated by them only. According to the data released by the Central Electricity Authority (CEA), solar-generated electricity accounted for 60.4 billion units (BU) in FY 2020-21. This shows a growth of 20% year-over-year (YoY) compared to the FY 2019-20 wherein it was approximately 50.1 billion units.

The use of electrical automotive may further accelerate the demand for coal. Our steel sector also has more growth potentials and the coal demand for them also will be in the rising trend.

The main threat of the Company remain that it will continue to depend more on Government clients for some more time till the private coal blocks for commercial and captive usages attain their peak production capacities.

FUTURE SCENARIO:

Coal is the largest source of electricity in the India. Thermal power plants generate 62% of India's electricity. This, combined with the growth of coal-consuming industrial sectors like steel, is why the solid fuel source will continue to be integral to India's economy in the next couple of decades. This is despite the government's ambitious plans to increase generation of renewable energy.

Auction of 64 coal blocks, including some large mines, took place in Nov./Dec. 2020. Out of 64 blocks, 19 blocks (including 5 u/g blocks) drew 2 or more bidders. These 19 blocks were subsequently allotted to the successful bidder after auction. Commercial mining will boost the coal production in India and will also lessen India's dependence on imports, thereby cutting the import bill of the country substantially. 64 more coal blocks have been identified for further auction in the coming months. These include 14 u/g coal blocks.

In the underground mining sector, the coming days will witness increase in demand for equipment catering to blast-free technology in underground coal mines and bigger size loaders and low profile dump trucks in the metal mines namely Zinc, Copper and Uranium.

There has been the spectacular rise of the mine development operator (MDO) mode of mining. Subcontracting of mine operations has been a major feature of the coal industry for more than two decades now. It has also brought considerable financial and operational efficiencies to Coal India.

PRODUCT WISE PERFORMANCE :

Intermediate technology continues to be the backbone of underground production with over 70 percent of the total underground production being met by SDLs and LHDs. Our indigenously developed CM package is under trial and will be established in the coming days. Our bigger size LHD of 7 Te and 10 Te capacities have been established successfully.

CONSTRUCTION EQUIPMENT INDUSTRY

Infrastructure Sector is a key driver for the Indian economy & is highly responsible for propelling overall development of the nation. It draws a lot of focus from the Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure Sector includes power, bridges, roads, railways, dams and urban infrastructure

development.

Infrastructure development directly contributes in improving gross domestic product (GDP) of any nation. The virtuous cycle of growth of infrastructure through various projects leads to higher spending, including in Infrastructure equipment. Government Policies & Plans along with Implementation Program had been continually directed towards infrastructure improvement even during the Covid-19 pandemic reflected the importance of this Sector & its contribution to nation development. Since good infrastructure acts as a catalyst in industrial & overall growth of the nation, the sector has always been on priority agenda of the government.

The construction sector in India is considered to be the second largest employer and contributor to economic activity, after agriculture sector. 50% of the demand for construction activities comes from infrastructure sector while the rest comes from industrial activities, residential & commercial development etc. The economic reforms had brought a lot of changes in the way the works were getting executed and have paved the way to development of infrastructure.

The National Infrastructure Pipeline (NIP) for FY 2020-25 is a first-of-its-kind, whole-of-government exercise, to provide world-class infrastructure to citizens and improving their quality of life. It has a mission of Project Implementation through a meaningful direction to allocation of funds and also attract investments into infrastructure. This had helped higher allocation to prioritized sectors like Transport, Energy, Water & Sanitation, Social Infrastructure, Smart City Mission, Affordable Housing, National Solar Mission & Rural Development.

In-spite of second wave of the corona virus pandemic which has created an unprecedented situation with its economic disruptive impact on various parts of Indian economy infrastructure projects, infrastructure projects have been on go although with reduced pace. Unavoidable lockdowns put a challenge to the government's efforts of raising infrastructure on a faster pace as it has to prioritize social welfare and medical reliefs on a mega scale to control virus spread to masses & their health recovery. However, the government's timely interventions had helped & will support the leading activities contributing to business growth.

The major growth drivers for construction equipment industry will be the construction activities on Roads & Railways, Ports, MRTS, Works under PMANSBY (Pradhan Mantri Atamnirbhar Swasth Bharat Yougna) through improved support & governance. Awareness & emphasis on qualitative approach will be leading to demand of high quality & technology driven equipment.

FUTURE SCENARIO

India aims at $5 trillion economy by 2024 with allocation of $1.4 trillion for infrastructure, our government had been pushing Infrastructure development by constructing roads, expressways, dedicated freight corridors, canals, civil airports, industrial corridors/economic zones and removing most of the policy paralysis through various reforms to eliminate logjams to growth. An initiative on 'Make in India' scheme to make India 'Atam Nirbhar' has encouraged major global manufacturers put their stake by investing in the Indian construction equipment industry over last few years. PRAGATI initiative from PM to fast track the allocated projects, exhibits the commitment of the government towards expedition of implementation of projects. Increased allocation of spending through NIP (~71 percent on Roads & Railways, Urban Development & Energy Sectors) will create an opportunity for construction equipment companies. A number of domestic players, who have expanded their capabilities or diversified their product portfolios, through collaboration & tie-up arrangements, have also started taking aggressive approach under the new economic scenario & under slogan of 'Vocal for Local'.

The Government of India has made infrastructure creation a major pillar for sustainable growth. National Electricity Policy (NEP-2021) & initiative to start National Bank for Financing Infrastructure and Development (NaBFID) will act as booster dose for infrastructure development. The initiatives of the present Government in promoting domestic players through 'Make in India' initiatives has started showing inflow of funds in Infra Industry. Further, priority in allocation of funds to Government's initiatives, like Bharat Mala - Road Network across Border & Sagar Mala- Road across Coastal Areas, UDAN – RCS (Development of Airports), DFC (Dedicated Freight Corridor) & IC (Industrial Corridor, Swatch Bharat Abhiyan - Solid Waste Disposal, Smart Cities & Interlinking of rivers & development of waterways for transportation, port development have started contributing in growth in demand for primary construction equipment (earth-moving) which will further continue for secondary equipment (material handling) on the mid and long term basis.

OPPORTUNITIES & THREATS

In the underground mining sector, the coming days will witness increase in demand for equipment catering to blast-free technology in underground coal mines and bigger size loaders and low profile dump trucks in the metal mines.

There has been the spectacular rise of the mine development operator (MDO) mode of mining. Subcontracting of mine operations has been a major feature of the coal industry for more than two decades now. It has also brought considerable financial and operational efficiencies to Coal India.

With the introduction of first 'Make in India' Piling Rig in technical collaboration with CZM from USA, your company has taken a lead in making indigenous Rig in Foundation & Pile Driving Equipment Market of the nation. The technologically advanced machine will find its market place in presently Imported Equipment Market. It will also add on to presently offered product basket. With focus on improving on market reach during off take of various infrastructure projects both the models of Loaders are expected to improve their market position among highly competitive market. Your company will be launching new version of Loaders AL-120 & AL-520, with latest emission norms & with improved features against heavy competition from national & global players, considering the higher demand from this sector. The focus on improvement in current distribution network will help spread the product geographically. Skid Steer Loader, a highly versatile machine having a growth potential & primarily use in Industry material handling as well as Infra projects, is also on launch pad and the same will be seen joining the league of earlier introduced products.

Further on, your company is also exploring export potential of construction equipment in market of South East Asia & Africa.

RISKS AND CONCERNS

The main risk and concern of the Company remain that it will continue to depend more on Government clients for some more time till the private coal blocks for commercial and non-commercial usages attain their peak production capacities.

INTERNAL CONTROL SYSTEM

The Company's internal control systems are adequate, considering size and nature of operation of the Company, to meet regulatory /statutory requirements.

DEVELOPMENTS ON HUMAN RESOURCE/ INDUSTRIAL RELATIONS FRONT

The Company attaches utmost priority to human resource development with focus on regular upgradation of the knowledge and skills of all employees and equipping them with the necessary expertise to meet the challenges of change and growth successfully. The company continuously monitors its manpower requirement to ensure that it has adequate human skills commensurate with its needs. Industrial relations of the Company continue to be cordial. As on 31st March, 2021, there were 123 permanent employees on role of the Company.

KEY FINANCIAL RATIOS

Pursuant to Schedule V(B) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Key Financial Ratios along with detailed explanations are as follows:

No.	Ratio	2020-21	2019-20
i.	Debtors Trunover	2.68	2.29
ii.	Inventory Turnover Ratio	1.48	1.19
iii.	Interest Coverage Ratio	167.59	101.04
iv.	Current Ratio	4.11:1	4.99:1
v.	Debt Equity Ratio	0.0026	0.0040
vi.	Operating Margin	2.83%	0.01%
vii.	Net Profit Margin	8.21%	8.72%

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE AND OUTLOOK.

Sales & Other income for the year ended 31st March, 2021 were ₹ 13,717.07 Lakh as compared to ₹ 11,860.74 Lakh on 31st March, 2020. The net profit stood at ₹ 1125.70 Lakh (previous year ₹ 940.60 Lakh).

CAUTIONARY STATEMENT

Statements in this report on describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could, however, differ materially from those expressed or implied.

The Company assumes no responsibility in respect of forward-looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

Corporate Governance Report

ANNEXURE 'C' TO THE BOARD'S REPORT - ITEM NO.23

A. MANDATORY REQUIREMENTS

Company's philosophy

Pursuant to the practice of Good Corporate Governance, your Company is committed to meet the aspirations of all our stakeholders and believes in adopting the best corporate practices for ethical conduct of business.

Your Company continues to maintain its industry leadership, by pursuing excellence in everything it does, including standards of business conduct. The Company's philosophy on Corporate Governance emanates from the principles of ethical governance and is aimed at conducting of business in an efficient and transparent manner and in meeting its obligations to shareholders and other stakeholders. This objective is achieved by adopting corporate practices based on principles of transparency, accountability, fairness and integrity to create long-term sustainable value for all its stakeholders.

The Company is committed to good Corporate Governance. The mandatory requirements of SEBI (LODR) Regulations, 2015 have been fully implemented by your Company. The Company firmly believes in the rights of its stakeholders for information regarding the Company's business and financial performance.

Board of Directors (the Board)

The Board of Directors of the Company is the highest governance authority within the management structure of the Company. Further, the Board is totally committed to the best practices for effective Corporate Governance.

The Board, along with its Committees, provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Board composition is in accordance with the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

Composition of the Board as on 31st March, 2021

Category	No. of Directors
Independent Directors	4
Executive Directors	2
Non-Executive Director	1
#Nominee Director	1
Total	**8**

Elecon Engineering Company Limited, being a significant equity investor has nominated Shri Prashant C. Amin on the Board of Directors of the Company.

The brief profile of the Company's Board of Directors is as under:

Shri Pradip M. Patel, Chairman (DIN : 00012138)

Shri Pradip M. Patel was appointed as Director from 11th January, 1996. He is MBA (USA). He was associated with the Bearing Industry. He is a member of the Audit, Nomination and Remuneration, Stakeholders' Relationship Committees and Chairman of the Corporate Social Responsibility Committee of the Board. He is a relative of Shri Prayasvin. B. Patel.

Shri Prayasvin B. Patel, Executive Director (DIN : 00037394)

Shri Prayasvin B. Patel is one of the promoters of the Company and was appointed as Executive Director of the Company with effect from 9th November, 2016. He is MBA (USA) and the Chairman and Managing Director of Elecon Engineering Company Limited. He has more than 46 years of experience in top management. He is a relative of Shri Pradip M. Patel.

Shri Nalin M. Shah, Independent Director (DIN : 00882723)

Shri Nalin M. Shah was appointed as director from 8th May, 2012. He is a Chartered Accountant from England & Wales. Before joining the Board, he was partner in Deloitte Haskins & Sells. He is the Chairman of the Audit Committee, and Nomination & Remuneration Committee and Member of the Stakeholders' Relationship Committee of the Board.

Shri Nirmal B. Bhogilal, Independent Director (DIN : 00173168)

Shri Nirmal P. Bhogilal was appointed as Director with effect from 23rd September, 2011. He is B.Sc.(Engg.) Chemical Engg. (London University) A.C.G.I. He is the Chairman and Managing Director of Batliboi Limited since 1973. He is a Member of the Audit and Nomination & Remuneration Committees of the Board.

Smt. Manjuladevi P. Shroff, Independent Director (DIN : 00297159)

Smt. Manjuladevi P. Shroff was appointed as Director with effect from 2nd February, 2015. She is postgraduate from York University and executive alumni from London School of Economics. She is post-graduate from Utkal University and is a Graduate of Management Education Programme IIM, Ahmedabad. She is a Member of the Audit and Corporate Social Responsibility Committees of the Board.

Ms. Reena P. Bhagwati, Independent Director (DIN : 00096280)

Ms. Reena P. Bhagwati was appointed as an Independent Director from 9th November, 2016 for five consecutive years. She is the Managing Director of Bhagwati Autocast Limited and has very vast experience in management field. She is MBA from USA.

Shri Prashant C. Amin, Non-Independent - Nominee Director (DIN : 01056652)

Shri Prashant C. Amin was appointed as Director from 25th October, 2007. He was appointed as a Nominee Director of Elecon Engineering Company Limited w.e.f. 9th November, 2016. He holds Master Degree in Engineering and Management from Birla Institute of Technology & Science, Pilani. He is the Chairman of the Stakeholders' Relationship and Member of the CSR Committee of the Board.

Shri Mukulnarayan Dwivedi, Executive Director (DIN : 08442155)

Shri Mukulnarayan Dwivedi was appointed as Executive Director and KMP w.e.f. 10th September, 2019 and holds Bachelor of Mechanical Engineering degree and having 33 years of

experience in Mining and Mineral industries. He has worked in MOIL Limited; The Hutti Gold Mines Company Limited; Emtici Engineering Limited and Mcnally Sayaji Engineering Limited. He has been associated with Eimco Elecon (India) Limited since August-2016.

Sr. No.	Name of Directors	Category of Directorship	No. of other Directorships in other companies*	No of Committee positions held in other public companies*		Dirctorship in other listed entities	
				Member	Chairman	Name of the Listed entities	Category of Directorship
1.	Shri Pradip M. Patel	NED(P)	2	2	-	Elecon Engineering Co. Ltd.	NED(NI)
2.	Shri Prayasvin B. Patel	ED(P)	9	-	-	Elecon Engineering Co. Ltd.	ED(CMD)
3.	Shri Nalin M. Shah	NED(I)	4	2	4	Artson Engineering Limited	NED(I)
4.	Shri Nirmal P. Bhogilal	NED(I)	2	2	1	Batliboi Limited Solara Active Pharma Sciences Ltd.	WTD(Chairman) NED(I)
5.	Shri Prashant C. Amin	NED(P)	1	-	-	Elecon Engineering Co. Ltd.	NED(NI)
6.	Smt. Manjuladevi P. Shroff	NED(I)	1	-	-	-	-
7.	Ms. Reena P. Bhagwati	NED(I)	3	5	-	Bhagwati Autocast Limited The Anup Engineering Limited Symphony Limited	ED(MD) NED(I) NED(I)
8.	Shri Mukulnarayan Dwivedi	ED (NI)	-	-	-	-	-

Notes :

1. * The Directorship held by the Directors, as mentioned above, excludes directorship in the Company, directorships in foreign companies, companies under Section 8 of the Companies Act, 2013 and private companies which are not the subsidiaries of Public Limited Companies.
2. In above table, Membership / Chairmanship of two Committees only viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Companies have been considered for committee positions.
3. As on March 31, 2021, None of the Directors of the Company was related to each other except Shri Pradip M. Patel, who is Shri Prayasvin B. Patel's Sister's husband.

   NED (NI) - Non Executive Director (Non-Independent)
   NED(P) - Non Executive Director (Promoter)
   ED (P) - Executive Director (Promoter)
   NED(I) - Non Executive Director (Independent)
   WTD - Whole-time Director
   ED - Executive Director
   CMD - Chairman & Managing Director

4. As on March 31, 2021, the Non-Executive Directors holds equity shares of the Company are as follows :

Shri Pradip M. Patel	Nil
Shri Prashant C. Amin	1,275
Shri Nalin M. Shah	Nil
Shri Nirmal P. Bhogilal	Nil
Smt. Manjuladevi P. Shroff	Nil
Ms. Reena P. Bhagwati	Nil

BOARD MEETINGS AND PROCEDURES

(A) Scheduling and Selection of Agenda items for Board Meetings

i. The meetings are being convened by giving appropriate advance notice after obtaining the approval of the Chairman of the Board. Detailed agenda, management reports and other explanatory statements are circulated in advance amongst the members for facilitating meaningful, informed and focused decisions. To address specific urgent needs, meetings are also being called at shorter notice. The Board is also authorized to pass resolution by circulation for all such matters, which are of utmost urgent nature.

ii. Where it is not practicable to attach any document or an agenda is of price sensitive in nature, the same is placed on the table with the approval of Chairman of the Board. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are permitted. Sensitive subject matters are discussed at the meeting without written materials being circulated.

iii. The agenda papers are prepared by the Company Secretary and submitted to the Chairman for his approval. Duly approved agenda papers are circulated amongst the Board Members by the Company Secretary.

iv. As per convenience of the Members of the Board and Committees, the Meetings are usually held at the Company's registered office at Vallabh Vidyanagar, Dist. Anand, Gujarat or at Mumbai.

The Members of the Board have complete access to all information of the Company. The Board is also free to recommend inclusion of any matter in agenda for discussion. Senior Management Officials are called to provide inputs to the items discussed by the Board as and when required.

(B) Recording minutes of proceedings at the Board / Committee Meetings

Minutes of the proceedings of each Board/Committee Meeting are recorded and the same are approved in the next Board/ Committee Meeting. The minutes of the proceedings of the meetings are entered in the minutes book and the same are signed by the Chairman as prescribed in the Companies Act, 2013 and the Rules made thereunder and as per the Secretarial Standards issued by the Institute of Company Secretaries of India.

(C) Compliance

The Compliance Officer while preparing the agenda notes is responsible for and is required to ensure adherence to all the applicable provisions of law, rules, guidelines etc. The Company Secretary has to ensure compliance to all the applicable provisions of the Companies Act, 2013, SEBI Guidelines, Listing Regulations and other statutory requirements pertaining to the capital market. The Board of Directors reviews quarterly Compliance Report confirming adherence to all applicable laws, rules, regulations and guidelines.

BOARD MEETINGS

During the year 2020-21, four (4) Board Meetings were held i.e. on 25th June, 2020; 10th August, 2020; 30th October, 2020 and 8th February, 2021. The maximum gap between two consecutive meetings was as stipulated under Section 173(3) of the Companies Act, 2013 and Regulation 17(2) of the SEBI (LODR) Regulation, 2015. The necessary quorum was present in all the meetings. Leave of absence was granted to the concerned Directors who could not attend the respective Meetings.

The details of Attendance of Directors at the Board Meetings and last Annual General Meeting are as under:-

Sr. No.	Name of Directors	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at Last AGM
1	Shri Pradip M. Patel	4	4	Yes
2	Shri Prayasvin B. Patel	4	4	Yes
3	Shri Nalin M. Shah	4	4	Yes
4	Shri Nirmal P. Bhogilal	4	3	Yes
5	Shri Prashant C. Amin	4	4	Yes
6	Smt. Manjuladevi P. Shroff	4	4	Yes
7	Ms. Reena P. Bhagwati	4	4	Yes
8	Shri Mukulnarayan Dwivedi	4	4	Yes

Disclosure regarding Directors retiring by rotation and being re-appointed:

Shri Pradip M. Patel, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

A brief resume and the profile of Shri Pradip M. Patel, Director retiring by rotation and eligible for re-appointment at the ensuing Annual General Meeting of the Company are given in the Notice of the Annual General Meeting, annexed to this Annual Report.

RE-APPOINTMENT OF INDEPENDENT DIRECTORS

The term of office of Ms. Reena P. Bhagwati as an Independent Director, will expire on 8th November, 2021. The Board of Directors, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, has recommended the re-appointment of Ms. Reena P. Bhagwati, as an Independent Director of the Company for a second term of 5 (five) consecutive years on the expiry of her current term of office. The Board considers that, given her background, experience and contributions made by her during her tenure, the continued association of Ms. Reena P. Bhagwati would be beneficial to the Company.

DECLARATION FROM THE INDEPENDENT DIRECTORS

All Independent Directors of the Company have given declarations to the Company under Section 149(7) of the Companies

Act, 2013 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.

Core Skills / Expertise / Competencies available with Board

The following skills / expertise / competence that allow them to make effective contributions to the Board and its Committees:

	Name of Directors							
Core Skills/ Expertise / Competencies	**Shri Pradip M. Patel**	**Shri Prayasvin B. Patel**	**Shri Mukulnarayan Dwivedi**	**Shri Prashant C. Amin**	**Shri Nalin M. Shah**	**Shri Nirmal P. Bhogilal**	**Smt. Manjuladevi P. Shroff**	**Ms. Reena P. Bhagwati**
Leadership experience in managing the Company's business.	×	√	√	×	×	×	×	×
Experience and knowledge of Industry.	×	√	√	×	×	×	×	×
Expertise in Strategic Business Planning and Corporate Management.	√	√	√	√	×	√	√	√
Organisational Capacity Building.	×	√	√	√	×	√	√	√
Entrepreneurship qualities.	√	√	√	√	×	√	√	√
Academic knowledge	√	√	√	√	√	√	√	√
Expertise in the field of technology and Research & Development.	×	√	√	×	×	×	×	√
Experience and Knowledge in finance, tax, risk management, compliance and corporate governance.	√	√	√	√	√	√	√	√
Legal or Regulatory knowledge in the field of business of the Company.	×	√	√	×	×	×	×	×

COMMITTEES OF THE BOARD

The Board has constituted four Board Committees, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee.

AUDIT COMMITTEE

The Audit Committee is governed by and is in line with the regulatory requirements mandated by Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

The terms of reference of the Audit Committee are as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and the Auditors Report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
   b. Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by the Management
   d. Significant adjustments made in the financial statements arising out of audit findings
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure of any related party transactions
   g. Qualifications in the draft audit report
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditors' independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, including reporting structure coverage and frequency of internal audit;
14. Discussion with the internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.

In addition to the above, the following information of the Company will be reviewed by the Audit Committee:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions, (as defined by the Audit Committee) submitted by the Management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. Appointment, removal and terms of remuneration of the Internal Auditors.
6. Statement of deviations:
   i. quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Listing Regulations.
   ii. annual statement of funds utilized for purposes other than those stated in the offer document prospectus/notice in terms of Listing Regulations.

The composition of the Audit Committee is as under:

Name of Members	Designation	Category
Shri Nalin M. Shah	Chairman	NED(I)
Shri Pradip M. Patel	Member	NED(P)
Shri Nirmal P. Bhogilal	Member	NED(I)
Smt. Manjuladevi P. Shroff	Member	NED(I)

Meetings and attendance during the year:

Members	Attendance at Committee Meeting held on			
	25th June, 2020	10th August, 2020	30th October, 2020	8th February, 2021
Shri Nalin M. Shah	Yes	Yes	Yes	Yes
Shri Pradip M. Patel	Yes	Yes	Yes	Yes
Shri Nirmal P. Bhogilal	Yes	Yes	No	Yes
Smt. Manjuladevi P. Shroff	Yes	Yes	Yes	Yes

The meetings of the Audit Committee are usually attended by the Whole-time Director, the Executive Director, the Chief Financial Officer, the Businees Heads of the Company. The representatives of the Statutory Auditors and the Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary of the Committee.

NOMINATION AND REMUNERATION COMMITTEE

In compliance with the Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015; the Board of Directors has constituted the "Nomination and Remuneration Committee" in its meeting. The Company has formulated the Nomination and Remuneration Policy, which was approved by the Nomination and Remuneration Committee followed by the approval of the Board of Directors.

Nomination and Remuneration Committee has been constituted to recommend the remuneration package of Directors and KMPs based on the performance and defined criteria.

The terms of reference of Nomination and Remuneration Committee are as under:-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- recommend to the Board, all remuneration, in whatever form, payable to senior management.

The composition of the Nomination and Remuneration Committee is as under :

Name of Members	Designation	Category
Shri Nalin M. Shah	Chairman	NED(I)
Shri Pradip M. Patel	Member	NED(P)
Shri Nirmal P. Bhogilal	Member	NED(I)

Meetings and attendance during the year:

Members	Attendance at Committee Meeting held on
	25th June, 2020
Shri Nalin M. Shah	Yes
Shri Pradip M. Patel	Yes
Shri Nirmal P. Bhogilal	Yes

The Company Secretary acts as the Secretary of the Committee.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Remuneration Policy is available at the Company's web site www.eimcoelecon.in.

The details of remuneration paid to the **Executive Directors** are as under : (Amount in ₹)

Name	Salary (₹)	Perquisites & Retirement benefits	Commission Payable	Total (₹)	Period of contract
Shri Prayasvin B. Patel, Executive Director	48,00,000	Perquisites & Retirement benefits as per terms of appointment and subject to overall ceiling of the Companies Act, 2013.	Nil	49,44,000	5 years from 9th November, 2016
Shri Mukulnarayan Dwivedi#	40,22,019		Nil	43,58,019	3 years from 10th September, 2019

There is no payment towards Bonus, Stock Options, Pension or any other to above said Executive Directors.

The details of remuneration paid to **Non-Executive Directors** are as under :

(Amount in ₹)

Name	Sitting Fees for FY 2020-21		Commission on Annual basis for the year 2020-21	Total (₹)
	Board Meeting	Committee Meeting		
Shri Pradip M. Patel	1,00,000	1,37,500	2,50,000	4,87,500
Shri Prashant C. Amin	1,00,000	30,000	2,50,000	3,80,000
Shri Nalin M. Shah	1,00,000	1,27,500	2,50,000	4,77,500
Shri Nirmal P. Bhogilal	75,000	1,02,500	2,50,000	4,27,500
Smt. Manjuladevi P. Shroff	1,00,000	1,05,000	2,50,000	4,55,000
Ms. Reena P. Bhagwati	1,00,000	NA	2,50,000	3,50,000

Note: The Commission related to Financial Year ended 31st March, 2021, will be paid after the Annual General Meeting to be held on 5th August, 2021.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has constituted the Stakeholders' Relationship Committee in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015.

The terms of reference of Stakeholders' Relationship Committee are as under:-

1. Resolving the grievances of the security holders of the listed entity, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The composition of the Stakeholders' Relationship Committee is as under:

Name of Members	Designation	Category
Shri Prashant C. Amin	Chairman	NED(P)
Shri Pradip M. Patel	Member	NED(P)
Shri Nalin M. Shah	Member	NED (I)
Shri N. D. Shelat	Member	CFO

Meetings and attendance during the year:

Members	Attendance at Committee Meeting held on			
	25th June, 2020	10th August, 2020	30th October, 2020	8th February, 2021
Shri Prashant C. Amin	Yes	Yes	Yes	Yes
Shri Pradip M. Patel	Yes	Yes	Yes	Yes
Shri Nalin M. Shah	Yes	Yes	Yes	Yes
Shri N. D. Shelat	Yes	Yes	Yes	Yes

The Company Secretary acts as the Secretary of the Committee.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee has been constituted as per Section 135 of the Companies Act, 2013 and rules made thereunder.

The composition of the Corporate Social Responsibility Committee is as under:

Name of Members	Designation	Category
Shri Pradip M. Patel	Chairman	NED(P)
Shri Prashant C. Amin	Member	NED(P)
Smt. Manjuladevi P. Shroff	Member	NED(I)

Meetings and attendance during the year:

Members	Attendance at Committee Meeting held on
	25th June, 2021
Shri Pradip M. Patel	Yes
Shri Prashant C. Amin	Yes
Smt. Manjuladevi P. Shroff	Yes

The Company Secretary acts as a Secretary of the Committee.

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 9th March, 2021, inter alia, to discuss: Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.

Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. During the first Board Meeting attended, each newly appointed Independent Director is taken through a formal induction program, including the presentation from the Whole-time Director on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The Familiarization Programme for Independent Directors includes a detailed presentation by Business and Functional Heads, visit to the manufacturing site, etc. Weblink for the Policy for the Familiarisation Programme for Independent Directors - https://eimcoelecon.in/wp-content/uploads/2020/05/Final-Familiarization-Programme-Independent-Directors_2019-20.pdf.

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length

pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interests of the Company. Transactions with related parties are disclosed in the notes to accounts to the financial statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website at following link- https://eimcoelecon.in/wp-content/uploads/2012/11/Related-Party-Policy-EIMCO.pdf.

DISCLOSURES

During last three years, there was neither non-compliance made by the Company nor any penalty or strictures imposed on the Company by any Stock Exchange(s) or the SEBI or any other statutory authority, on any matter related to capital markets.

Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards as notified by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

Internal Controls

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory compliances. The Company's business processes are on Oracle – ERP and has a strong monitoring and reporting process resulting in financial discipline and accountability.

CODE OF CONDUCT

i) For prevention of Insider Trading

The Company has a comprehensive code of conduct for its management, staff and directors for prevention of insider trading. The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them on the consequences of non-compliances. The Company Secretary has been appointed as a Compliance Officer and is responsible for adherence to "Code for Prevention of Insider Trading".

ii) For Board of Directors (including Independent Directors) and Senior Management.

The Board of Directors of the Company has laid down a "Code of Conduct" for all Board Members including Independent Directors and Members of Senior Management of the Company. The Code of Conduct is posted on the website of the Company www.eimcoelecon.in. The Board Members (including Independent Directors) and Senior Management Personnel have affirmed compliance with the "Code of Conduct" for the year ended on 31st March, 2021.

Declaration regarding affirmation of Code of Conduct

In terms of the requirement of the Schedule V of the SEBI (LODR) Regulations, 2015, this is to confirm that all the members of the Board and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended 31st March, 2021.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy. The Company takes cognizance of complaints made and suggestions given, if any, by the employees and others. No employee of the Company has been denied access to the Audit Committee.

The Weblink for the Whistle Blower is - https://eimcoelecon.in/wp-content/uploads/2021/06/The-Whistle-Blower-Policy_2021-06-03.pdf.

General Body Meetings

A. Annual General Meetings

The location, date and time of the last three Annual General Meetings held are as under:

Year	Venue	AGM	Date	Day	Time	No. of Special Resolution Passed
2019-20	Meeting Conducted through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM") pursuant to MCA circular.	AGM	10.08.2020	Monday	10:00 a.m.	1
2018-19	Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Vallabh Vidyanagar – 388 120, Gujarat.	AGM	25.07.2019	Thursday	2:30 p.m.	1
2017-18	Audio Visual Hall, Eimco Elecon Building, Anand-Sojitra Road, Vallabh Vidyanagar – 388 120, Gujarat.	AGM	31.07.2018	Tuesday	3:00 p.m.	1

POSTAL BALLOT

The Company has not passed any resolution through postal ballot during the year 2020-21.

PROCEDURE FOR POSTAL BALLOT

The procedure for Postal Ballot shall be as per the provisions contained in this behalf in the Companies Act, 2013 and Rules made there under, viz., Companies (Management and Administration) Rules, 2014 and any amendments thereof from time to time. Electronic voting facility be provided to all members, to enable them to cast their votes electronically. The Company engages the services of CDSL / Link Intime India Private Limited for the purpose of providing e-voting facility to all its members. The members had the option to vote either electronically or by physical ballot.

CEO/CFO CERTIFICATION

The Executive Director/ CEO and the Chief Financial Officer of the Company have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the SEBI (LODR) Regulations, 2015 pertaining to CEO/CFO certification for the financial year ended on 31st March, 2021. The said certificate is part of the Annual Report.

Means of Communication

i.	Half yearly report sent to each shareholders residence.	No
ii.	In which newspapers quarterly, half-yearly and annual financial results were normally published.	Economic Times (English & Gujarati), Business Standard (English), Jaihind (Gujarati)
iii.	Any website where results or official news are displayed.	www.eimcoelecon.in
iv.	The presentation made to institutional investors or to the analysts.	No.
v.	Whether Management Discussion and Analysis is part of Annual Report or not	Yes, contained in the Board's Report

GENERAL SHAREHOLDER INFORMATION

i. AGM – date, time and venue Thursday, 5th August, 2021 at 04:00 p.m. IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"). The placed of the meeting deemed to be the Registered Office of the Company at Vallabh Vidyanagar – 388120, Dist. Anand, Gujarat.

ii. Financial Year 2020-2021 (year ending on 31st March, 2021)

iii. Book Closure Date Saturday, 24th July, 2021, to Thursday, 5th August, 2021(both days inclusive)

iv. Dividend Payment Date Credit / Dispatch of Dividend Warrants / Demand Draft on/after Thursday, 12th August, 2021 but within 30 days of AGM.

v. Unclaimed Dividend :

Section 125 of the Companies Act, 2013, mandates that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). In accordance with following schedule, the dividend for the years mentioned as follows, if unclaimed within a period of seven years, will be transferred to IEPF.

Financial Year	Date of Declaration	Date of Payment	Unclaimed Amount (₹)	Date on which dividend will become part of IEPF
2013-2014	5th August, 2014	7th August, 2014	2,07,156.00	10th September, 2021
2014-2015	13th August, 2015	17th August, 2015	2,96,590.00	18th September, 2022
2015-2016	25th July, 2016	28th July, 2016	2,97,120.00	31st August, 2023
2016-2017	2nd August, 2017	4th August, 2017	3,21,225.00	7th September, 2024
2017-2018	31st July, 2018	3rd August, 2018	1,97,895.00	5th September, 2025
2018-2019	25th July, 2019	29th July, 2019	2,61,086.00	30th August, 2026
2019-2020	10th August, 2020	13th August, 2020	1,98,686.00	16th September, 2027

vi. Unclaimed Shares

Information as per Regulation 39(4) read with Schedule VI of the SEBI (LODR) Regulations, 2015 regarding 'Eimco Elecon (India) Limited - Unclaimed Suspense Account' of Equity Shares :-

	Number of Shareholders	Number of Equity Shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2020	1	50
Number of shareholders who approached the Company for transfer of shares from suspense account during the year.	NIL	NIL
Number of shareholders to whom shares were transferred from the suspense account during the year.	NIL	NIL
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2021	1	50
That the voting rights on this shares shall remain frozen till the rightful owner of such shares claims the shares	1	50

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereof, the shares on which dividend has not been claimed for seven consecutive years or more, then such shares are required to be transferred to Investor Education and Protection Fund (IEPF), a fund constituted by the Government of India under Section 125 of the Companies Act, 2013.

During the Financial Year 2020-21, 18 numbers of shareholders holding 2,255 shares have been transferred to IEPF Authority. The Company in compliance with the aforesaid provisions and rules made thereunder, transferred total 28,663 number of equity shares of 270 folios of which dividend had remained unpaid or unclaimed for a period of seven consecutive years or more, to the demat account of IEPF Authority.

To know necessary guidelines and procedures for claiming the dividend and shares from IEPF Authority, please login into http://www.iepf.gov.in/IEPFA/refund.html.

vii. Listing on Stock Exchanges

The Company's shares are listed on the following stock exchanges:

BSE Limited

P. J. Towers, 25th Floor, Dalal Street,
Mumbai - 400 001.

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,
Plot No. C/1, G Block
Bandra - Kurla Complex Bandra (E)
Mumbai - 400 051.

The listing fees for the year 2020-21 for the above Stock Exchanges have been paid in time and the shares of the Company have been neither de-listed nor suspended from trading during the year under review.

viii. Stock Code

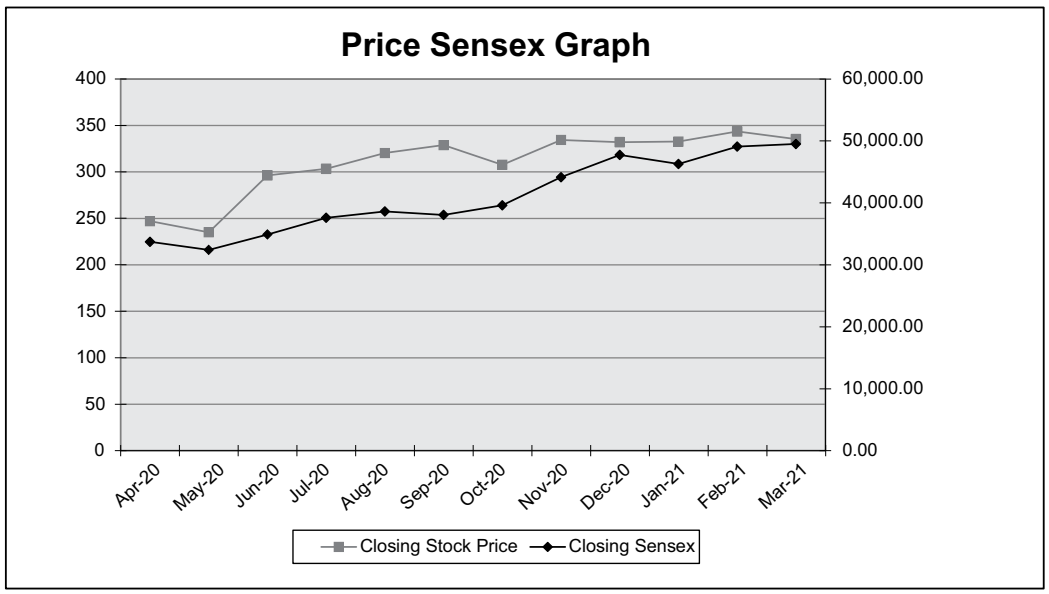
The Stock Code of the Company's shares is as follows:

Name of the Stock Exchange	Code No.
BSE Limited	523708
National Stock Exchange of India Limited	EIMCOELECO EQ
ISIN No. for Shares in Demat mode	INE 158B01016

ix. Stock Market Price Data

Months 2020-21	BSE Limited (BSE)			BSE Index		National Stock Exchange of India Limited (NSE)		
	High (₹)	Low (₹)	Volume (Nos.)	High	Low	High (₹)	Low (₹)	Volume (Nos.)
Apr-2020	252.00	200.00	2,719	33887.25	27500.79	260.00	195.00	9,875
May-2020	244.00	216.85	944	32845.48	29968.45	253.20	215.00	11,802
Jun-2020	349.00	237.60	9,905	35706.55	32348.10	350.00	222.75	50,086
Jul-2020	349.05	280.00	8,347	38617.03	34927.20	349.00	268.95	65,228
Aug-2020	360.00	294.90	12,389	40010.17	36911.23	361.90	294.10	82,441
Sep-2020	406.20	306.50	4,927	39359.51	36495.98	360.50	307.50	31,099
Oct-2020	346.95	297.10	13,938	41048.05	38410.20	340.90	295.60	31,032
Nov-2020	342.00	290.00	11,463	44825.37	39334.92	345.00	287.00	30,982
Dec-2020	352.60	303.00	35,956	47896.97	44118.10	355.95	301.60	61,250
Jan-2021	423.00	321.00	47,320	50184.01	47594.47	413.50	322.20	1,57,756
Feb-2021	394.30	308.95	43,531	52516.76	46433.65	394.95	303.00	84,325
Mar-2021	382.70	320.00	29,943	51821.84	48236.35	404.70	318.00	65,364

x. Index graph



xi. Share Transfer System

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a stipulated period from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

xii. Details of shareholders' complaints received, solved and pending

The below complaints were received from the SEBI SCORE by the Company during the Financial Year 2020-21.

Complaints pending as on 1st April, 2020	0
Complaints received during the year	0
Complaints resolved during the year	0
Complaints pending as on 31st March, 2021	0

xiii. Distribution of Shareholding as on 31st March, 2021:

Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	4931	94.3371	470355	8.15
501-1000	128	2.4488	101011	1.75
1001-2000	79	1.5114	115935	2.01
2001-3000	30	0.5739	75702	1.31
3001-4000	11	0.2104	39802	0.69
4001-5000	10	0.1913	47939	0.83
5001-10000	15	0.2870	113303	1.96
10001 & above	23	0.4400	4804338	83.29
Total	**5227**	**100.0000**	**5768385**	**100.00**

xiv. Shareholding Pattern as on 31st March, 2021

	Category	No. of Shares held	% of Shareholding
A.	Promoters' holding		
1.	- Indian Promoters	2817645	48.85
	- Foreign Promoters	1447875	25.10
2.	Persons acting in concert	6275	0.10
	Sub-total (a)	**4271795**	**74.05**
B.	Non-Promoters' Holding		
3.	Institutions		
a.	Mutual Funds / UTI	0	0.00
b.	Financial Institutions/ Banks	105	0.00
	Sub-total (b)	**105**	**0.00**
4.	Non-Institutions		
a.	Bodies Corporate	206461	3.58
b.	Indian Public	1148179	19.91
c.	Non-Resident Indians	33419	0.58
d.	HUF	77721	1.34
e.	IEPF Authority	28663	0.50
f.	Any Other	2042	0.04
	Sub-total (c)	**1496485**	**25.95**
	GRAND TOTAL (a+b+c)	**5768385**	**100.00**

xv. Dematerialization of shares and liquidity.

As on 31st March, 2021, 56,97,679 shares have been dematerialized from representing 98.77% of total shares. The Company's shares are traded on BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

Electronic Clearing Service

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the Bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through ECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

Service of documents through electronic mode

As a part of Green Initiative, the members who wish to receive the annual report(s), notice(s) and other communications/ benefits through electronic mode, may kindly visit the weblink provided by the Company's Registrar and Share Transfer Agent i.e. Link Intime India Private Limited at https://www.linkintime.co.in/EmailReg/Email_Register.html and upload the required therein. The Company urges all the members to use this link effectively since the Email IDs and Mobile Numbers could help the Company for sending paperless communications in future.

xvi. Outstanding GDR/ADR/Warrants or convertible instruments : Nil

xvii. Plant Location : Eimco Elecon (India) Limited
Anand-Sojitra Road
Vallabh Vidyanagar - 388 120
Dist. Anand, Gujarat

xviii. Address for correspondence: As above

xix. CREDIT RATING :

CRISIL has given the credit rating of CRISIL A/ Negative (Outlook Revised from 'Stable' and Rating Reaffirmed) for long-term and CRISIL A1 for short-term financial instruments of the Company.

xx. Certificate from Company Secretary in Practice

Shri Dineshkumar G. Bhimani, D. G. Bhimani & Associates, Company Secretary in Practice, has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed herewith as a part of the Report.

xxi. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of number of complaints filed and disposed of during the year and pending as on 31st March, 2021 are given in the Boards' report.

xxii. The Company has not raised any funds through preferential allotment or qualified institutions placement.

xxiii. During the year under review, the Board of Directors confirms that it has accepted all recommendations received from all its Committees.

xxiv. Fees paid to Statutory Auditor:

A total fee of ₹ 5.46 Lakh was paid by the Company, on a consolidated basis, for all services to Thacker Butala Desai, Statutory Auditors and all entities in the network firm/ network entity of which they are part.

xxv. The Non-Executive Directors/Independent Directors do not have any material pecuniary relationship or transactions with the Company.

xxvi. During the year, the Company has fully complied with the mandatory requirements as stipulated in the SEBI (LODR) Regulations, 2015.

xxvii. Name and Designation of the Compliance Officer:-

The shareholders may address their communications/suggestions/grievances to:-

Shri Rikenkumar Dalwadi
Company Secretary & Compliance Officer
Eimco Elecon (India) Limited
Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120, Dist. Anand, Gujarat
Tel. No.:- +91 2692 230502 / 230602
Fax No.: +91 2692 236506
Email Address:- investor@eimcoelecon.in

Registrar & Share Transfer Agent

Mumbai Office :
Link Intime India Private Limited
C-101, 247 Park,
LBS Marg, Vikhroli (W),
Mumbai - 400 083.

Vadodara Office :
Link Intime India Private Limited
B-102 &103, Shangrila Complex,
First Floor, Opp. HDFC Bank,
Near Radhakrishna Crossing, Akota.
Vadodara - 390 020.
E-mail :- vadodara@linkintime.co.in
Tel. No.:- +91 0265-2356573
+91 0265-2356794

B. NON-MANDATORY REQUIREMENTS

1) AUDIT QUALIFICATIONS

The Financial Statements of the Company for the Financial Year ended on 31st March, 2021 are with unmodified audit opinion.

2) REPORTING OF INTERNAL AUDITOR

The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members.

For and on behalf of the Board of Directors,

	Mukulnarayan Dwivedi	**Prayasvin B. Patel**
Place : Vallabh Vidyanagar	Executive Director	Executive Director
Date : 13th May, 2021	DIN : 08442155	DIN : 00037394

Declaration regarding affirmation of Code of Conduct

In terms of the requirement of the Schedule V of the SEBI (LODR) Regulations, 2015, this is to confirm that all the members of the Board and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended on 31st March, 2021.

	Mukulnarayan Dwivedi	**Prayasvin B. Patel**
Place : Vallabh Vidyanagar	Executive Director	Executive Director
Date : 13th May, 2021	DIN : 08442155	DIN : 00037394

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

To
The Board of Directors
Eimco Elecon (India) Limited
Vallabh Vidyanagar – 388 120

We, the undersigned, in our respective capacities as Executive Director and Chief Financial Officer of Eimco Elecon (India) Limited ("the Company") to the best of our knowledge and belief, certify that:

(a) We have reviewed financial statements and cash flow statement for the financial year ended on 31st March, 2021 and that to the best of my knowledge and belief:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended on 31st March, 2021, which are fraudulent, illegal or violative of the Company's Code of Conduct or ethics policy.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we confirm that no deficiencies in the design or operation of such internal controls of which we are aware were noticed during the year.

(d) We have indicated to the Auditors and the Audit Committee:-

  (i) there are no significant changes in internal control over financial reporting during the financial year ended on 31st March, 2021;

  (ii) there are no significant changes in accounting policies during the financial year ended on 31st March, 2021; and

  (iii) there are no instances of significant fraud of which the Management have become aware and the involvement, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Eimco Elecon (India) Limited

Mukulnarayan Dwivedi
Executive Director
DIN : 08442155

N. D. Shelat
Chief Financial Officer

Place : Vallabh Vidyanagar
Date : 13th May, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Eimco Elecon (India)Limited
Anand Sojitra Road,
Anand – 388001.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Eimco Elecon (India) Limited having CIN L29199GJ1974PLC002574 and having registered office at Anand Sojitra Road, Anand. - 388001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Pradip Manubhai Patel	00012138	11/01/1996
2	Prayasvin Patel	00037394	09/11/2016
3	Reena Bhagwati Pravin	00096280	09/11/2016
4	Nirmal PratapBhogilal	00173168	23/09/2011
5	Manjula Devi Shroff	00297159	02/02/2015
6	Nalin Mansukhlal Shah	00882723	08/05/2012
7	Prashant Chandrakant Amin	01056652	25/10/2007
8	Mukulnarayan Dwivedi	08442155	10/09/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **D. G. BHIMANI & ASSOCIATES**

Place : Anand
Date : 13th May, 2021
UDIN : F008064C000287321

DINESHKUMAR G. BHIMANI
Company Secretary
C P No.: 6628

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH MANDATORY REQUIREMENTS OF CORPORATE GOVERNANCE TO THE MEMBERS OF EIMCO ELECON (INDIA) LIMITED

To,
The Members of
Eimco Elecon (India) Limited,
Vallabh Vidyanagar - 388120.

We have examined the compliance of the conditions of Corporate Governance by **Eimco Elecon (India) Limited ("the Company") for the year ended on 31st March, 2021** as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in Chapter IV of the Regulations.

We state that in respect of investor grievance received during the year ended on 31st March, 2021, no investor grievance is pending against the Company as per records maintained by the Company and presented to the Stakeholders Relationship Committee of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the Management has conducted the affairs of the Company.

For **THACKER BUTALA DESAI**
Chartered Accountants
ICAI Firm's Registration No.110864W

Yatin N. Patel
Partner
Membership No. 122676
ICAI'S UDIN:- 21122676AAAABU1569

Place : Navsari
Date : 13th May, 2020

ANNEXURE – 'D' TO BOARD'S REPORT- ITEM NO. 24

Information pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

i. Name of the top 10 employees in terms of remuneration drawn and names of every employee who employed throughout the financial year ended on March 31, 2021 and in receipt of remuneration in aggregate of ₹ 1.02 Crore or above.

Sr. No.	Name	Age (Yrs.)	Qualification	Date of Joining	Designation	Nature of Duty	Remuneration (₹ in Lakh)	Exper-ience (Yrs.)	Last Employment
1.	Shri Prayasvin B. Patel*	63	B. E. (Mech.) M.B.A. (U. S. A.)	09-11-2016	ED	Contractual	49.44	45	Elecon Engg. Co. Ltd. (on going)
2.	Shri Mukul Dwivedi *	54	BE (Mech.)	30-08-2016	Executive Director	Contractual	43.58	33	Mcnally Sayaji Engg. Limited
3.	Shri Manoj Gupta	53	BE (Mech.)	10-02-2012	GM, Material Management	Permanent	29.83	29	IAC International Automotiv Components Pvt. Ltd.
4.	Shri Neeraj Bhatia	51	BE (Mech.); MBA (Mkg.)	09-01-2012	GM, Construction	Permanent	28.15	30	Quippo Construction Equip. Limited
5.	Shri Hitendra Shukla	54	BE (Mech.)	07-04-1990	GM, Marketing	Permanent	27.43	33	Power Build Private Limited
6.	Shri Nilesh Shelat	64	CS, ICWA	18-04-1995	CFO	Permanent	26.49	34	-
7.	Shri Vilas S Badgujar	63	BE (Mech.)	01-04-2016	General Manager	Permanent	23.36	43	Eimco Elecon (I) Ltd.
8.	Shri Deepak Sharma	43	BE (Mech.)	05-04-2012	Dy. General Manager	Permanent	18.95	24	Mahindra Engineering Services Limited - Bangalore
9.	Shri Veeresh G Hondadakatti	53	BE (Mech.)	21-09-2017	Dy. General Manager	Permanent	18.89	30	Case New Holland Construction & Equipment Pvt.
10.	Abhay Kumar Nirala	52	BE (Mech.)	14-03-2019	Sr. Manager	Permanent	18.32	18	SMSL, Nagpur

Notes:

1. The remuneration received includes Salary, Commission, House Rent Allowance/rent paid, Medical Expenses, Company's contribution to Provident Fund, Superannuation and Gratuity Funds, Retirement Benefits, Monetary Value of perquisites in accordance with the provisions of the Income Tax Act, 1961.
2. Experience includes number of years' service elsewhere, wherever applicable.
3. *The appointment is contractual.
4. In above mentioned, no employee held the equity share of the Company within the meaning of Clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
5. Shri Prayasvin B. Patel, Executive Director of the Company is a relative of Shri Pradip M. Patel, Director of the Company. No other employee is a relative of any Director of the Company.
   i. There was no employee for part of the year and was in receipt of Remuneration at the rate of not less than ₹ 8.50 Lakh per month.

The percentage increase in remuneration of each Director, CFO & Company Secretary during the financial year 2020-21 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 are as under:

Details of Remuneration of KMPs:-

Sr. No.	Name	Designation	Remuneration p.a. (₹ in Lakh)	Increase in Remuneration in F.Y. 2020-21 over the F.Y. 2019-20 (₹ in Lakh)	Ratio (Remuneration of KMP to Median Remuneration)
1.	Shri Mukulnarayan Dwivedi	ED	43.58	#	#
2.	Shri N. D. Shelat	CFO	26.49	(16.33)	5.48
3.	Shri Rikenkumar Dalwadi	CS	4.49	(16.70)	0.93

Shri Mukulnarayan Dwivedi was appointed as Executive Director and KMP of the Company w.e.f. 10th September, 2019. Hence, the remuneration for F. Y. 2020-21 over the F.Y. 2019-20 is not comparable.

Details of Remuneration of other Directors:-

Sr. No.	Name of the Other Directors	Designation	Details of Remuneration	Remuneration p.a. for FY 2020-21 ₹	Remuneration p.a. for the FY 2019-20 ₹	% increase / decrease in Remuneration (in F.Y 2020-21)	Ratio of Remuneration of each Director to Median Remuneration of Employee
1	Shri Pradip M. Patel	Non-Independent	Sitting Fees	2,37,500	2,47,500	49.23	1.01
		NED	Commission	2,50,000	-		
2	Shri Prashant C. Amin	Non-Independent	Sitting Fees	1,30,000	1,25,000	67.11	0.79
		NED	Commission	2,50,000	-		
3	Shri Nalin M. Shah	Independent	Sitting Fees	2,27,500	2,27,500	62.30	0.99
		NED	Commission	2,50,000	-		
4	Shri Nirmal P. Bhogilal	Independent	Sitting Fees	1,57,500	1,72,500	53.80	0.88
		NED	Commission	2,50,000	-		
5	Smt. Manjuladevi P. Shroff	Independent	Sitting Fees	2,05,000	2,05,000	65.93	0.94
		NED	Commission	2,50,000	-		
6	Ms. Reena P. Bhagwati	Independent	Sitting Fees	1,00,000	75,000	78.57	0.72
		NED	Commission	2,50,000	-		
7	Shri Prayasvin B. Patel	Non-Independent	Remuneration	49,44,456	62,88,456	(27.19)	10.23
		ED	Commission	-	-		

iii. The median remuneration of employees of the Company during the Financial Year was ₹ 5.86 Lakh.

iv. In the Financial Year, there was decrease of 17.22 % in the median remuneration of employees. (No. of employees have been decreased from 145 to 123 as on 31st March, 2021).

v. There were 123 permanent employees on the rolls of Company as on 31st March, 2021.

vi. There was a decreased of 0.29% in average percentage salaries of employees other than the managerial personnel in the last Financial Year i.e. 2020-21 whereas the decrease in the key managerial personnel remuneration for the same Financial Year was 29.59%.

vii. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

viii. The Commission related to Financial Year ended 31st March, 2021, will be paid after the Annual General Meeting to be held on 5th August, 2021.

ix. During the F.Y. 2020-21 the proportionate salary has been reduced by the Company due to Covid-19 .

x. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees of the Company.

- **Designations at the Company:-**

  GTD:- Group Technical Director
  WTD:- Whole-time Director
  NED:- Non- Executive Director
  ED:- Executive Director
  VP:- Vice President
  GM:- General Manager
  DGM:- Deputy General Manager
  CFO:- Chief Financial Officer
  CS:- Company Secretary

For and on behalf of the Board of Directors,

Mukulnarayan Dwivedi	**Prayasvin B. Patel**
Executive Director	Executive Director
DIN : 08442155	DIN : 00037394

Place : Vallabh Vidyanagar
Date : 13th May, 2021

ANNEXURE – 'E' TO BOARD'S REPORT - ITEM NO. 25

Particulars required to be disclosed in the report of Board of Directors 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 :

Energy conservation and efficiency measures were taken into various areas in the plant as under:-

1. VFD panel replaced in GL2 & GL7 cranes.
2. Kept vigil/watch to ensure switching off electrical fittings in lunch time to avoid idle usage of AC, computer and light.
3. Manual AC plant on /off control in R & D office.
4. Wash rooms in all offices and workshop provided with light control with mason sensor.
5. Replaced 36V bulbs with 10V LED in main office.

[B] Technology absorption :

Form B (rule 2)

Research & Development (R & D)

The Company has a Government recognized R & D Department which is manned with well qualified personnel and equipped with Computer Aided Design System.

1. Benefit derived as a result of the above R & D:

R&D efforts have helped to bring out improvements in processes, product design and operating efficiencies. Indigenous development & supply of the underground mining machinery saved the country a sizable amount of foreign exchange, besides availability of machines at shorter notice.

2. Future plan of action:

Continuous measures are being taken to achieve indigenisation of existing machines and efforts are put to introduce new models suitable to Indian mining conditions.

3. Expenditure:

Capital	-	Nil
Recurring	-	139.71 Lakh
Total R & D expenditure	-	139.71 Lakh
Percentage of total turnover	-	1.11%

Technology absorption, adaptation & innovation:

1. Efforts, in brief, made towards technology absorption, adaptation & innovation:

   The technologies so far imported by the Company have been absorbed and adapted/ innovated to make them suitable to the Indian mining conditions by the active involvement of the R & D Department.

2. Benefits derived as a result of above efforts:

   Absorption, adaptation & innovation of imported technology have lead to less dependence on imports of these products. This has saved a considerable amount of foreign exchange and cost of production.

3. Technology imported:

   The Company had signed Collaboration Agreement in 2018 with CZM USA Corp. for Piling Rigs. Technology for the same is partially absorbed.

[C] Foreign exchange earning & outgo:

1. During the year, the Company has exported goods worth ₹ 125.67 Lakh and continues to make efforts to push up exports.
2. Foreign Exchange used & earned:

Used	Earned
₹ 1160.73 Lakh	₹ 125.67 Lakh

For and on behalf of the Board of Directors,

Mukulnarayan Dwivedi
Executive Director
DIN : 08442155

Prayasvin B. Patel
Executive Director
DIN : 00037394

Place : Vallabh Vidyanagar
Date : 13th May, 2021

ANNEXURE - 'F' TO THE BOARD'S REPORT - ITEM NO. 28

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THR FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To,
The Members of
Eimco Elecon (India) Limited
Vallabh Vidyanagar.

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **EIMCO ELECON (INDIA) LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in accordance with the Guidance Notes issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes, 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 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:

We have examined the books, papers, minute books, forms and returns filed and the other records maintained by **EIMCO ELECON (INDIA) LIMITED** for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **As informed to us, there were no FDI transaction in the Company during the year under review.**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Company has appointed SEBI registered Category-I Registrar and Share Transfer Agent.

We further report that there were no actions/events in pursuance of the following regulations requiring compliance thereof by the Company during the period of this report:

(a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(vi) Other Applicable Acts

As informed to us, there are no laws which have specific applicability to the Company other than general laws applicable to industry generally.

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

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

(ii) The Listing Agreements entered into by the Company with NSE and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations,

Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly 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 Act.

Adequate notice was given to all the directors to schedule the Board Meetings, agenda and detailed notes 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.

As per the minutes, the decisions at the Board Meeting were taken unanimously.

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

For **D. G. BHIMANI & ASSOCIATES**

Place : Anand
Date : 13th May, 2021
UDIN : F008064C000287310

DINESHKUMAR G. BHIMANI
Company Secretary
C P No.: 6628

Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE - A

To,
The Members of
Eimco Elecon (India) Limited
Vallabh Vidyanagar - 388 120.

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. In view of the situation emerging out of the outbreak of COVID-19 pandemic, I could not examine physical documents, records & other papers etc. of the Company for the year ended March 31, 2021 and the documents / information required were provided through electronic Mode.

For **D. G. BHIMANI & ASSOCIATES**

Place : Anand
Date : 13th May, 2021
UDIN : F008064C000287310

DINESHKUMAR G. BHIMANI
Company Secretary
C P No.: 6628

INDEPENDENT AUDITORS' REPORT

To,
The Members of **Eimco Elecon (India) Limited**

Report on Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Eimco Elecon (India) Limited** ('the Company'), which comprise the Balance Sheet as at **31st March, 2021**; the Statement of Profit and Loss (including other comprehensive income), the Cash Flows Statement and the Statement of Changes in Equity for the year then ended and a summary of the Significant Accounting Policies and other Explanatory Information (herein after referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the company as at **31st March, 2021**;

(ii) in the case of the Statement of Profit and Loss (comprising of Other Comprehensive Income), of the Profit for the year ended on that date; and

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date and

(iv) the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE MATTER
Existence and valuation of investments ***Note 2.2 c. & Note 6(a) to the standalone balance sheet in the financial statements*** Total investments of ₹15466 Lakhs represent 42% of total assets of the company. These investments mainly consist of current and non-current investments in mutual funds. Valuation of the investments is done at fair market value at each balance sheet date. Thus, being very high proportion of total assets of the company as well as high amount of gain or loss credited / debited to statement of profit and loss account, made us conclude that existence and valuation of investments are a key audit matter of our audit.	Our audit procedures to test the existence of the investments mainly consist of verifying quantity / unit balances and market values with demat statement / statements of respective assets management companies as well as verifying the relevant recording of gain or loss in value of respective investments at each balance sheet date. Based on the procedures described we consider the disclosure of investments value as current as well as non-current and recording of gain or loss on the same as acceptable.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE MATTER
Existence and valuation of inventories ***Note 2.2 k. & Note 8 to the standalone balance sheet in the financial statements*** Total inventories of ₹ 3,719 Lakhs represent 10% of total assets of the company. These inventories mainly consist of inventories of raw material, stores, work in progress, traded goods and finished goods. Valuation of the inventories is at lower of cost and net realizable value. Cost of raw material and traded goods comprises cost of purchases, cost of work in progress and finished goods comprises direct materials, appropriate share of labour and manufacturing overheads and valued at the lower of cost and net realizable value. Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Cost of purchase inventory is determined after deducting rebate and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale. These inventories being significant share of total assets, made us conclude that existence and valuation of inventories are a key audit matter of our audit. Furthermore, inventories are an important factor to consider in our procedures because of its impact on the revenues.	Our audit procedures to test the existence of the inventories mainly consist of testing the relevant internal control procedures, specifically by testing the inventory cycle counts that are periodically performed by management and internal auditors. We have also performed physical verification of inventories lying in stock as at the date of the balance sheet at stores, to validate counts performed by the company. We compared our count results with the results of the counts by the company representatives. To validate the valuation of inventories, we performed test check of valuation done by the company including value of slow-moving and obsolete inventories. Furthermore, we analyzed the inventory turnaround and compared that to management's estimates. Based on the procedures described we consider management's estimates of the inventory valuation as well as its existence, as acceptable.

Responsibilities of the Management and Those Charged with Governance for the Standalone 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 Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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

The Board of Directors of the company are also responsible for overseeing the financial reporting process of the company.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Standalone 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting 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 Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, the Cash Flow Statement 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 Standalone Ind AS financial statements comply with the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
   e. On the basis of written representations received from the directors as on **31st March, 2021** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2021** from being appointed as a director in terms of Section164(2) of the Act.
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
   g. In our opinion, the managerial remuneration for the year ended **March 31, 2021** 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;
   h. With respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements- Refer Note 29 to the Standalone Ind AS 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 Investors Education and Protection Fund by the Company.

For **THACKER BUTALA DESAI**
Chartered Accountants
(Firm's Registration No.110864W)

Yatin N. Patel
Partner
Membership No. 122676
ICAI'S UDIN:- 21122676AAAABS9787

Place : Navsari
Date : 13th May, 2021

'ANNEXURE – A' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Standalone Ind AS financial statements of the **Eimco Elecon (India) Limited** for the year ended **31st March, 2021:**

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

(b) Majority of the assets have been physically verified by the management in a phased manner at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and its assets.

(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 the immovable properties held are in the name of the Company.

(ii) According to the information and explanations given to us, physical verification of inventories has been conducted at reasonable intervals by the management. The discrepancies noticed on physical verification of inventories as compared to the book records, which in our opinion were not material, have been properly dealt with.

(iii) According to information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Hence, clauses (iii) (a), (b) & (c) of paragraph 3 of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted are not applicable to the Company. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of Statutory dues:

(a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at **31st March, 2021** for a period of more than six months from the date they became payable.

(b) The disputed statutory dues aggregating to ₹ 765.44 Lakh that have not been deposited on account of disputed statutory matters pending before appropriate authorities are as under:

Sr. No.	Name of the Statute	Nature of the Dues	Amount* (₹ In Lakh)	Period to which the amount Relates	Forum where dispute is pending
1.	Central Excise Act, 1944	Excise Duty & Service Tax	765.44	Various years from 2006-07 to 2013-14	CESTAT, Ahmedabad

*Net of amounts paid under protest & excluding unquantified Interest payable wherever applicable.

(viii) In our opinion and according to the information and explanations given by the management, the Company has

not defaulted in repayment of loans or borrowing to a bank. The Company does not have any dues outstanding to debenture holder or financial institution or government in the nature of loan or borrowing.

(ix) In our opinion, and to the best of our information and according to the explanations provided by the management, the Company has not raised any monies by way of Initial Public Offer or Further Public Offer during the year. In our opinion, and to the best of our information and according to the explanations provided by the management, the term loans taken by the Company have been applied for the purpose for which they were obtained.

(x) Based on the audit procedures performed and representation obtained from the management we report that, no case of fraud by the Company or on the Company by its officers and employee has been noticed or reported for the year under audit.

(xi) In our opinion and according to the information and explanations given to us, the Company has provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, and to the best of our information and according to the explanations provided by the management, the company is not a nidhi company. Hence, in our opinion, the requirements of clause (xii) of Paragraph 3 of the Order do not apply to the Company.

(xiii) The Company has complied with Sections 177 and 188 of Companies Act, 2013, in respect of transactions with the related parties and relevant details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards (Ind AS).

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of Clause (xiv) of paragraph 3 of the Order are not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, the provisions of Clause (xv) of paragraph 3 of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **THACKER BUTALA DESAI**
Chartered Accountants
(Firm's Registration No.110864W)

Yatin N. Patel
Partner
Membership No. 122676
ICAI'S UDIN:- 21122676AAAABS9787

Place : Navsari
Date : 13th May, 2021

'ANNEXURE - B' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF EIMCO ELECON (INDIA) LIMITED

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 **Eimco Elecon (India) Limited** ("the Company") as of **31st March, 2021** in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included in 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 judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS 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 Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31st March, 2021**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **THACKER BUTALA DESAI**
Chartered Accountants
(Firm's Registration No.110864W)

Yatin N. Patel
Partner
Membership No. 122676
ICAI'S UDIN:- 21122676AAAABS9787

Place : Navsari
Date : 13th May, 2021

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Lakh)

Particulars	Note No.	31-March-2021	31-March-2020
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	5,891.79	6,031.94
(b) Capital work-in-progress	3	39.53	1,071.94
(c) Right of use of assets	5	969.74	1,012.99
(d) Investment properties	4	311.75	329.63
(e) Intangible assets	5	1,513.90	459.20
(f) Financial assets			
(i) Investments	6	14,481.73	14,446.78
(ii) Other financial assets	6	84.38	202.57
(g) Non-current tax assets (net)	9	588.73	528.44
(h) Other non-current assets	7	-	-
Total Non-current Assets		**23,881.55**	**24,083.49**
II. Current assets			
(a) Inventories	8	3,719.39	5,269.96
(b) Financial assets			
(i) Investments	6	984.36	812.57
(ii) Trade receivables	6	6,146.61	3,085.94
(iii) Cash and cash equivalents	6	943.43	675.57
(iv) Bank balances other than (iii) above	6	17.66	17.81
(v) Others financial assets	6	37.30	10.70
(c) Current tax assets (net)		44.00	143.52
(d) Other current assets	7	886.41	942.43
Total Current Assets		**12,779.16**	**10,958.50**
Total Assets		**36,660.71**	**35,041.99**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	576.84	576.84
(b) Other equity	11	31,849.49	31,013.30
Total Equity		**32,426.33**	**31,590.14**

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021 (Conti.)

(₹ in Lakh)

Particulars	Note No.	31-March-2021	31-March-2020
LIABILITIES			
(I) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	65.07	109.90
(ii) Lease Liability	12	85.66	125.69
(b) Provisions	13	28.91	38.09
(c) Deferred tax liabilities (net)	24	944.49	981.13
Total Non-Current Liabilities		**1,124.13**	**1,254.81**
(II) Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Micro and small enterprise	12	313.55	277.94
Other than micro and small enterprises	12	1,621.32	1,427.94
(ii) Other financial liabilities	12	81.08	105.11
(b) Other current liabilities	14	517.32	254.40
(c) Provisions	13	576.98	131.65
(d) Current tax liabilities (net)		-	-
Total Current Liabilities		**3,110.25**	**2,197.04**
Total Equity and Liabilities		**36,660.71**	**35,041.99**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For **THACKER BUTALA DESAI**
Chartered Accountants
ICAI Firm's Registration No.110864W

Yatin N. Patel
Partner
Membership No. 122676

Place : Navsari
Date : 13th May, 2021

For and on behalf of the Board of Directors
Eimco Elecon (India) Limited
CIN : L29199GJ1974PLC002574

Mukulnarayan Dwivedi
Executive Director
DIN : 08442155

Prayasvin B. Patel
Executive Director
DIN : 00037394

N. D. Shelat
Chief Financial Officer

Rikenkumar Dalwadi
Company Secretary

Place : Vallabh Vidyanagar
Date : 13th May, 2021

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

(₹ in Lakh)

Particulars	Note No.	31-March-2021	31-March-2020
INCOME			
Revenue from operations			
Sale of products	15	12,508.74	10,739.96
Sale of services	15	24.70	10.61
Other operating income	15	50.58	40.49
Total revenue from operations		12,584.02	10,791.06
Other income	16	1,133.05	1,069.68
Total income (I)		**13,717.07**	**11,860.74**
Expenses			
Cost of raw materials and components consumed	17	2,992.28	4,662.17
Purchase of traded goods	18	2,294.87	2,452.66
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	1,373.55	(1,596.34)
Manufacturing expense	20	193.55	213.42
Employee benefits expense	21	1,058.53	1,332.76
Finance costs	22	62.38	50.95
Depreciation and amortisation expense		730.15	583.69
Other expenses	23	3,584.75	3,141.27
Total Expenses (II)		**12,290.06**	**10,840.58**
Profit before tax (III) = (I-II)		**1,427.01**	**1,020.16**
Tax Expense			
Current tax	24	314.12	242.84
MAT Credit (receivable)/ Utilisation	24	23.38	(195.27)
Adjustment of tax relating to earlier periods	24	-	2.65
Deferred tax	24	(36.19)	29.34
Total tax expense (IV)		**301.31**	**79.56**
Profit for the year (V) = (III-IV)		**1,125.70**	**940.60**

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

(₹ in Lakh)

Particulars	Note No.	31-March-2021	31-March-2020
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans		(1.54)	(1.31)
Income tax effect of above		0.45	0.38
		(1.09)	**(0.93)**
Other comprehensive income to be reclassified to Profit or Loss in subsequent periods		-	-
Total other comprehensive income for the year, net of tax (VI)		**(1.09)**	**(0.93)**
Total comprehensive income for the year, net of tax attributable to equity share holders VII = (V + VI)		**1,124.61**	**939.67**
Earning per equity share [nominal value per share ₹ 10/- (31-March-2020: ₹10/-)]			
Basic		19.51	16.31
Diluted		19.51	16.31

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For **THACKER BUTALA DESAI**
Chartered Accountants
ICAI Firm's Registration No.110864W

Yatin N. Patel
Partner
Membership No. 122676

Place : Navsari
Date : 13th May, 2021

For and on behalf of the Board of Directors
Eimco Elecon (India) Limited
CIN : L29199GJ1974PLC002574

Mukulnarayan Dwivedi
Executive Director
DIN : 08442155

Prayasvin B. Patel
Executive Director
DIN : 00037394

N. D. Shelat
Chief Financial Officer

Rikenkumar Dalwadi
Company Secretary

Place : Vallabh Vidyanagar
Date : 13th May, 2021

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

(₹ in Lakh)

Particulars	31-March-2021	31-March-2020
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	**1,427.01**	**1,020.16**
Adjustments to reconcile profit before tax to net cash flows:		
1) Depreciation and Amortisation	730.15	583.69
2) Finance Cost	8.62	10.32
3) Gain on sale / fair valuation of Investment	(995.51)	(924.86)
4) Gain on Sale of Fixed Assets (Net)	(6.34)	(0.39)
5) Interest Income	(98.57)	(57.22)
6) Dividend Income	(6.37)	(25.37)
7) Remeasurements of Employee benefit expense	(1.54)	(1.31)
8) Interest on lease liability	8.97	12.28
9) Rent paid on leased asset	(49.00)	(46.99)
Operating Profit before working capital changes	**1,017.42**	**570.31**
Working Capital Adjustments		
1) Trade and other receivables	(3,060.67)	2,983.89
2) Inventories	1,550.57	(1,253.88)
3) Other financial assets	91.59	7.48
4) Other current and non-current assets	56.02	(241.27)
5) Trade payables	228.99	(282.07)
6) Other payables	699.07	(104.75)
7) Other financial liabilities	(25.55)	9.02
Cash Generated from Operations	**557.44**	**1,688.73**
Less :		
1) Direct taxes paid	298.27	552.72
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**259.17**	**1,136.01**
CASH FLOW FROM INVESTING ACTIVITIES		
1) Sale of fixed assets	41.56	19.35
2) Sale of investments (net)	788.77	593.00
3) Interest received	98.57	57.22
4) Dividend received	6.37	25.37
5) Purchase of fixed assets	(586.38)	(977.20)
6) Bank balance not considered as cash and cash equilvelant (Net)	0.15	(0.51)
NET CASH GENERATED (USED) FROM INVESTING ACTIVITIES (B)	**349.04**	**(282.77)**

CASH FLOW STATEMENT (Contd...)

(₹ in Lakh)

Particulars	31-March-2021	31-March-2020
CASH FLOW FROM FINANCING ACTIVITIES:		
1) Interest paid	(8.62)	(10.32)
2) Dividend Paid	(288.57)	(403.28)
3) Tax on Dividend	-	(83.02)
4) Proceeds /(repayment) of Borrowings (Net)	(43.16)	(36.62)
NET CASH GENERATED (USED) IN FINANCING ACTIVITY (C)	**(340.35)**	**(533.24)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**267.86**	**319.99**
Opening Cash and Cash equivalents	**675.57**	**355.58**
Closing Cash and Cash equivalents (Refer Note 6(d))	**943.43**	**675.57**
Components of Cash & Cash Equivalents :-		
Cash on hand	0.05	0.05
Balances with banks		
In Current Accounts	443.38	675.52
In Fixed Deposit Account	500.00	-
	943.43	**675.57**

As per our report of even date attached

For **THACKER BUTALA DESAI**
Chartered Accountants
ICAI Firm's Registration No.110864W

Yatin N. Patel
Partner
Membership No. 122676

Place : Navsari
Date : 13th May, 2021

For and on behalf of the Board of Directors
Eimco Elecon (India) Limited
CIN : L29199GJ1974PLC002574

Mukulnarayan Dwivedi
Executive Director
DIN : 08442155

Prayasvin B. Patel
Executive Director
DIN : 00037394

N. D. Shelat
Chief Financial Officer

Rikenkumar Dalwadi
Company Secretary

Place : Vallabh Vidyanagar
Date : 13th May, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

Attributable to the Equity Holders (₹ in Lakh)

Particulars	Equity Share Capital	Other Equity				Total Equity
		Capital Reserve	General Reserve	Security Premium	Retained Earnings	
	Note 10	Note 11	Note 11	Note 11	Note 11	
Balance as at 1-April- 2019	**576.84**	**2.91**	**22,443.45**	**753.83**	**7,360.25**	**31,137.28**
Profit for the year	-	-	-	-	940.60	**940.60**
Other comprehensive income for the year	-	-	-	-	(0.93)	**(0.93)**
Total Comprehensive income for the year	-	-	-	-	939.67	**939.67**
Dividend	-	-	-	-	(403.79)	**(403.79)**
Dividend distribution tax	-	-	-	-	(83.02)	**(83.02)**
Transfer to / from Retained earnings	-	-	-	-	-	**-**
Balance as at 31-March-2020	**576.84**	**2.91**	**22,443.45**	**753.83**	**7,813.11**	**31,590.14**
Profit for the year	-	-	-	-	1,125.70	**1,125.70**
Other comprehensive income for the year	-	-	-	-	(1.09)	**(1.09)**
Total Comprehensive income for the year	-	-	-	-	1,124.61	**1,124.61**
Dividend	-	-	-	-	(288.42)	**(288.42)**
Dividend distribution tax	-	-	-	-	-	**-**
Transfer to / from Retained earnings	-	-	-	-	-	**-**
Balance as at 31-March-2021	**576.84**	**2.91**	**22,443.45**	**753.83**	**8,649.30**	**32,426.33**

The accompanying notes are an integral part of the Standalone financial statements.

As per our report of even date attached

For **THACKER BUTALA DESAI**
Chartered Accountants
ICAI Firm's Registration No.110864W

Yatin N. Patel
Partner
Membership No. 122676

Place : Navsari
Date : 13th May, 2021

For and on behalf of the Board of Directors
Eimco Elecon (India) Limited
CIN : L29199GJ1974PLC002574

Mukulnarayan Dwivedi
Executive Director
DIN : 08442155

Prayasvin B. Patel
Executive Director
DIN : 00037394

N. D. Shelat
Chief Financial Officer

Rikenkumar Dalwadi
Company Secretary

Place : Vallabh Vidyanagar
Date : 13th May, 2021

NOTES TO STANDALONE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Eimco Elecon (India) Limited is a public company domiciled in India and is incorporated in 1974 under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at VallabhVidyanagar, Gujarat. The Company is principally engaged in the business of Manufacturing of Equipment for Mining and Construction sector.

The financial statements were authorised for issue in accordance with a resolution of the directors on 13th May, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013, (the ' Act ') and other relevant provisions of the Act.

The standalone financial statements have been prepared on a historical cost basis except for the following items:

- Certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial instruments),
- Net defined benefit (asset) / liability - measured at fair value of plan assets less present value of defined benefit obligations.

The standalone financial statements are presented in INR and all values are rounded to the nearest lakh (INR 00,000), except when otherwise indicated.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Current Versus Non-current Classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

Operating Cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

b. Foreign Currencies

The Company's financial statements are presented in INR, which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the company's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

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

c. Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

- In the principal market for the asset or liability

Or

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Management determines the policies and procedures for both recurring fair value measurement and non recurring fair value measurement.

External values are involved for valuation of significant assets, such as properties and involvement of external valuers is decided upon the Management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, 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.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgments, estimates and assumptions (note no. 2.3)
- Quantitative disclosures of fair value measurement hierarchy (note no. 26)
- Investment properties (note no. 2.2(g) and note no. 4)
- Financial instrument (note no. 2.2(o))

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

d. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Sales are stated net of rebate and trade discount and exclude Central Sales Tax, State Value Added tax, and Goods and Service Tax. With regard to sale of product, income is reported when significant risks and rewards connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch, after the price has been determined. The Company provides normal warranty provisions for general repairs for 12-18 months on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold – see Note 15 for more information. The Company does not provide any extended warranties or maintenance contracts to its customers.

Interest income

For all debt instruments measured either at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except the case where incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

Dividend Income

Income from dividend on investments is accrued in the year in which it is declared, whereby right to receive is established.

e. Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

f. Property, Plant and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress comprises cost of Property, Plant and Equipment that are not yet installed and ready for their intended use at the balance sheet date.

Cash Credit, Working capital demand loan and Term loan are secured by first charge on the whole of stock of Raw materials, receivables and book debts and a second charge on whole of immovable properties and plant and machinery.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Depreciation

Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for the assets mentioned below for which useful lives estimated by the management. The Identified component of fixed assets are depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Plant and Machinery & Road has been depreciated on straight line basis over the useful lives as prescribed in Schedule II of the Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed at each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

g. Investment Properties

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

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation on Investment property is provided on the written down value basis over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act 2013.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

An investment property is derecognised on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

h. Intangible Assets

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

Amortisation

Intangible assets are amortized on straight line basis over their individual respective useful life. The management estimates the useful life of assets as under:

Assets	Year
Technical Knowhow	7 years
Software	7 years

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

i. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j. Leases

IND AS 116 Lease

The Company assess whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

Company as a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is premeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is premeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Company as a lessor

Leases for which the Company is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Operating lease

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Significant accounting judgments, estimates and assumptions

Determination of lease term

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

k. Inventories

Raw Material and stores, work in progress, traded and finished goods are stated at lower of cost and net realizable value. Cost of raw material and traded goods comprises cost of purchases. cost of work in progress and finished goods comprises direct materials, appropriate share of labour and manufacturing overheads and valued at the lower of cost and net realizable value. Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Cost of purchase inventory are determined after deducting rebate and discounts.

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

l. Impairment of Non-Financial Assets

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

m. Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

Product warranty expenses are estimated by the management on the basis of technical evaluation and past experience. Provision is made for estimated liability in respect of warranty cost in the period of recognition of revenue.

n. Employee benefits

a) Short Term Employee Benefits

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employee to the company.

b) Post-Employment Benefits

(i) Defined contribution plan

These are plans in which the company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprises of contribution to Employee

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

provident fund and superannuation fund. The Company payments to the defined contribution plans are reported as expenses during the period in which the employee performs the services that the payment covers.

(ii) Defined benefit plan

Expenses for defined gratuity payment plans are calculated as at the balance sheet date by independent actuaries in the manner that distributes expenses over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term i.e. almost equivalent to the average balance working period of the employees.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of;

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs;
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss;
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Other long term employment benefits:

The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

o. Financial Instruments

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.

Financial Assets

Initial recognition and measurement

All financial assets, except investment in Associates and Tax Free Bonds , are recognised at fair value, through profit and loss account. In the case of financial assets not recorded at fair value through profit or loss, are recognised at transaction costs that are attributable to the acquisition of the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

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

(a) Financial assets at amortised cost

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

(c) Financial assets at fair value through profit or loss (FVTPL)

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost

A financial assets is measured at the amortised cost if:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Financial assets at fair value through profit or loss

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').The Company has other investments at FVTPL.

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition of financial assets

A financial asset is derecognised when:

(a) the contractual rights to the cash flows from the financial asset expire,

or

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

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Loans and Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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 in the respective carrying amounts is recognised in the statement of profit or loss.

p. Hedge Accounting

For the purpose of hedge accounting, hedges are classified as:

- ► Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment,
- ► Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair Value Hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

(ii) Cash Flow Hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

q. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r. Dividend Distribution

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

s. Earnings Per Share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Finance lease commitments – Company as lessee

The Company has entered into leases whereby it has taken land on lease. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term constituting a major part of the economic life of the property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as finance leases.

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.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit plan and the present value of the 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, attrition rate 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.

The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 31.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Allowance for uncollectible trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Warranty Provision

The company generally offers 12-18 months warranties for the product sold. Management estimates the related provision for future warranty claims based on historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior periods. Factors that could impact the estimated claim information include the success of the company's productivity and quality initiatives.

Intangible Assets

Refer Note 2.2 (h) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 5.

Property, Plant and Equipment

Refer Note 2.2 (f) for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 3 .

Note 3 : Property, Plant and Equipment

(₹ in Lakh)

Particulars	Land Freehold	Land Lease-hold	Buildings	Plant & Equip ment	Furniture & Fixture	Vehicles	Office Equip ment	Electrical Fittings	Jigs	Total	CWIP
Cost											
As at 1-April-2019	**3,049.59**	**878.73**	**1,953.17**	**2,954.80**	**277.87**	**398.81**	**1,249.36**	**129.68**	**174.32**	**11,066.33**	**921.86**
Additions	-	17.11	42.18	51.89	0.17	53.47	176.09	38.85	-	379.76	1823.40
Deductions /Transfer	-		-	14.34	-	7.22	2.27	-	-	23.83	1673.32
Transferred to Right of Use of Assets	-	895.84	-	-	-	-	-	-	-	895.84	-
As at 31-March-2020	**3,049.59**	**-**	**1,995.35**	**2,992.35**	**278.04**	**445.06**	**1,423.18**	**168.53**	**174.32**	**10,526.42**	**1,071.94**
Additions	63.66	-	12.50	149.26	82.12		133.62	-	-	441.16	2578.15
Deductions /Transfer	-	-	1.30	11.64	-	54.54	-	-	-	67.48	3610.56
Transfer to Right of Use of Assets	-	-	-	-	-	-	-	-	-	-	-
As at 31-March-2021	**3,113.25**	**-**	**2,006.55**	**3,129.97**	**360.16**	**390.52**	**1,556.80**	**168.53**	**174.32**	**10,900.10**	**39.53**
Depreciation and Impairment											
As at 1-April-2019	**-**	**-**	**666.58**	**1,738.15**	**259.95**	**190.77**	**893.64**	**112.71**	**137.53**	**3,999.33**	**-**
Depreciation for the year	-	-	151.84	155.77	4.21	74.10	110.41	3.69	-	500.02	-
Deductions	-	-	-	-	-	2.88	1.99	-	-	4.87	-
As at 31-March-2020	**-**	**-**	**818.42**	**1,893.92**	**264.16**	**261.99**	**1,002.06**	**116.40**	**137.53**	**4,494.48**	**-**
Depreciation for the year	-	-	142.88	148.55	15.65	51.77	181.44	5.80	-	546.09	-
Deductions	-	-	0.52	4.17	-	27.57	-	-	-	32.26	-
As at 31-March-2021	**-**	**-**	**960.78**	**2,038.30**	**279.81**	**286.19**	**1,183.50**	**122.20**	**137.53**	**5,008.31**	**-**
Net Block											
As at 31-March-2021	**3,113.25**	**-**	**1,045.77**	**1,091.67**	**80.35**	**104.33**	**373.30**	**46.33**	**36.79**	**5,891.79**	**-**
As at 31-March-2020	3,049.59	-	1,176.93	1,098.43	13.88	183.07	421.12	52.13	36.79	6,031.94	-

Note: Car purchased during 2018-19 is hypothicated against borrowing from State Bank of India

The Company has adopted Ind As 116 'Lease' from 01-April 2019, hence lease hold land transferred to intangible asset as 'Right to Use of Asset'

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 4 : Investment Properties (Buildings)

Particulars	(₹ in Lakh)
Gross Block	
As at 1-April-2019	**524.12**
Additions	-
Deductions	-
As at 31-March-2020	**524.12**
Additions	-
Deductions	-
As at 31-March-2021	**524.12**
Depreciation and Impairment	
As at 1-April-2019	**175.52**
Depreciation for the year	18.97
Deductions	-
As at 31-March-2020	**194.49**
Depreciation for the year	17.88
Deductions	-
As at 31-March-2021	**212.37**
Net Block	
As at 31-March-2021	**311.75**
As at 31-March-2020	329.63

Information regarding income and expenditure of Investment Properties (₹ in Lakh)

Particulars (For the year ended on)	31-March-2021	31-March-2020
Rental income derived from Investment Properties	-	44.30
Direct operating expenses (including repairs and maintenance) generating rental income	-	3.63
Direct operating expenses (including repairs and maintenance) that did not generate rental income	9.47	2.20
Profit arising from investment properties before depreciation and Indirect Expenses	**(9.47)**	**38.47**
Less : Depreciation	**17.88**	**18.97**
Profit arising from investment properties before Indirect Expenses	**(27.35)**	**19.50**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

As at 31-March-2021 and 31-March-2020 the fair values of the properties are based on Market valuations performed by an accredited independent valuer, who is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are in Note 26.

Fair Value of the Investment Properties are as under (Buildings)

Fair Value	(₹ in Lakh)
Balance as at 01-April-2019	**1,021.04**
Fair value difference for the year	17.99
Purchases	-
Balance as at 31-March-2020	**1,039.03**
Fair value difference for the year	74.71
Purchases	-
Balance as at 31-March-2021	**1,113.74**

Note 5 : Intangible Assets (Acquired) (₹ in Lakh)

Particulars	Software license	Technical Knowhow	Total Intangible assets	Right of use of asset	Total
Cost					
As at 1-April-2019	**388.46**	**301.40**	**689.86**	**-**	**689.86**
Asset transferred from Property Plant and Equipment	-	-	-	969.17	969.17
Additions	2.79	444.57	447.36	87.07	534.43
Deductions	-	-	-	-	-
As at 31-March-2020	**391.25**	**745.97**	**1,137.22**	**1,056.24**	**2,193.46**
Asset transferred from Property Plant and Equipment	-	-	-	-	-
Additions		1,177.63	1,177.63	-	1,177.63
Deductions	-	-	-	-	-
As at 31-March-2021	**391.25**	**1,923.60**	**2,314.85**	**1,056.24**	**3,371.09**
Amortisation and Impairment					
As at 1-April-2019	**355.17**	**301.40**	**656.57**	**-**	**656.57**
Amortisation for the year	5.65	15.80	21.45	43.25	64.70
Deductions	-	-	-	-	-
As at 31-March-2020	**360.82**	**317.20**	**678.02**	**43.25**	**721.27**
Amortisation for the year	6.31	116.62	122.93	43.25	166.18
Deductions	-	-	-	-	-
As at 31-March-2021	**367.13**	**433.82**	**800.95**	**86.50**	**887.45**
Net Block					
As at 31-March-2021	**24.12**	**1,489.78**	**1,513.90**	**969.74**	**2,483.64**
As at 31-March-2020	**30.43**	**428.77**	**459.20**	**1,012.99**	**1,472.19**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 6 : Financial Assets (₹ in Lakh)

Particulars as at		31-March-2021		31-March-2020	
	Face Value	No of Share	Amount	No of Share	Amount
6(a) Investments					
Non-current investments					
Investment in Equity Shares of Associate at Cost					
Eimco Elecon Electricals Limited	10	510,000	51.00	510,000	51.00
Investment at cost			**51.00**		**51.00**
Investment in Equity Shares of others at Fair Value through Profit or Loss					
Quoted					
GOL Offshore Limited	10	238	0.02	238	0.02
Aditya Birla Capital Limited	10	7,000	8.35	7,000	2.95
Fair value of Quoted Equity Shares			**8.37**		**2.97**
Investment in equity shares of others at fair value through profit or loss					
Unquoted					
Charotar Gas Sahakari Mandali	500	5	0.03	500	0.03
Investment at Cost			**0.03**		**0.03**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Particulars as at	31-March-2021		31-March-2020	
	No of Units	Amount	No of Units	Amount
Investment in Mutual funds at fair value through profit or loss				
Tata Short Term Bond Fund - Growth	-	-	2,096,553.00	759.41
Aditya Birla Sun Life Short Term Opportunities Fund Growth	-	-	249,432.26	86.42
Nippon India Short Term Fund- Growth Plan	2,231,287.72	960.61	6,871,425.69	2716.87
ICICI FMP Series 80-1248 Days Plan D Cumulative	-	-	1,000,000.00	128.42
Nippon India Fixed Horizon XXXII Series 1 Growth	-	-	3,000,000.00	373.92
ICICI Prudential FMP Series 80 1170 Days	-	-	3,000,000.00	386.06
SBI Credit Risk Fund Regular -Growth	-	-	1,933,358.28	612.98
Nippon India Fixed Horizon Fund XXXIII Series 2 Growth	-	-	3,000,000.00	360.99
Nippon India Fixed Horizon Fund XXXIII Series 5 Growth	-	-	5,000,000.00	602.41
Invesco India Dynamic Equity Fund -Growth	-	-	1,095,290.25	271.96
Aditya Birla Sun Life Fixed Term Plan-Series PF (1148 days)	3,421,196.00	428.60	3,421,196.00	403.59
HDFC Short Term Debt Fund -Regular Plan Growth	737,535.12	181.19	737,535.12	166.98
ICICI FMP Series 82-1157 days Plan J Cumulative	2,098,674.00	265.71	2,098,674.00	246.77
ICICI Prudential FMP Series 83 - 1412 Days Plan B Cumulative	5,000,000.00	648.73	5,000,000.00	602.44
HDFC FMP 1134 days May 2018(1) Direct Growth Series 40	5,000,000.00	632.01	5,000,000.00	594.21
ICICI Prudential Medium Term Bond Fund - Growth	-	-	1,429,420.78	474.75
SBI Debt Fund Series C16 1100 Days Growth	5,000,000.00	628.49	5,000,000.00	590.11
SBI Debt Fund Series C19 1100 Days Growth	3,000,000.00	374.93	3,000,000.00	351.51
ICICI Prudential FMP-Series 83-1100 Days Plan O Cumulative	3,000,000.00	376.35	3,000,000.00	352.53
HDFC FMP 1124 D June 2018(1) Direct-Growth Series 41	5,000,000.00	637.67	5,000,000.00	572.36
Nippon India Fixed Horizon Fund XXXVII Series 12 Growth	4,000,000.00	505.47	4,000,000.00	473.38
Nippon India Horizon Fund-XXXVIII Series -3 Growth	5,000,000.00	626.43	5,000,000.00	585.38
Nippon India Horizon Fund-XXXVIII Series -6 Growth	3,000,000.00	375.45	3,000,000.00	344.95
HDFC Short term Debt Fund -Direct Plan Growth	4,501,751.18	1,123.05	4,501,751.18	1030.37
Aditya Birla Sun Life Corporate Bond Fund Growth fund Direct Plan	651,690.81	565.23	651,690.81	514.08
Axis banking & PSU Debt fund direct Growth	41,111.58	862.43	10,570.48	205.14
Kotak Banking & PSU Debt Fund Direct Growth	1,663,142.88	856.91	-	-
IDFC Banking & PSU Debt Fund	4,393,914.43	858.59	-	-
Bharat Bond FOF April 25	6,424,856.05	657.52	-	-
Kotak Bond Short Term Fund	1,907,201.55	829.21	-	-
SBI Short Term Debt Fund	2,361,520.94	614.68	-	-
ICICI Prudential Short Term Fund	1,703,612.34	828.28	-	-
Fair Value of Non Current Investment in Mutual Fund		**13,837.54**		**13,807.99**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Particulars as at	31-March-2021		31-March-2020	
	No of Units	Amount	No of Units	Amount
Investment at amortised cost				
Investment in Bond Non Trade (Quoted) :				
8.20% Power Finance Corporation Limited	28,479.00	284.79	28,479.00	284.79
6.88% Power Finance Corporation Limited	30,000.00	300.00	30,000.00	300.00
Investment at cost (Fair value in 2020-21 ₹ 616.27 Lakh and in 2019-20 ₹ 610.39 Lakh)		**584.79**		**584.79**
Total Non-current Investments		**14,481.73**		**14,446.78**
Aggregate fair value of quoted investments		**624.64**		**613.36**
Aggregate value of unquoted investments		**13,888.57**		**13,859.02**
Current Investments				
Investment in Mutual funds at fair Value through Profit or Loss Account				
	No of Units	**Amount**	**No of Units**	**Amount**
ICICI Prudential Liquid Plan	-	-	300,954.87	301.28
UTI Short Term Income Fund	1,434,288.09	336.40	1,434,288.091	310.28
Axis Overnight Fund Direct Daily dividend	-	-	20,090.92	201.01
Axis Bank Treasury Fund	13,015.13	323.11	-	-
BSL Saving Fund	970.62	0.97	-	-
SBI Magnum Low Duration F Dir.	11,584.43	323.88	-	-
Fair value of Current Investment in Mutual Fund		**984.36**		**812.57**
Aggregate value of unquoted investments		984.36		812.57
Aggregate amount of impairment in value of investments		-		-
Total Investments		**15,466.09**		**15,259.35**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

6(b) Other Financial Assets

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Unsecured, Considered good		
Non-current		
Security Deposits	84.38	202.57
	84.38	**202.57**
Current		
Receivable other than trade	37.30	10.70
	37.30	**10.70**
Total other Financial Assets	**121.68**	**213.27**

6(c) Trade Receivables

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Secured, considered good	-	-
Unsecured, considered good	6,146.61	3,085.94
Total Trade and Other Receivables	**6,146.61**	**3,085.94**
Receivable from related parties	25.54	6.35
Receivable from Others	6,121.07	3,079.59
Total	**6,146.61**	**3,085.94**

6(d) Cash and Cash Equivalents

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Cash and Cash Equivalents		
Balance with Bank		
Current accounts and debit balance in cash credit accounts	443.38	675.52
In Deposit Account	500.00	-
Cash on hand	0.05	0.05
Total Cash and Cash Equivalents	**943.43**	**675.57**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

6(e) Other Bank Balance

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Other bank balances		
Unpaid dividend accounts	17.66	17.81
Total	**17.66**	**17.81**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

6(f) Financial Assets By Category (₹ in Lakh)

Particulars as at	Cost	FVTPL	Amortised cost
31-March-2021			
Financial Assets by Category			
Investments [Note 6(a)]			
- Equity Share in Associate at cost	51.00	-	-
- Equity Share in Others at FVTPL	-	8.37	-
- Equity Share in Others non trade - unquoted	-	0.03	-
- Investment in bond at cost	-	-	584.79
- Investment in mutual fund - Non current	-	13,837.54	-
- Investment in mutual fund -Current	-	984.36	-
Trade receivables (Note 6c)	-	-	6,146.61
Cash and cash equivalents (Note 6d)	-	-	943.43
Other bank balance (Note 6e)	-	-	17.66
Other financial assets (Note 6b)	-	-	121.68
Total Financial Asets	**51.00**	**14,830.30**	**7,814.17**
31-March-2020			
Financial Assets by Category			
Investments [Note 6(a)]			
- Equity Share in Associate at cost	51.00	-	-
- Equity Share in Others at FVTPL	-	2.97	-
- Equity Share in Others non trade - unquoted	-	0.03	-
- Investment in bond at cost	-	-	584.79
- Investment in mutual fund - Non current	-	13807.99	-
- Investment in mutual fund - Current	-	812.57	-
Trade receivables (Note 6c)	-	-	3,085.94
Cash and cash equivalents (Note 6d)	-	-	675.57
Other bank balance (Note 6e)	-	-	17.81
Other financial assets (Note 6b)	-	-	213.27
Total Financial Assets	**51.00**	**14,623.56**	**4,577.38**

For financial instruments risk management objectives and policies, refer Note 27.

For Fair value disclosures for financial assets and liabilities refer Note 25 and for fair value hierarchy disclosures for investment refer Note 26.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 7 : Other Non-Current / Current Assets

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Unsecured, Considered Good		
Non-Current		
Capital advances	-	-
	-	-
Current		
Advance to suppliers	337.22	167.54
Balance with Collector of Custom, Port Trust,Excise, GST, etc.	211.84	399.66
Claims Receivable from Government. Authorities	275.71	275.71
Other Advances	61.64	99.52
	886.41	942.43
Total	**886.41**	**942.43**

Note 8 : Inventories (At Lower of Cost and Net Realisable Value)

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Raw materials and components	2,810.23	2,987.25
Work-in-progress	868.56	2,151.70
Finished goods	40.60	131.01
Finished goods in transit	-	-
Total	**3,719.39**	**5,269.96**

Note 9 : Non-Current Tax Assets (Net)

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Non-Current		
Tax paid in Advance	2,789.60	2,486.47
Less:		
Provision for income tax	2,200.87	1,958.03
Total	**588.73**	**528.44**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 10 : Share Capital

(₹ in Lakh)

Particulars as at	31-March-2021	31-March- 2019
Authorised Share Capital		
10,000,000 Equity Shares of ₹10/- each	1,000.00	1,000.00
	1,000.00	**1,000.00**
Issued, subscribed and fully paid up		
Issued 57,68,386 Equity shares of ₹10/- each	576.84	576.84
Subscribed and Paid up 57,68,385 Equity Shares of ₹10/- each	576.84	576.84
Issued but not subscribed 1 Equity Share of ₹10/-	-	-
Total	**576.84**	**576.84**

Note 10.1 : Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

(₹ in Lakh)

Particulars as at	31-March-2021		31-March-2020	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
At the beginning of the year (in Lakh)	57.68	576.84	57.68	576.84
Issued/Reduction, if any during the year	-		-	
Outstanding at the end of the year (in Lakh)	**57.68**	**576.84**	**57.68**	**576.84**

10.2 : Rights, preferences and restrictions attached to Equity Shares:

The Company has only one class of Equity Shares having at par value of ₹ 10/- per share.

Each shareholder is eligible for one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 10.3 : Number of Shares held by each shareholder holding more than 5% Shares in the Company

Particulars as at	31-March-2021		31-March-2020	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
a) Equity Shares of ₹ 10/- each fully paid up (Previous year ₹ 10/- Each fully paid up)				
Elecon Engineering Company Limited	958,426	16.62	958,426	16.62
EMTICI Engineering Ltd.	818,303	14.19	818,303	14.19
K B Investments Private Ltd.	487,015	8.44	487,015	8.44
Tamrock Great Britain Holding Ltd.	1,447,875	25.10	1,447,875	25.10

Note 11 : Other Equity (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Note 11.1 Reserves & Surplus		
Capital Reserve		
Balance as per last Balance Sheet	2.91	2.91
Add/Less: Adjustment for the year	-	-
Balance at the end of the year	**2.91**	**2.91**
Securities Premium Account		
Balance as per last Balance Sheet	753.83	753.83
Add: addition during the year	-	-
Add: utilized during the year	-	-
Balance at the end of the year	**753.83**	**753.83**
General Reserve		
Balance as per last Balance Sheet	22,443.45	22,443.45
Add : Transfer from Profit & Loss account	-	-
	22,443.45	**22,443.45**
Surplus in Statement of Profit and Loss		
Balance as per last Balance Sheet	7,813.11	7,360.25
Add: profit for the year	1,125.70	940.60
Add / (Less): OCI for the year	(1.09)	(0.93)
	8,937.72	**8,299.92**
Less: Appropriations :		
Dividend on equity shares	288.42	403.79
Dividend distribution tax on dividend	-	83.02
Transfer to General Reserve	-	-
Balance carried forward	**8,649.30**	**7,813.11**
Total	**31,849.49**	**31,013.30**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 11.2 Dividend distribution made and proposed (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Cash dividends on Equity Shares declared and paid		
Final dividend for year ended 31-March-2020: ₹ 5/- per share (31-March-2019: ₹ 7/- per share)	288.42	403.79
Dividend distribution tax on final dividend	-	83.02
	288.42	**486.81**
Proposed dividends on Equity Shares		
Final dividend for year ended 31-March-2021: ₹ 5/- per share (31-March-2020 : ₹ 5/- per share)	288.42	288.42
Dividend distribution tax on final proposed dividend	-	-
	288.42	**288.42**

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability as at 31 March.

Note 12(a) : Trade Payables (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Current		
Trade payables		
Due to micro and small enterprise	313.55	277.94
Due to other than micro and small entriprise	1,621.32	1,427.94
Total	**1,934.87**	**1,705.88**

Details of Dues to Micro, Small and Mediun Enterprises as defined under MSMED Act 2006 (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Principal amount remaining unpaid to any supplier as at the period end	313.55	277.94
Interest due thereon	-	-
Amount of interest paid by the company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the apointed day during the accounting period for the purpose of disallowance as a deductible expenditure.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
The amount of further interest remaining due and payable even in the succeeding years, untill such date when the interest dues as above are actually paid to the small enterprise.	-	-

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of Micro, Small and Midium enterprises, as defined under Micro, Small and Midium Enterprises Development Act, 2006 has been made in the Financial statement as at 31-March-2021 based on the information received and available with the Company. On the basis of such information, no interest is payable to any micro, small and medium enterprises. Auditors have relied upon the information provided by the Company.

Note 12(b) : Financial Liabilities

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Non-current interest bearing borrowing		
Secured		
Term Loan		
From bank (Secured by hypothication of vehicles)	65.07	109.90
Total non-current interest bearing borrowings	**65.07**	**109.90**
Lease liability	85.66	125.69
	85.66	**125.69**
Total	**150.73**	**235.59**

Note 12(c) : Other Financial Liabilities

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Current maturities of non-current borrowings	18.18	16.51
Security Deposits	1.33	37.28
Unpaid dividend	17.66	17.81
Payable in respect of capital goods	43.91	33.51
Total current other financial liability	**81.08**	**105.11**
Total	**81.08**	**105.11**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

12(d) Financial Liabilities By Category (₹ in Lakh)

Particulars	FVTPL	Amortised cost
31-March-2021		
Borrowings	-	65.07
Lease liability	-	85.66
Trade payable	-	1,934.87
Other financial liabilities	-	81.08
Total Financial liabilities	**-**	**2,166.68**
31-March-2020		
Borrowings	-	109.90
Lease liability	-	125.69
Trade payable	-	1,705.88
Other financial liabilities	-	105.11
Total Financial liabilities	**-**	**2,046.58**

12 (e) Borrowings

Lender	31-March-21	31-March-20	Interest Rate
State Bank of India	83.25	126.41	9.30%

Terms of Repayment

Loan of State Bank of India is repayable on monthly instalments of Rs. 2.30 lakh starting from April 2019.

For financial instruments risk management objectives and policies, refer Note 27.

For fair value disclosures for financial assets and liabilities, refer Note 25 and fair value hierarchy disclosures for investments, refer Note 26.

Note 13 : Provisions (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Long-Term		
Provision for employee benefits (Refer Note 21)		
Provision for Compensated Absences	28.91	38.09
	28.91	**38.09**
Short-Term		
Provision for employee benefits (Refer Note 21)		
Provision for Compensated Absences	15.65	24.50
Provision for warranty	561.33	107.15
	576.98	**131.65**
Total	**605.89**	**169.74**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

A provision for warranties relates mainly to standard warranty on sale of the product manufactured by the Company. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their asociated probabilities. The timing of the outflow is expected to be withing a period of one year from the date of balance sheet

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
As on 01st April	107.15	183.55
Addition during the year	655.91	107.15
Utilization during the year	199.80	101.36
Short / (Excess) during the year	92.65	(82.19)
AS on 31st March	**655.91**	**107.15**

Note 14 : Other Current liabilities

(₹ in Lakh)

Particulars (As at)	31-March-2021	31-March-2020
Current		
Advance from Customers	182.99	65.52
Statutory Liabilities	334.33	188.88
Total	**517.32**	**254.40**

Note 15 : Revenue from Operations

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Sale of Products		
Domestic Sales	12,383.06	10,495.16
Export Sales	125.68	244.80
	12,508.74	**10,739.96**
Sale of Services		
Jobwrok	24.70	10.61
	24.70	**10.61**
Other operating revenue		
Sale of Scrap	37.43	40.49
Windmill Electricity Income	13.15	-
	50.58	**40.49**
Total	**12,584.02**	**10,791.06**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 16 : Other Income (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Other Income		
Interest Income	98.57	57.22
Dividend Income	6.37	25.37
Profit on Sale of Assets (Net)	6.34	-
Rent Income	7.59	53.91
Profit on sale of investments	-	3.15
Gain on fair valuation of investements	1,009.11	921.71
Duty Draw Back Claim	1.02	7.42
Miscellaneous Income	4.05	0.90
Total	**1,133.05**	**1,069.68**

Note 17 : Cost of raw materials and components consumed (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Inventory at the beginning of the year	2,987.25	3,329.71
Add : Purchases	2,815.26	4,319.71
	5,802.51	**7,649.42**
Less : Inventory at the end of the year	2,810.23	2,987.25
Cost of Raw material and components consumed	2,992.28	4,662.17
Total	**2,992.28**	**4,662.17**

Note 18 : Purchases of stock-in-trade (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Purchase of traded goods	2,294.87	2,452.66
Total	**2,294.87**	**2,452.66**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 19 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Inventory at the begining of the year		
Work-in-progress	2,151.70	488.40
Finished Goods	131.01	181.81
Finished goods in transit	-	16.16
	2,282.71	**686.37**
Inventory at the End of the Year		
Work-in-progress	868.56	2,151.70
Finished Goods	40.60	131.01
Finished goods in transit	-	-
	909.16	**2,282.71**
Total	**1,373.55**	**(1,596.34)**

Note 20 : Manufacturing expense (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Stores, Tools and Spares Consumed	165.43	185.79
Power and Fuel	28.12	27.63
Total	**193.55**	**213.42**

Note 21 : Employee Benefits Expense (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Salaries, Wages and Bonus	953.63	1,223.26
Contribution to Provident and other Funds	51.57	56.93
Employees' Welfare Expense	24.33	23.33
Employees' Retirement Benefits	29.00	29.24
Total	**1,058.53**	**1,332.76**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 22 : Finance Costs

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Interest Expense	8.62	10.32
Interest on lease liability	8.97	12.28
Other Borrowing Costs	44.79	28.35
Total	**62.38**	**50.95**

Note 23 : Other Expenses

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Lease Rentals	12.53	3.70
Computer Software Charges	90.93	90.80
Rates & Taxes	116.56	72.14
Repairs and Maintenance :		
- Building	202.40	156.62
- Machinery	152.65	181.20
- Others	129.35	150.45
Insurance (Net of recoveries)	52.90	32.37
Travelling Expense	64.53	96.19
Directors' Fees	10.58	9.80
Commission to Non-Executive Directos	15.00	-
Packing, Forwarding & Distribution Expenses (Net of Recoveries)	136.15	127.93
Commission & Brokerage	1,315.34	1,167.86
Warranty Claim Replacement (Refer Note No.13)	655.91	107.15
Provision for Doubtful Debt	47.85	46.14
Advertisements & Sales Promotion Expenses	0.59	16.71
Payment to Auditors (Refer Note Below)	5.46	7.02
Expendinture on Corporate Social Responsibility (Refer Note No.34)	26.21	40.85
Donations	3.20	9.38
Professional Consultancy Fees	103.22	248.79
General Administrative Charges	408.53	538.86
Loss on Sales of Investment (Net)	13.60	-
Loss on sale of asset	-	0.39
Loss on Account of Exchange Variation (Net)	21.26	36.92
Total	**3,584.75**	**3,141.27**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Payment to Auditors (Net of tax) (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Statutory Auditors		
As Auditors		
Audit fees	3.60	3.60
Taxation matters	0.45	0.45
Limited review fees	0.90	0.90
Certification fees	0.51	0.25
Reimbursement of expenses	-	1.82
Total	**5.46**	**7.02**

Note 24 : Income Tax

The major component of income tax expense for the years ended 31-March-2021 and 31-March-2020 are :

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Statement of Profit and Loss		
Current tax		
Current tax	314.12	242.84
MAT credit Utilised /(Receivable)	23.38	(195.27)
Adjustment in respect of current tax of previous years	-	2.65
	337.50	**50.22**
Deferred Tax		
Relating to Origination and reversal or temporary difference	(36.19)	29.34
Income Tax Expense Reported in the Statement of Profit and Loss	**301.31**	**79.56**

OCI Section (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Statement to Other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on actuarial gains and losses	(0.45)	(0.38)
Deferred Tax Charged to OCI	**(0.45)**	**(0.38)**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended 31-March- 2021 and 31-March-2020.

A) Current tax (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Accounting profit before tax from continuing operations	1,427.01	1,020.16
Tax @ 29.12% (31 March 2020- 29.12%)	415.55	297.07
Adjustment		
In respect of additional allowance for R & D expense	-	(54.22)
In respect of Exempted income	(12.78)	(20.20)
In respect of Expense disallowed/(Allowed)	37.54	66.14
In respect of standard deduction on rent income	-	(3.69)
In respect of profit on sale of assets	0.04	(0.11)
In respect of tax rate difference on profit on sale of investment	(102.85)	(205.43)
At the effective income tax rate of 23.65% (31-March, 2020 : 7.80%)	**337.50**	**79.56**

B) Deferred tax (₹ in Lakh)

Particulars (For the Year Ended)	Balance Sheet		Statement of Profit and Loss	
	31-March-2021	31-March-2020	31-March-2021	31-March-2020
Depreciation difference	665.18	682.10	(16.92)	(47.38)
Disallowances u/s 43 B of Income Tax Act	(12.75)	(14.70)	1.95	36.07
Provision for Doubtful debts & advances	(25.13)	(14.23)	(10.90)	(13.43)
On Unrealised gain on fairvaluation of investment at FVTPL	313.16	325.32	(12.16)	50.84
Deferred tax expense/(income) accounted through				
Other Comprehensive Income	0.61	0.16	0.45	0.38
ROU asset and lease liability	3.42	2.48	0.94	2.48
Deferred tax expense/(income)	**-**	**-**	**(36.64)**	**28.96**
Net deferred tax	**944.49**	**981.13**	**-**	**-**
Reflected in the balance sheet as follows				
Deferred tax assets	(37.88)	(28.93)	-	-
Deferred tax liabilities	982.37	1,010.06	-	-
Deferred tax liabilities (net)	**944.49**	**981.13**	**-**	**-**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 25 : Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ in Lakh)

Particulars as at	Carrying Amount		Fair Value	
	31-March-2021	31-March-2020	31-March-2021	31-March-2020
Financial assets				
Investments measured at fair value through profit or loss	14,830.30	14,623.56	14,830.30	14,623.56
Investments measured at amortised cost	635.79	635.79	667.27	661.39
Total	**15,466.09**	**15,259.35**	**15,497.57**	**15,284.95**

The management assessed that the fair values of cash and cash equivalents, other bank balance, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

Note 26 : Fair value hierarchy

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

Quantitative disclosures of fair value measurement hierarchy for financial assets as at 31-March-2021 and 31-March- 2020

(₹ in Lakh)

Particulars as at			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at 31-March-2021					
Assets measured at fair value					
Fair value through Profit and Loss					
Investment in Equity shares, quoted	**31-March-2021**	8.37	8.37	-	-
Investment in Mutual fund -unquoted	**31-March-2021**	14,821.90	-	14,821.90	-
Assets for which fair values are disclosed					
Investment in Bonds, quoted	**31-March-2021**	584.79	584.79	-	-
Investment property	**31-March-2021**	1,113.74	-	-	1,113.74

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 26 : Fair value hierarchy (Contd...)

(₹ in Lakh)

Particulars as at	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at 31-March- 2020					
Assets measured at fair value					
Fair value through Profit and Loss					
Investment in Equity shares, quoted	**31-March-2020**	2.97	2.97	-	-
Investment in Mutual fund -unquoted	**31-March-2020**	14,620.56		14,620.56	-
Assets for which fair values are disclosed					
Investment in Bonds, quoted	**31-March-2020**	584.79	584.79	-	-
Investment property	**31-March-2020**	1,039.03	-	-	1,039.03

Note 27 : Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, trade and other receivables and cash & short-term deposits that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

For risk management, management identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The management provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(a) 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 three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables.

Within the various methodologies to analyse and manage risk, the Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the Company. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

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

- The sensitivity of the relevant Statement of Profit or Loss item is the effect of the assumed changes in

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

respective market risks. This is based on the financial assets and financial liabilities held at 31-March-2021 and 31-March-2020 including the effect of hedge accounting.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any borrowings with floating interest rate.Hence, the Company does not have any interest rate risk at present.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD/EUR. The Company has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk. However, exposure to foreign currency is not material and hence, foreign currentcy risk is assessed by the Company is low.

Equity price risk

The Company's investment consists of investments in publicly traded companies held for purposes other than trading. Such investments held in connection with non-consolidated investments represent a low exposure risk for the Company and are not hedged.

(b) Credit Risk

Credit risk is the risk that a 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) and from its financing activities, including deposits with banks, and other financial instruments.

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days to 90 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 6. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing analysis of trade receivables as of the reporting date is as follow: (₹ in Lakh)

Trade receivables as at	Neither past due nor impaired (including unbilled)	Past due but not impaired				Total
		Less than 90 days	90 to 180 days	180 to 365 days	Above 365 days	
31-March-2021	4,897.37	503.18	278.52	264.86	202.68	6,146.61
31-March-2020	2,076.74	678.08	33.74	52.42	244.96	3,085.94

The requirement of impairment is analysed as each reporting date.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance Sheet as on 31-March-2021 and 31-March-2020 is the carrying amount as disclosed in Note 25.

(c) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing, including bilateral loans, debt and overdraft from domestic banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in Lakh)

Particulars	On Demand	Less than 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
Year ended 31-March-2021						
Trade payables	-	1,312.96	621.91	-	-	-
Other financial liabilities	18.99				-	-
Payable for capital goods	-	-	43.91	-	-	-
Term Loan from Bank	-	2.30	6.90	18.40	110.40	-
	18.99	**1,315.26**	**672.72**	**18.40**	**110.40**	**-**
Year ended 31-March-2020						
Trade payables	-	840.58	865.30	-	-	-
Other financial liabilities	55.09			-	-	-
Payable for capital goods	-		33.51			-
Term Loan from Bank		2.30	6.90	18.40	138.00	27.60
	55.09	**842.88**	**905.71**	**18.40**	**138.00**	**27.60**

Note 28 : Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

(₹ in Lakh)

Particulars	Year ended 31-March-2021	Year ended 31-March-2020
Trade and other payables (Note 12 & 14)	2,533.27	2,065.39
Less: cash and cash equivalent \ (including other bank balance) (Note 6)	(961.09)	(693.38)
Net Debt	**1,572.18**	**1,372.01**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Particulars	Year ended 31-March-2021	Year ended 31-March-2020
Equity share capital (Note 10)	576.84	576.84
Other equity (Note 11)	31,849.49	31,013.30
Total Capital	**32,426.33**	**31,590.14**
Capital and Net Debt	**33,998.51**	**32,962.15**
Gearing Ratio	**5%**	**4%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31-March-2021 and 31-March-2020.

Note 29 : Contingent Liabilities

(₹ in Lakh)

Particulars (As on)		31-March-2021	31-March-2020
Contingent liabilities not provided for			
a.	Income tax demands disputed by the Company	3.17	3.17
b.	Sales tax demands disputed by the Company	8.23	139.93
c.	Excise & Service tax demands disputed by the Company	855.70	855.70
d.	With reference to the judgment of Hon'ble Supreme Court of India, the Management is of the view that there is considerable uncertainty around the timing, manner and extent in which the judgment will be interpreted and applied by the regulatory authorities. Management is of the view that any incremental outflow in this regard can only be determined once the position being taken by the regulatory authorities in this regard is known and the Management is able to evaluate all possible courses of action available accordingly, in view of management, any additional financial liability for the period from date of the SC order (28 February 2019) to 31 March 2021 is not significant. In addition, pending the outcome of directions from the EPFO, the impact for past periods, if any, is not ascertainable and consequently no financial effect has been provided for in the accounts.	Amount not ascertained	Amount not ascertained

Note: Above all figures are excluding unquantified interest payable wherever applicable and outflow of funds, if any, would depend upon the outcome of the dispute / contingency.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 30 : Capital commitment and other commitments

(₹ in Lakh)

Particulars (As on)	31-March-2021	31-March-2020
Capital commitments		
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Advance)	-	-
Other commitments	-	-

Note 31 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 59.70 lakh. (March 31, 2020: ₹ 67.70 lakh) is recognised as expenses and included in Note No. 21 "Employee benefit expense"

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Provident Fund	51.57	56.93
Superannuation Fund	8.13	10.77
	59.70	**67.70**

B. Defined benefit plan:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Company operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

31-March-2021 : Changes in defined benefit obligation and plan assets (₹ in Lakh)

	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income							
	01-April-2020	Service cost	Net interest expense	**Sub-total included in statement of profit and loss (Note 21)**	**Benefit paid**	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	**Sub-total included in OCI**	**Asset Transfer In/ Transfer Out**	**Contributions by employer**	**31-March-2021**
Gratuity													
Defined benefit obligation	341.81	17.27	23.48	40.75	(49.02)	-	-	1.24	(2.10)	(0.86)	5.42	-	338.10
Fair value of plan assets	368.47	0.00	25.31	25.31	(49.02)	(2.40)	0.00	0.00	0.00	0.00	-	2.94	345.30
Benefit liability/(Asset)	(26.66)	17.27	(1.83)	15.44	-	2.40	-	1.24	(2.10)	(0.86)	5.42	(2.94)	(7.20)
Total benefit liability/(asset)	**(26.66)**	**17.27**	**(1.83)**	**15.44**	**-**	**2.40**	**-**	**1.24**	**(2.10)**	**(0.86)**	**5.42**	**(2.94)**	**(7.20)**

31-March-2020 : Changes in defined benefit obligation and plan assets (₹ in Lakh)

	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income							
	01-April-2019	Service cost	Net interest expense	**Sub-total included in statement of profit and loss (Note 21)**	**Benefit paid**	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	**Sub-total included in OCI**	**Asset Transfer In/ Transfer Out**	**Contributions by employer**	**31-March-2020**
Gratuity													
Defined benefit obligation	349.60	17.25	26.89	44.14	(49.84)	-	-	(11.74)	9.54	(2.20)	0.11	-	341.81
Fair value of plan assets	354.58	-	27.27	27.27	(49.84)	(3.50)	-	-	-	-	(1.50)	41.46	368.47
Benefit liability / (assets)	(4.98)	17.25	(0.38)	16.87	-	3.50	-	(11.74)	9.54	(2.20)	1.61	(41.46)	(26.66)
Total benefit liability/(assets)	**(4.98)**	**17.25**	**(0.38)**	**16.87**	**-**	**3.50**	**-**	**(11.74)**	**9.54**	**(2.20)**	**1.61**	**(41.46)**	**(26.66)**

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	**Year ended 31-March-2021 (%) of total plan assets**	**Year ended 31-March-2020 (%) of total plan assets**
Insured fund	100%	100%
(%) of total plan assets	**100%**	**100%**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Year ended 31-March-2021	Year ended 31-March-2020
Discount rate	6.80%	7.87%
Future salary increase	-	-
Next one year	3%	0%
Next one year starting from second year	7%	3%
From 3rd Year	7%	7%
Expected rate of return on plan assets	6.80%	6.87%
Attrition rate	2%	2%
Morality rate during employment	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

(₹ in Lakh)

Particulars	Sensitivity Level	(increase) / decrease in defined benefit obligation (Impact) Year Ended 31-March-2021	Year Ended 31-March-2020
Gratuity			
Discount rate	1% increase	(16.59)	(16.99)
	1% decrease	19.11	19.52
Salary increase	1% increase	18.97	19.57
	1% decrease	(16.80)	(14.99)
Attrition rate	1% increase	(0.29)	0.03
	1% decrease	0.33	(0.01)

The followings are the expected future benefit payments for the defined benefit plan :

(₹ in Lakh)

Particulars	Year Ended 31-March-2021	Year Ended 31-March-2020
Gratuity		
Within the next 12 months (next annual reporting period)	86.44	80.90
Between 2 and 5 years	152.68	125.09
Between 6 and and 10 years	95.71	120.50
Beyond 11 years	222.49	228.89
	557.32	**555.38**
Total Expected Payments	**557.32**	**555.38**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

Weighted average duration of defined plan obligation (based on discounted cash flows) (₹ in Lakh)

Particulars	Year ended 31-March-2021	Year ended 31-March-2020
Gratuity (Years)	12	12

The followings are the expected contributions to planned assets for the next year: (₹ in Lakh)

Particulars	Year ended 31-March-2021	Year ended 31-March-2020
Gratuity	-	-

C. Other Long Term Employee Benefit Plans

Leave encashment / Compensated absences

Salaries, Wages and Bonus include ₹ -3.42 Lakh (Previous Year ₹ 21.56 Lakh) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

Note 32 : Related Party Transactions

As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Company are as follows :

A. Name of Related Parties and Nature of Relationship :

a. Associate

Eimco Elecon Electricals Limited

b. Individual/Enterprise having control/significant influence

Shri Prayasvin B. Patel
Elecon Engineering Company Limited

c. Key Management Personnel

Directors

Shri Pradip M. Patel, Non Executive Director and Chairman
Shri Mukulnarayan Dwivedi, Executive Director
Shri Prayasvin B. Patel, Executive Director
Shri Prashant C. Amin, Non Executive Director - Nominee Director
Shri Nalin M. Shah, Non Executive Director - Independent Director
Shri Nirmal P. Bhogilal, Non Executive Director - Independent Director
Smt. Manjuladevi P. Shroff, Non Executive Director - Independent Director
Ms. Reena Bhagwati, Non Executive Director - Independent Director

Executive Officers

Shri N. D. Shelat, Chief Financial Officer
Shri Rikenkumar Dalwadi, Company Secretary

d. Enterprises over which (b) or (c) above have significant influence

EMTICI Engineering Limited
EMTICI Marketing LLP
Prayas Engineering Limited
Power Build Pvt. Ltd.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

Elecon Information Technology Ltd.
Madhubhan Prayas Resorts Limited
Akaaish Mechatronics Limited
Speciality Woodpack Pvt. Ltd.
Modsonic Instruments Manufacturing Co. Pvt. Ltd.
Elecon Peripherals Limited
Bipra Investment & Trusts Private Limited.
Devkishan Investments Private Limited.
K. B. Investment Private Limited.
Aishpra Properties Pvt. Ltd.
Akaaishpra Infracon Pvt. Ltd.
BIP Buildcon Pvt. Ltd.
Jamco Consultants Pvt. Ltd.
Kirloskar Power Build Gears Ltd.
Madhuban Heights Pvt. Ltd.
MTC Buildcon Pvt. Ltd.
Akaaish Investments Pvt. Ltd.
Wizard Fincap Limited
Tech Elecon Pvt. Ltd.
Elecon Hydraulics Pvt. Ltd.
Vijay M. Mistry Construction Private Limited.
Eleccon Australia Pty. Limited.
Elecon Africa Pty. Limited.
Elecon Singapore Pte. Limited.
Elecon Middle East FZE, UAE
Elecon Engineering (Suzhou) Co Limited
Power Build Transmission International Limited
Radicon Transmission UK Limited
Radicon Drive System Inc. (formaly known as Elecon USA Trasnmission Limited)
Benzlers System, AB
AB Benzlers
Benzler Italia s.r.l., Italy
Benzler Transmission A.S (Denmark)
OY Benzler AB (Finland)
Benzler Antriebstechnik GMBH, Germany
Benzler TBA BV, Netherlands
Radicon Transmission FZE, UAE
Radicon Transmission (Thailand) Limited
Radicon Transmission System (Thailand) Limited
Radicon Transmission (Australia) Pty. Limited.
Desmin Agencies
United Marketing
Expert Energy System - LLP

e. Collaborators

Sandvik AB Sweden

Tamrock Great Britain Holding Limited

f. Post employment benefit plan

Eimco Employees Gtratuty S.

Eimco Emp Super Annuity SH

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

B. Disclosure in respect of Related Party Transactions :

Nature of Transactions	Year Ended	
	31-March-2021	31-March-2020
Purchase of Material		
Elecon Engineering Company Ltd.	481.03	410.66
Power Build Pvt.Ltd.	81.82	9.85
Speciality Woodpack Pvt Ltd.	15.27	18.32
Eimco Elecon Electrical Ltd.	45.09	99.39
Elecon Peripherals Ltd.	5.22	4.61
Elecon Hydraulics Pvt Ltd	0.31	36.04
Emtici Marketing LLP	0.41	-
Job work Income		
Elecon Engineering Company Ltd.	22.24	13.68
Job work Expenses		
Elecon Engineering Company Limited	5.51	15.67
Sale of Finished Goods, Consumables & Scrap		
Elecon Engineering Company Ltd.	32.39	36.70
Speciality Woodpack Pvt Ltd.	0.46	0.96
Power Build Pvt. Ltd	-	1.42
Vijay M. Mistry Construction Pvt. Ltd.	7.09	472.35
Purchase of Fixed Assets		
Tech Elecon Pvt. Ltd.	9.96	11.98
Elecon Peripherals Ltd.	-	7.48
Sale of Fixed Assets		
Power Build Pvt. Ltd.	-	16.92
Expenses Charged to		
Elecon Engineering Company Ltd.	4.84	6.36
Jamko Consultants Pvt. Ltd.	0.30	0.52
Expenses Charged by		
Elecon Engineering Company Ltd.	6.18	1.77
Speciality Woodpack Pvt. Ltd.	11.04	15.77
Elecon Information Technology Ltd.	14.78	14.66
Akaaish Mechatronics Ltd.	156.10	179.12
EMTICI Engineering Ltd.	75.70	88.39
Wizard Fincap Ltd.	19.44	14.67
Tech Elecon Pvt. Ltd.	112.94	121.99
Jamko Consultants Pvt. Ltd.	79.75	75.90

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Nature of Transactions	Year Ended	
	31-March-2021	31-March-2020
Sales Commission		
EMTICI Engineering Ltd.	796.65	1095.88
EMTICI Marketing LLP	478.07	-
Reimbursement of Expense paid / payable		
Elecon Engineering Company Ltd.	0.96	2.36
Reimbursement of Expense Received / Receivable		
Elecon Engineering Company Ltd.	18.08	8.72
Power Build Pvt. Ltd.	3.86	6.74
Remuneration to Key Management Personnel	157.58	199.55
Dividend Paid		
Tamrock Great Britain Holding Ltd.	72.39	101.35
Elecon Engineering Company Ltd.	47.92	67.09
EMTICI Engineering Company Ltd.	40.92	57.28
K. B. Investments Private Ltd.	24.35	34.09
BIPRA Investments and Trusts Private Ltd.	9.41	13.17
Elecon Information Technology Ltd.	7.38	10.33
Devikishan Investments Private Ltd.	6.05	8.46
Prayas Engineering Ltd.	1.88	2.63
Akaaish Mechatronics Ltd.	1.30	1.81
Power Build Pvt. Ltd.	0.80	1.12

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

Balance as at year end : (₹ in Lakh)

Nature of Transactions	Year Ended	
	31-March-2021	31-March-2020
Outstanding Payables :		
(a) Associate		
Eimco Elecon Electricals Limited	13.50	12.75
(b) Individual/Enterprise having control/significant influence		
Elecon Engineering Company Limited	84.12	82.30
(c) Key Management Personnel	23.00	8.00
(d) Enterprises over which (b) or (c) above have significant influence		
Elecon Peripherals Ltd.	-	1.64
EMTICI Engineering Ltd.	12.35	351.40
Akaaish Mechatronics Ltd.	15.59	13.96
Speciality Woodpack Pvt. Ltd.	3.71	5.05
Power Build Pvt. Ltd.	0.58	0.54
Wizard FinCap Ltd.	1.76	0.68
Tech Elecon Pvt. Ltd.	4.04	12.23
Jamko Consultants Pvt. Ltd.	6.03	6.60
EMTICI Marketing LLP	476.84	-
Outstanding Receivables :		
(a) Associate		
Eimco Elecon Electricals Limited	-	-
(b) Individual/Enterprise having control significant influence		
Elecon Engineering Company Ltd.	19.85	5.85
(c) Enterprises over which (b) or (c) above have significant influence		
Speciality Woodpack Pvt. Ltd.	0.09	0.19
Power Build Pvt. Ltd.	3.86	-
Elecon Hydraulics Pvt. Ltd.	-	-
Vijay M. Mistry Construction Pvt. Ltd.	1.74	0.21
Jamko Consultants Pvt. Ltd.	-	0.10
(d) Collaborators:		
Sandvik Asia Private Limited	-	-
Investment:		
(a) Associates		
Eimco Elecon Electricals Ltd.	51.00	51.00

C. Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions.

D. Commitments with related parties

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

The Company has not provided any commitment to the related parties as at 31-March-2021, (31-March-2020: ₹ Nil)

E. Transactions with key management personnel

Compensation of key management personnel of the Company (₹ in Lakh)

Particulars	2020-21	2019-20
Short-term employee benefits	132.01	189.74
Post employment benefits	4.99	3.50
Total compensation paid to key management personnel	**137.00**	**193.24**

Note 33 : Earning per share (₹ in Lakh except EPS)

Particulars	2020-21	2019-20
Earing per Share (Basic and Diluted)		
Profit attributable to ordinary equity holders	1,125.70	940.60
Total No. of equity shares at the end of the year (No. in Lakh)	57.68	57.68
Weighted average number of equity shares		
For basic EPS	57.68	57.68
For diluted EPS	57.68	57.68
Nominal value of equity shares	10.00	10.00
Basic earning per share	19.52	16.31
Diluted earning per share	19.52	16.31

Note 34 : Corporate Social Responsibility (CSR) Activities:

a. As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects. The funds were primarily allocated to a corpus and utilized throughout the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

b. Amount spent during the year on: (₹ in Lakh)

		Year Ended					
		31-March-2021			31-March-2020		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-	-	-	-
(ii)	Contribution to various Trusts / NGOs / Societies / Agencies and utilization thereon	26.21	-	26.21	40.85	-	40.85
(iii)	Expenditure on Administrative Overheads for CSR	-	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

Note 35 : Impact of COVID 19

In view of the lockdown across the country due to the outbreak of COVID-19 pandemic, operations in our company are scaled down or shut down in compliance with the directives / orders issued by the Government authorities.

As per our current assessment, no significant impact on carrying amounts of inventories, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.

As per our report of even date attached

For **THACKER BUTALA DESAI**
Chartered Accountants
ICAI Firm's Registration No.110864W

Yatin N. Patel
Partner
Membership No. 122676

Place : Navsari
Date : 13th May, 2021

For and on behalf of the Board of Directors
Eimco Elecon (India) Limited
CIN : L29199GJ1974PLC002574

Mukulnarayan Dwivedi
Executive Director
DIN : 08442155

Prayasvin B. Patel
Executive Director
DIN : 00037394

N. D. Shelat
Chief Financial Officer

Rikenkumar Dalwadi
Company Secretary

Place : Vallabh Vidyanagar
Date : 13th May, 2021

INDEPENDENT AUDITORS' REPORT

To,
The Members of **Eimco Elecon (India) Limited**

Report on Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **Eimco Elecon (India) Limited** ('the Company') and its Associate (the Company and its Associate together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at **31st March, 2021**; the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flows Statement and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the Significant Accounting Policies and other Explanatory Information (herein after referred to as "Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs (financial position) of the Group as at **March 31, 2021**, of consolidated profit (financial performance including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE MATTER
Existence and valuation of investments ***Note 2.2 c. & Note 6(a) to the consolidated balance sheet in the financial statements*** Total investments of ₹ 15,771 Lakhs represent 43% of total assets of the Group. These investments mainly consist of current and non-current investments in mutual funds. Valuation of the investments is done at fair market value at each balance sheet date. Thus, being very high proportion of total assets of the Group as well as high amount of gain or loss credited / debited to statement of profit and loss account, made us conclude that existence and valuation of investments are a key audit matter of our audit.	Our audit procedures to test the existence of the investments mainly consist of verifying quantity / unit balances and market values with demat statement / statements of respective assets management companies as well as verifying the relevant recording of gain or loss in value of respective investments at each balance sheet date. Based on the procedures described we consider the disclosure of investments value as current as well as non-current and recording of gain or loss on the same as acceptable.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE MATTER
Existence and valuation of inventories ***Note 2.2 k. & Note 8 to the consolidated balance sheet in the financial statements*** Total inventories of ₹ 3,719 Lakhs represent 10% of total assets of the Group. These inventories mainly consist of inventories of raw material, stores, work in progress, traded goods and finished goods. Valuation of the inventories is at lower of cost and net realizable value. Cost of raw material and traded goods comprises cost of purchases, cost of work in progress and finished goods comprises direct materials, appropriate share of labour and manufacturing overheads and valued at the lower of cost and net realizable value. Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Cost of purchase inventory is determined after deducting rebate and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale. These inventories being significant share of total assets, made us conclude that existence and valuation of inventories are a key audit matter of our audit. Further more, inventories are an important factor to consider in our procedures because of its impact on the revenues.	Our audit procedures to test the existence of the inventories mainly consist of testing the relevant internal control procedures, specifically by testing the inventory cycle counts that are periodically performed by management and internal auditors. We have also performed physical verification of inventories lying in stock as at the date of the balance sheet at stores, to validate counts performed by the company. We compared our count results with the results of the counts by the company representatives. To validate the valuation of inventories, we performed test check of valuation done by the company including value of slow-moving and obsolete inventories. Furthermore, we analyzed the inventory turnaround and compared that to management's estimates. Based on the procedures described we consider management's estimates of the inventory valuation as well as its existence, as acceptable.

Responsibilities of the Management and Those Charged with Governance for the Consolidated 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 Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated 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 Consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Consolidated 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Group has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within The Group to express an opinion on the Consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Ind AS financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated 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

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 purpose 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;

e. On the basis of written representations received from the directors of The Company as on **31st March, 2021** taken on record by the Board of Directors of The Company, none of the directors of The Group is disqualified as on **31st March, 2021** from being appointed as a director in terms of Section164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.

g. In our opinion, the managerial remuneration for the year ended **31st March, 2021** has been paid / provided by the Group to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

h. With respect to other matters to be included in the Auditors' 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 Group has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements- Refer Note 29 to the Consolidated Ind AS financial statements;

   (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   (iii) There has been no delay in transferring amounts, required to be transferred, to the Investors Education and Protection Fund by the Group.

For **THACKER BUTALA DESAI**
Chartered Accountants
(Firm Reg. No: 110864W)

Yatin N. Patel
Partner
Membership No. 122676
ICAI'S UDIN:- 21122676AAAABT8824

Place : Navsari
Date : 13th May, 2021

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF EIMCO ELECON (INDIA) LIMITED

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

In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended, **31st March, 2021**, We have audited the internal financial controls over financial reporting of **Eimco Elecon (India) Limited** (hereinafter referred to as "the Company") and its Associate which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its Associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and its Associate considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included in 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 judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS 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 Consolidated Ind

AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company and Its Associate, which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31st March, 2021**, based on the internal control over financial reporting criteria established by the Company and its Associate considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **THACKER BUTALA DESAI**
Chartered Accountants
(Firm Reg. No: 110864W)

Yatin N. Patel
Partner
Membership No. 122676
ICAI'S UDIN:- 21122676AAAABT8824

Place : Navsari
Date : 13th May, 2021

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Lakh)

Particulars			Note No.	31-March-2021	31-March-2020
ASSETS					
I.	**Non-current assets**				
	(a)	Property, plant and equipment	3	5,891.79	6,031.94
	(b)	Capital work-in-progress	3	39.53	1,071.94
	(c)	Right of use of assets	5	969.74	1,012.99
	(d)	Investment properties	4	311.75	329.63
	(e)	Intangible assets	5	1,513.90	459.20
	(f)	Financial assets			
		(i) Investments	6	14,786.55	14,749.80
		(ii) Other financial assets	6	84.38	202.57
	(g)	Non-current tax assets (net)	9	588.73	528.44
	(h)	Other non-current assets	7	-	-
		Total Non-current Assets		**24,186.37**	**24,386.51**
II.	**Current assets**				
	(a)	Inventories	8	3,719.39	5,269.96
	(b)	Financial assets			
		(i) Investments	6	984.36	812.57
		(ii) Trade receivables	6	6,146.61	3,085.94
		(iii) Cash and cash equivalents	6	943.43	675.57
		(iv) Bank balances other than (iii) above	6	17.66	17.81
		(v) Others financial assets	6	37.30	10.70
	(c)	Current tax assets (net)		44.00	143.52
	(d)	Other current assets	7	886.41	942.43
	Total Current Assets			**12,779.16**	**10,958.50**
		Total Assets		**36,965.53**	**35,345.01**
	EQUITY AND LIABILITIES				
	Equity				
	(a)	Equity share capital	10	576.84	576.84
	(b)	Other equity	11	32,154.31	31,316.32
		Total Equity		**32,731.15**	**31,893.16**

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Lakh)

Particulars	Note No.	31-March-2021	31-March-2020
LIABILITIES			
(I) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	65.07	109.90
(ii) Lease Liability	12	85.66	125.69
(b) Provisions	13	28.91	38.09
(c) Deferred tax liabilities (net)	24	944.49	981.13
Total Non-current Liabilities		**1,124.13**	**1,254.81**
(II) Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Micro and small enterprise	12	313.55	277.94
Other than micro and small enterprises	12	1,621.32	1,427.94
(ii) Other financial liabilities	12	81.08	105.11
(b) Other current liabilities	14	517.32	254.40
(c) Short-term provisions	13	576.98	131.65
(d) Current tax liabilities (net)		-	-
Total Current Liabilities		**3,110.25**	**2,197.04**
Total Equity and Liabilities		**36,965.53**	**35,345.01**

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For **THACKER BUTALA DESAI**
Chartered Accountants
ICAI Firm's Registration No.110864W

Yatin N. Patel
Partner
Membership No. 122676

Place : Navsari
Date : 13th May, 2021

For and on behalf of the Board of Directors
Eimco Elecon (India) Limited
CIN : L29199GJ1974PLC002574

Mukulnarayan Dwivedi
Executive Director
DIN : 08442155

Prayasvin B. Patel
Executive Director
DIN : 00037394

N. D. Shelat
Chief Financial Officer

Rikenkumar Dalwadi
Company Secretary

Place : Vallabh Vidyanagar
Date : 13th May, 2021

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

(₹ in Lakh)

Particulars	Note No.	31-March-2021	31-March-2020
INCOME			
Revenue from operations			
Sale of products	15	12,508.74	10,739.96
Sale of services	15	24.70	10.61
Other operating income	15	50.58	40.49
Total revenue from operations		**12,584.02**	**10,791.06**
Other income	16	1,133.05	1,069.68
Total Income (I)		**13,717.07**	**11,860.74**
Expenses			
Cost of raw materials and components consumed	17	2,992.28	4,662.17
Purchase of traded goods	18	2,294.87	2,452.66
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	1,373.55	(1,596.34)
Manufacturing expense	20	193.55	213.42
Employee benefits expense	21	1,058.53	1,332.76
Finance costs	22	62.38	50.95
Depreciation and amortisation expense		730.15	583.69
Other expenses	23	3,584.75	3,141.27
Total Expenses (II)		**12,290.06**	**10,840.58**
Profit before share in profit / (loss) of associates and tax (III) = (I-II)		**1,427.01**	**1,020.16**
Share in income of associates (IV)		**1.80**	**8.22**
Profit before tax (V)		**1,428.81**	**1,028.38**
Tax Expense			
Current tax	24	314.12	242.84
MAT Credit (receivable)/ Utilisation	24	23.38	(195.27)
Adjustment of tax relating to earlier periods	24	-	2.65
Deferred tax	24	(36.19)	29.34
Total tax expense (VI)		**301.31**	**79.56**
Profit for the year (VII) = (V-VI)		**1,127.50**	**948.82**

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

(₹ in Lakh)

Particulars	Note No.	31-March-2021	31-March-2020
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans		(1.54)	(1.31)
Income tax effect of above		0.45	0.38
		(1.09)	**(0.93)**
Other comprehensive income to be reclassified to Profit or Loss in subsequent periods		-	-
Total other comprehensive income for the year, net of tax (VIII)		**(1.09)**	**(0.93)**
Total comprehensive income for the year, net of tax attributable to equity share holders IX = (VII + VIII)		**1,126.41**	**947.89**
Earning per equity share [nominal value per share ₹ 10/- (31-March-2020: ₹10/-)]			
Basic		19.55	16.45
Diluted		19.55	16.45

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

For **THACKER BUTALA DESAI**
Chartered Accountants
ICAI Firm's Registration No.110864W

Yatin N. Patel
Partner
Membership No. 122676

Place : Navsari
Date : 13th May, 2021

For and on behalf of the Board of Directors
Eimco Elecon (India) Limited
CIN : L29199GJ1974PLC002574

Mukulnarayan Dwivedi
Executive Director
DIN : 08442155

Prayasvin B. Patel
Executive Director
DIN : 00037394

N. D. Shelat
Chief Financial Officer

Rikenkumar Dalwadi
Company Secretary

Place : Vallabh Vidyanagar
Date : 13th May, 2021

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

(₹ in Lakh)

Particulars (For the year ended on)	31-March-2021	31-March-2020
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	**1,428.81**	**1,028.38**
Adjustments to reconcile profit before tax to net cash flows:		
1) Depreciation and Amortisation	730.15	583.69
2) Finance Cost	8.62	10.32
3) Gain on sale / fair valuation of Investment	(995.51)	(924.86)
4) Gain on Sale of Fixed Assets (Net)	(6.34)	(0.39)
5) Interest Income	(98.57)	(57.22)
6) Dividend Income	(6.37)	(25.37)
7) Remeasurements of Employee benefit expense	(1.54)	(1.31)
8) Interest on lease liability	8.97	12.28
9) Rent paid on leased asset	(49.00)	(46.99)
Operating Profit before working capital changes	**1,019.22**	**578.53**
Working Capital Adjustments		
1) Trade and other receivables	(3,060.67)	2,983.89
2) Inventories	1,550.57	(1,253.88)
3) Other financial assets	91.59	7.48
4) Other current and non-current assets	56.02	(241.27)
5) Trade payables	228.99	(282.07)
6) Other payables	699.07	(104.75)
7) Other financial liabilities	(25.55)	9.02
Cash Generated from Operations	**559.24**	**1,696.95**
Net Cash generated from operations		
Less :		
1) Direct taxes paid	298.27	552.72
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**260.97**	**1,144.23**
CASH FLOW FROM INVESTING ACTIVITIES		
1) Sale of fixed assets	41.56	19.35
2) Sale of investments (Net)	786.97	584.78
3) Interest received	98.57	57.22
4) Dividend received	6.37	25.37
5) Purchase of fixed assets	(586.38)	(977.20)
6) Bank balance not considered as cash and cash equilvelant (Net)	0.15	(0.51)
NET CASH GENERATED (USED) FROM INVESTING ACTIVITIES (B)	**347.24**	**(290.99)**

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

(₹ in Lakh)

Particulars (For the year ended on)	31-March-2021	31- March-2020
CASH FLOW FROM FINANCING ACTIVITIES:		
1) Interest paid	(8.62)	(10.32)
2) Dividend Paid	(288.57)	(403.28)
3) Tax on Dividend	-	(83.02)
4) Proceeds /(repayment) of Borrowings (Net)	(43.16)	(36.62)
NET CASH GENERATED (USED) IN FINANCING ACTIVITY (C)	**(340.35)**	**(533.24)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**267.86**	**319.99**
Opening Cash and Cash equivalents	**675.57**	**355.58**
Closing Cash and Cash equivalents (Refer Note 6(d))	**943.43**	**675.57**
Components of Cash & Cash Equivalents :-		
Cash on hand	0.05	0.05
Balances with banks		
In Current Accounts	443.38	675.52
In Fixed Deposit Account	500.00	-
	943.43	**675.57**

As per our report of even date attached

For **THACKER BUTALA DESAI**
Chartered Accountants
ICAI Firm's Registration No.110864W

Yatin N. Patel
Partner
Membership No. 122676

Place : Navsari
Date : 13th May, 2021

For and on behalf of the Board of Directors
Eimco Elecon (India) Limited
CIN : L29199GJ1974PLC002574

Mukulnarayan Dwivedi
Executive Director
DIN : 08442155

Prayasvin B. Patel
Executive Director
DIN : 00037394

N. D. Shelat
Chief Financial Officer

Rikenkumar Dalwadi
Company Secretary

Place : Vallabh Vidyanagar
Date : 13th May, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakh)

Particulars	Attributable to the Equity Holders of the Parent					
	Equity Share Capital	Other Equity				Total Equity
		Capital Reserve	General Reserve	Security Premium	Retained Earnings	
	Note 10	Note 11	Note 11	Note 11	Note 11	
Balance as at 01-April-2019	**576.84**	**2.91**	**22,443.45**	**753.83**	**7,655.05**	**31,432.08**
Profit for the year	-	-	-	-	948.82	948.82
Other comprehensive income for the year	-	-	-	-	(0.93)	(0.93)
Total Comprehensive income for the year	-	-	-	-	947.89	947.89
Dividend	-	-	-	-	(403.79)	(403.79)
Dividend distribution tax	-	-	-	-	(83.02)	(83.02)
Transfer to/from Retained earnings	-	-	-	-	-	-
Balance as at 31-March-2020	**576.84**	**2.91**	**22,443.45**	**753.83**	**8,116.13**	**31,893.16**
Profit for the year	-	-	-	-	1,127.50	1,127.50
Other comprehensive income for the year	-	-	-	-	(1.09)	(1.09)
Total Comprehensive income for the year	-	-	-	-	1,126.41	1,126.41
Dividend	-	-	-	-	(288.42)	(288.42)
Dividend distribution tax	-	-	-	-	-	-
Transfer to/from Retained earnings	-	-	-	-	-	-
Balance as at 31-March-2021	**576.84**	**2.91**	**22,443.45**	**753.83**	**8,954.12**	**32,731.15**

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For **THACKER BUTALA DESAI**
Chartered Accountants
ICAI Firm's Registration No.110864W

Yatin N. Patel
Partner
Membership No. 122676

Place : Navsari
Date : 13th May, 2021

For and on behalf of the Board of Directors
Eimco Elecon (India) Limited
CIN : L29199GJ1974PLC002574

Mukulnarayan Dwivedi
Executive Director
DIN : 08442155

Prayasvin B. Patel
Executive Director
DIN : 00037394

N. D. Shelat
Chief Financial Officer

Rikenkumar Dalwadi
Company Secretary

Place : Vallabh Vidyanagar
Date : 13th May, 2021

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-March-2021

1. CORPORATE INFORMATION

The consolidated financial statement comprises financial statement of EimcoElecon (India) Limited and its associate Eimco Elecon Electricals Limited. Eimco Elecon (India) Limited is a public company domiciled in India and is incorporated in 1974 under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at Vallabh Vidyanagar, Gujarat. The Company is principally engaged in the business of Manufacturing of Equipment for Mining and Construction sector.

The financial statements were authorised for issue in accordance with a resolution of the directors on 13th May 2021

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013, (the ' Act ') and other relevant provisions of the Act.

The Consolidated financial statements have been prepared on a historical cost basis except for the following items:

- Certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial instruments),
- Net defined benefit (asset) / liability – measured at fair value of plan assets less present value of defined benefit obligations.

The consolidated financial statements are presented in INR and all values are rounded to the nearest lakh (INR 00,000), except when otherwise indicated.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

Operating Cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

b. Foreign currencies

The Company's financial statements are presented in INR, which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the company's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

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

c. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

- In the principal market for the asset or liability

  Or

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Management determines the policies and procedures for both recurring fair value measurement and non recurring fair value measurement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

External values are involved for valuation of significant assets, such as properties and involvement of external valuers is decided upon the Management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, 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.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgments, estimates and assumptions (note no. 2.3)
- Quantitative disclosures of fair value measurement hierarchy (note no. 26)
- Investment properties (note no. 2.2(g) and note no. 4)
- Financial instrument (note no. 2.2(o))

d. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Sales are stated net of rebate and trade discount and exclude Central Sales Tax, State Value Added tax, and Goods and Service Tax. With regard to sale of product, income is reported when significant risks and rewards connected with the ownership have been transferred to the buyers. This usually occurs upon dispatch, after the price has been determined. The Company provides normal warranty provisions for general repairs for 12-18 months on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold – see Note 15 for more information. The Company does not provide any extended warranties or maintenance contracts to its customers.

Interest income

For all debt instruments measured either at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except the case where incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

Dividend income

Income from dividend on investments is accrued in the year in which it is declared, whereby right to receive is established.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

f. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress comprises cost of Property, Plant and Equipment that are not yet installed and ready for their intended use at the balance sheet date.

Cash Credit, Working capital demand loan and Term loan are secured by first charge on the whole of stock of Raw materials, receivables and book debts and a second charge on whole of immovable properties and plant and machinery.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Depreciation

Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for the assets mentioned below for which useful lives estimated by the management. The Identified component of fixed assets are depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Plant and Machinery & Road has been depreciated on straight line basis over the useful lives as prescribed in Schedule II of the Companies Act, 2013.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Depreciation methods, useful lives and residual values are reviewed at each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

g. Investment properties

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

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation on Investment property is provided on the written down value basis over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act 2013

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

An investment property is derecognised on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

h. Intangible assets

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

Amortisation

Intangible assets are amortized on straight line basis over their individual respective useful life. The management estimates the useful life of assets as under:

Assets	Year
Technical Knowhow	7 years
Software	7 years

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j. Leases

IND AS 116 Lease

The Company assess whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Company as a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is premeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is premeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Company as a lessor

Leases for which the Company is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Operating lease

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term.

Significant accounting judgments, estimates and assumptions

Determination of lease term

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

k. Inventories

Raw Material and stores, work in progress, traded and finished goods are stated at lower of cost and net realizable value. Cost of raw material and traded goods comprises cost of purchases. cost of work in progress and finished goods comprises direct materials, appropriate share of labour and manufacturing overheads and valued at the lower of cost and net realizable value. Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Cost of purchase inventory are determined after deducting rebate and discounts.

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

l. Impairment of non-financial assets

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

m. Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

Product warranty expenses are estimated by the management on the basis of technical evaluation and past experience. Provision is made for estimated liability in respect of warranty cost in the period of recognition of revenue.

n. Employee benefits

a) Short Term Employee Benefits

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employee to the company.

b) Post-Employment Benefits

(i) Defined contribution plan

These are plans in which the company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprises of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

contribution to Employee provident fund and superannuation fund. The Company payments to the defined contribution plans are reported as expenses during the period in which the employee performs the services that the payment covers.

(ii) Defined benefit plan

Expenses for defined gratuity payment plans are calculated as at the balance sheet date by independent actuaries in the manner that distributes expenses over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term i.e. almost equivalent to the average balance working period of the employees.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

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

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

Other long term employment benefits:

The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

o. Financial Instruments

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.

Financial Assets

Initial recognition and measurement

All financial assets, except investment in Associates and Tax Free Bonds , are recognised at fair value, through profit and loss account. In the case of financial assets not recorded at fair value through profit or loss, are recognised at transaction costs that are attributable to the acquisition of the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

(a) Financial assets at amortised cost

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(c) Financial assets at fair value through profit or loss (FVTPL)

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost

A financial assets is measured at the amortised cost if:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Financial assets at fair value through profit or loss

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').The Company has other investments at FVTPL.

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition of financial assets

A financial asset is derecognised when:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(a) the contractual rights to the cash flows from the financial asset expire,

or

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

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

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

Loans and Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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 in the respective carrying amounts is recognised in the statement of profit or loss.

p. Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

q. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r. Dividend distribution

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

s. Earnings Per Share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

2.3. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Finance lease commitments – Company as lessee

The Company has entered into leases whereby it has taken land on lease. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term constituting a major part of the economic life of the property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as finance leases.

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.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit plan and the present value of the 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, attrition rate 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.

The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 31.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Allowance for uncollectible trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Warranty Provision

The company generally offers 12-18 months warranties for the product sold. Management estimates the related provision for future warranty claims based on historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior periods. Factors that could impact the estimated claim information include the success of the company's productivity and quality initiatives.

Intangible assets

Refer Note 2.2 (h) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 5.

Property, plant and equipment

Refer Note 2.2 (f) for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 3.

Note 3 : Property, Plant and Equipment

(₹ in Lakh)

Particulars	Land Freehold	Land Leasehold	Buildings	Plant & Equip-ment	Furniture & Fixture	Vehicles	Office Equip-ment	Electrical Fittings	Jigs	Total	CWIP
Cost											
As at 1-April-2019	**3,049.59**	**878.73**	**1,953.17**	**2,954.80**	**277.87**	**398.81**	**1,249.36**	**129.68**	**174.32**	**11,066.33**	**921.86**
Additions	-	17.11	42.18	51.89	0.17	53.47	176.09	38.85	-	379.76	1823.40
Deductions /Transfer	-		-	14.34	-	7.22	2.27	-	-	23.83	1673.32
Transferred to Right of Use of Assets	-	895.84	-	-	-	-	-	-	-	895.84	-
As at 31-March-2020	**3,049.59**	**-**	**1,995.35**	**2,992.35**	**278.04**	**445.06**	**1,423.18**	**168.53**	**174.32**	**10,526.42**	**1,071.94**
Additions	63.66	-	12.50	149.26	82.12		133.62	-	-	441.16	2578.15
Deductions /Transfer	-	-	1.30	11.64	-	54.54	-	-	-	67.48	3610.56
Transferred to Right of Use of Assets	-	-	-	-	-	-	-	-	-	-	-
As at 31-March-2021	**3,113.25**	**-**	**2,006.55**	**3,129.97**	**360.16**	**390.52**	**1,556.80**	**168.53**	**174.32**	**10,900.10**	**39.53**
Depreciation and Impairment											
As at 1-April-2019	**-**	**-**	**666.58**	**1,738.15**	**259.95**	**190.77**	**893.64**	**112.71**	**137.53**	**3,999.33**	**-**
Depreciation for the year	-	-	151.84	155.77	4.21	74.10	110.41	3.69	-	500.02	-
Deductions	-	-	-	-	-	2.88	1.99	-	-	4.87	-
As at 31-March-2020	**-**	**-**	**818.42**	**1,893.92**	**264.16**	**261.99**	**1,002.06**	**116.40**	**137.53**	**4,494.48**	**-**
Depreciation for the year	-	-	142.88	148.55	15.65	51.77	181.44	5.80	-	546.09	-
Deductions	-	-	0.52	4.17	-	27.57	-	-	-	32.26	-
As at 31-March-2021	**-**	**-**	**960.78**	**2,038.30**	**279.81**	**286.19**	**1,183.50**	**122.20**	**137.53**	**5,008.31**	**-**
Net Block											
As at 31-March-2021	**3,113.25**	**-**	**1,045.77**	**1,091.67**	**80.35**	**104.33**	**373.30**	**46.33**	**36.79**	**5,891.79**	**-**
As at 31-March-2020	3,049.59	-	1,176.93	1,098.43	13.88	183.07	421.12	52.13	36.79	6,031.94	-

Note: Car purchased during 2018-19 is hypothicated against borrowing from State Bank of India
The Company has adopted Ind As 116 'Lease" from 01-April 2019, hence lease hold land transferred to intangible asset as ‘Right to Use of Asset’.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 4 : Investment Properties (Buildings)

Particulars	(₹ in Lakh)
Gross Block	
As at 1-April-2019	**524.12**
Additions	-
Deductions	-
As at 31-March-2020	**524.12**
Additions	-
Deductions	-
As at 31-March-2021	**524.12**
Depreciation and Impairment	
As at 01-April-2019	**175.52**
Depreciation for the year	18.97
Deductions	-
As at 31-March-2020	**194.49**
Depreciation for the year	17.88
Deductions	-
As at 31-March-2021	**212.37**
Net Block	
As at 31-March-2021	**311.75**
As at 31-March-2020	329.63

Information regarding income and expenditure of Investment Properties (₹ in Lakh)

Particulars (For the year ended on)	31-March-2021	31-March-2020
Rental income derived from Investment Properties	-	44.30
Direct operating expenses (including repairs and maintenance) generating rental income	-	3.63
Direct operating expenses (including repairs and maintenance) that did not generate rental income	9.47	2.20
Profit arising from investment properties before depreciation and Indirect Expenses	**(9.47)**	**38.47**
Less : Depreciation	**17.88**	**18.97**
Profit arising from investment properties before Indirect Expenses	**(27.35)**	**19.50**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

As at 31-March-2021 and 31-March-2020 the fair values of the properties are based on Market valuations performed by an accredited independent valuer, who is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are in Note 26.

Fair Value of the Investment Properties are as under (Buildings)

Fair Value	**(₹ in Lakh)**
Balance as at 1-April-2019	**1,021.04**
Fair value difference for the year	17.99
Purchases	**-**
Balance as at 31-March-2020	**1,039.03**
Fair value difference for the year	74.71
Purchases	**-**
Balance as at 31-March-2021	**1,113.74**

Note 5 : Intangible Assets (Acquired) (₹ in Lakh)

Particulars	Software License	Technical Knowhow	Total Intangible assets	Right of use of asset	Total
Cost					
As at 01-April-2019	**388.46**	**301.40**	**689.86**	**-**	**689.86**
Asset transferred from Property, Plant and Equipment	-	-	-	969.17	969.17
Additions	2.79	444.57	447.36	87.07	534.43
Deductions	-	-	-	-	-
As at 31-March-2020	**391.25**	**745.97**	**1,137.22**	**1,056.24**	**2,193.46**
Asset transferred from Property, Plant and Equipment	-	-	-	-	-
Additions	-	1,177.63	1,177.63	-	1,177.63
Deductions	-	-	-	-	-
As at 31-March-2021	**391.25**	**1,923.60**	**2,314.85**	**1,056.24**	**3,371.09**
Amortisation and Impairment					
As at 01-April-2019	**355.17**	**301.40**	**656.57**	**-**	**656.57**
Amortisation for The Year	5.65	15.80	21.45	43.25	64.70
Deductions	-	-	-	-	-
As at 31-March-2020	**360.82**	**317.20**	**678.02**	**43.25**	**721.27**
Amortisation for the year	6.31	116.62	122.93	43.25	166.18
Deductions	-	-	-	-	-
As at 31-March-2021	**367.13**	**433.82**	**800.95**	**86.50**	**887.45**
Net Block					
As at 31-March-2021	**24.12**	**1,489.78**	**1,513.90**	**969.74**	**2,483.64**
As at 31-March-2020	30.43	428.77	459.20	1,012.99	1,472.19

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 6 : Financial Assets (₹ in Lakh)

Particulars as at		31-March-2021		31-March-2020	
	Face Value	No of Share	Amount	No of Share	Amount
6(a) Investments					
Non-current investments					
Investment in Equity Shares of Associate at Cost					
Eimco Elecon Electrical Limited	10	510,000	355.82	510,000	354.02
Investment at cost			**355.82**		**354.02**
Investment in Equity Shares of others at Fair Value through Profit or Loss					
Quoted					
GOL Offshore Limited	10	238	0.02	238	0.02
Aditya Birla Capital Limited	10	7,000	8.35	7,000	2.95
Fair value of Quoted Equity Shares			**8.37**		**2.97**
Investment in equity shares of others at fair value through profit or loss					
Unquoted					
Charotar Gas Sahakari Mandali	500	5	0.03	500	0.03
Investment at cost			**0.03**		**0.03**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Particulars as at	31-March-2021		31-March-2020	
	No of Units	Amount	No of Units	Amount
Investment in Mutual funds at fair value through profit or loss				
Tata Short Term Bond Fund - Growth	-	-	2,096,553.00	759.41
Aditya Birla Sun Life Short Term Opportunities Fund Growth	-	-	249,432.26	86.42
Nippon India Short Term Fund- Growth Plan	2,231,287.72	960.61	6,871,425.69	2716.87
ICICI FMP Series 80-1248 Days Plan D Cumulative	-	-	1,000,000.00	128.42
Nippon India Fixed Horizon XXXII Series 1 Growth	-	-	3,000,000.00	373.92
ICICI Prudential FMP Series 80 1170 Days	-	-	3,000,000.00	386.06
SBI Credit Risk Fund Regular -Growth	-	-	1,933,358.28	612.98
Nippon India Fixed Horizon Fund XXXIII Series 2 Growth	-	-	3,000,000.00	360.99
Nippon India Fixed Horizon Fund XXXIII Series 5 Growth	-	-	5,000,000.00	602.41
Invesco India Dynamic Equity Fund -Growth	-	-	1,095,290.25	271.96
Aditya Birla Sun Life Fixed Term Plan-Series PF (1148 days)	3,421,196.00	428.60	3,421,196.00	403.59
HDFC Short Term Debt Fund -Regular Plan Growth	737,535.12	181.19	737,535.12	166.98
ICICI FMP Series 82-1157 days Plan J Cumulative	2,098,674.00	265.71	2,098,674.00	246.77
ICICI Prudential FMP Series 83 - 1412 Days Plan B Cumulative	5,000,000.00	648.73	5,000,000.00	602.44
HDFC FMP 1134 days May 2018(1) Direct Growth Series 40	5,000,000.00	632.01	5,000,000.00	594.21
ICICI Prudential Medium Term Bond Fund - Growth	-	-	1,429,420.78	474.75
SBI Debt Fund Series C16 1100 Days Growth	5,000,000.00	628.49	5,000,000.00	590.11
SBI Debt Fund Series C19 1100 Days Growth	3,000,000.00	374.93	3,000,000.00	351.51
ICICI Prudential FMP-Series 83-1100 Days Plan O Cumulative	3,000,000.00	376.35	3,000,000.00	352.53
HDFC FMP 1124 D JUNE 2018(1) Direct-Growth Series 41	5,000,000.00	637.67	5,000,000.00	572.36
Nippon India Fixed Horizon Fund XXXVII Series 12 Growth	4,000,000.00	505.47	4,000,000.00	473.38
Nippon India Horizon Fund-XXXVIII Series -3 Growth	5,000,000.00	626.43	5,000,000.00	585.38
Nippon India Horizon Fund-XXXVIII Series -6 Growth	3,000,000.00	375.45	3,000,000.00	344.95
HDFC Short term Debt Fund -Direct Plan Growth	4,501,751.18	1,123.05	4,501,751.18	1030.37
Aditya Birla Sun Life Corporate Bond Fund Growth fund Direct Plan	651,690.81	565.23	651,690.81	514.08
Axis banking & PSU Debt fund direct Growth	41,111.58	862.43	10,570.48	205.14
Kotak Banking & PSU Debt Fund Direct Growth	1,663,142.88	856.91	-	-
IDFC Banking & PSU Debt Fund	4,393,914.43	858.59	-	-
Bharat Bond FOF April 25	6,424,856.05	657.52	-	-
Kotak Bond Short Term Fund	1,907,201.55	829.21	-	-
SBI Short Term Debt Fund	2,361,520.94	614.68	-	-
ICICI Prudential Short Term Fund	1,703,612.34	828.28	-	-
Fair value of Non current Investment in Mutual Fund		**13,837.54**		**13,807.99**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Particulars as at	31-March-2021		31-March-2020	
	No of Units	Amount	No of Units	Amount
Investment at amortised cost				
Investment in Bond Non Trade (Quoted) :				
8.20% Power Finance Corporation Limited	28,479.00	284.79	28,479.00	284.79
6.88% Power Finance Corporation Limited	30,000.00	300.00	30,000.00	300.00
Investment at cost (Fair value in 2020-21 ₹ 616.27 Lakh and in 2019-20 ₹ 610.39 Lakh)		**584.79**		**584.79**
Total Non-current Investments		**14,786.55**		**14,749.80**
Aggregate fair value of quoted investments		624.64		613.36
Aggregate value of unquoted investments		14,193.39		14,162.04
Current Investments				
Investment in Mutual funds at fair Value through Profit or Loss Account				
ICICI Prudential Liquid Plan	-	-	300,954.87	301.28
UTI Short Term Income Fund	1,434,288.09	336.40	1,434,288.09	310.28
Axis Overnight Fund Direct Daily dividend	-	-	20,090.92	201.01
Axis Bank Treasury Fund	13,015.13	323.11	-	-
BSL Saving Fund	970.62	0.97	-	-
SBI Magnum Low Duration F Dir.	11,584.43	323.88	-	-
Fair value of Current Investment in Mutual Fund		**984.36**		**812.57**
Aggregate value of unquoted investments		984.36		812.57
Aggregate amount of impairment in value of investments		-		-
Total Investments		**15,770.91**		**15,562.37**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

6(b) Other Financial Assets (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Unsecured, Considered Good		
Non-Current		
Security Deposits	84.38	202.57
	84.38	**202.57**
Current		
Receivable other than trade	37.30	10.70
	37.30	**10.70**
Total Other Financial Assets	**121.68**	**213.27**

6(c) Trade Receivables (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Secured, considered good	-	-
Unsecured, considered good	6,146.61	3,085.94
Total Trade and Other Receivables	**6,146.61**	**3,085.94**
Receivable from related parties	25.54	6.35
Receivable from Others	6,121.07	3,079.59
Total	**6,146.61**	**3,085.94**

6(d) Cash and Cash Equivalents (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Cash and Cash Equivalents		
Balance with Bank		
Current accounts and debit balance in cash credit accounts	443.38	675.52
In Deposit Account	500.00	-
Cash on hand	0.05	0.05
Total Cash and Cash Equivalents	**943.43**	**675.57**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

6(e) Other Bank Balance (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Unpaid dividend accounts	17.66	17.81
Total	**17.66**	**17.81**

6 (f) Financial assets by category (₹ in Lakh)

Particulars as at	Cost	FVTPL	Amortised cost
31-March-2021			
Financial assets by category			
Investments [Note 6(a)]			
- Equity Share in Associate at cost	355.82	-	-
- Equity Share in Others at FVTPL	-	8.37	-
- Equity Share in Others non trade - unquoted	-	0.03	-
- Investment in bond at cost	-	-	584.79
- Investment in mutual fund - Non current	-	13,837.54	-
- Investment in mutual fund -Current	-	984.36	-
Trade receivables (Note 6c)	-	-	6,146.61
Cash and cash equivalents (Note 6d)	-	-	943.43
Other bank balance (Note 6e)	-	-	17.66
Other financial assets (Note 6b)	-	-	121.68
Total Financial assets	**355.82**	**14,830.30**	**7,814.17**
31-March-2020			
Financial assets by category			
Investments [Note 6(a)]			
- Equity Share in Associate at cost	354.02	-	-
- Equity Share in Others at FVTPL	-	2.97	-
- Equity Share in Others non trade - unquoted	-	0.03	-
- Investment in bond at cost	-	-	584.79
- Investment in mutual fund - Non current	-	13807.99	-
- Investment in mutual fund -Current	-	812.57	-
Trade receivables (Note 6c)	-	-	3,085.94
Cash and cash equivalents (Note 6d)	-	-	675.57
Other bank balance (Note 6e)	-	-	17.81
Other financial assets (Note 6b)	-	-	213.27
Total Financial assets	**354.02**	**14,623.56**	**4,577.38**

For financial instruments risk management objectives and policies, refer Note 27

For Fair value disclosures for financial assets and liabilities refer Note 25 and for fair value hierarchy disclosures for investment refer Note 26.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 7 : Other Non-Current / Current Assets (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Unsecured, Considered Good		
Non-Current		
Capital advances	-	-
	-	**-**
Current		
Advance to suppliers	337.22	167.54
Balance with Collector of Custom, Port Trust,Excise, GST, etc.	211.84	399.66
Claims Receivable from Government. Authorities	275.71	275.71
Other Advances	61.64	99.52
	886.41	942.43
Total	**886.41**	**942.43**

Note 8 : Inventories (At lower of cost and Net realisable value) (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Raw materials and components	2,810.23	2,987.25
Work-in-progress	868.56	2,151.70
Finished goods	40.60	131.01
Finished goods in transit	-	-
Total	**3,719.39**	**5,269.96**

Note 9 : Non-current Tax Assets (Net) (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Non-current		
Tax paid in Advance	2,789.60	2,486.47
Less:		
Provision for income tax	2,200.87	1,958.03
Total	**588.73**	**528.44**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 10 : Share Capital

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Authorised Share Capital		
10,000,000 Equity shares of ₹ 10/- each	1,000.00	1,000.00
	1,000.00	**1,000.00**
Issued, subscribed and fully paid up		
Issued 57,68,386 Equity shares of ₹ 10/- each	576.84	576.84
Subscribed and Paid up 57,68,385 Equity shares of ₹ 10/- each	576.84	576.84
Issued but not subscribed 1 Equity Share of ₹ 10/- each	-	-
Total	**576.84**	**576.84**

10.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

(₹ in Lakh)

Particulars as at	31-March-2021		31-March-2020	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
At the beginning of the year (in Lakh)	**57.68**	576.84	**57.68**	576.84
Issued/Reduction, if any during the year		-		-
Outstanding at the end of the year (in Lakh)	**57.68**	576.84	**57.68**	576.84

10.2. Rights preferences and Restrictions attached to Equity Shares:

The Company has only one class of Equity Shares having a par value of Rs. 10/- per share . Each shareholder is eligible for one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

10.3. Number of Shares held by each shareholder holding more than 5% Shares in the Company

Name of the Shareholder	31-March-2021		31-March-2020	
	No. of shares	% of shareholding	No. of shares	% of shareholding
a) Equity Shares of ₹ 10/- each fully paid up (Previous year ₹ 10/- each fully paid up)				
Elecon Engineering Company Limited	958,426	16.62	958,426	16.62
EMTICI Engineering Ltd.	818,303	14.19	818,303	14.19
K B Investments Private Ltd.	487,015	8.44	487,015	8.44
Tamrock Great Britain Holding Ltd.	1,447,875	25.10	1,447,875	25.10

Note 11 : Other Equity (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Note 11.1 Reserves & Surplus		
Capital reserve		
Balance as per last Balance Sheet	2.91	2.91
Add/Less: Adjustment for the year	-	-
Balance at the end of the year	**2.91**	**2.91**
Securities Premium Account		
Balance as per last Balance Sheet	753.83	753.83
Add: addition during the year	-	-
Add: utilized during the year	-	-
Balance at the end of the year	**753.83**	**753.83**
General reserve		
Balance as per last balance sheet	22,443.45	22,443.45
Add : Transfer from Profit & Loss account	-	-
	22,443.45	**22,443.45**
Surplus in statement of profit and loss		
Balance as per last Balance Sheet	8,116.13	7,655.05
Add: profit for the year	1,127.50	948.82
Add / (Less): OCI for the year	(1.09)	(0.93)
	9,242.54	**8,602.94**
Less: Appropriations :		
Dividend on equity shares	288.42	403.79
Dividend distribution tax on dividend	-	83.02
Transfer to General Reserve	-	-
Balance carried forward	**8,954.12**	**8,116.13**
Total	**32,154.31**	**31,316.32**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 11.2 Dividend distribution made and proposed

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Cash dividends on Equity shares declared and paid		
Final dividend for year ened 31-March-2020: ₹ 5/- per share 31-March-2019 ₹ 7/- per share)	288.42	403.79
Dividend distribution tax on final dividend	-	83.02
Total	**288.42**	**486.81**
Proposed dividends on Equity shares		
Final dividend for the year ended 31-March-2021: ₹ 5/- per share (31-March-2020: ₹ 5/- per share)	288.42	288.42
Total	**288.42**	**288.42**

Proposed dividend on equity shares is subject to approval at the annual general meeting and are not recognised as a liability as at 31 March.

Note 12 (a) : Trade Payables

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Current		
Due to micro and small enterprise	313.55	277.94
Due to other than micro and small entriprises	1,621.32	1,427.94
Total	**1,934.87**	**1,705.88**

Details of Dues to Micro, Small and Mediun Enterprises as defined under MSMED Act 2006

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Principal amount remaining unpaid to any supplier as at the period end	313.55	277.94
Interest due thereon	-	-
Amount of interest paid by the company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the apointed day during the accounting period for the purpose of disallowance as a deductible expenditure.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, untill such date when the interest dues as above are actually paid to the small enterprise.	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of Micro, Small and Midium enterprises, as defined under Micro, Small and Midium Enterprises Development Act, 2006 has been made in the Financial statement as at 31-March-2021 based on the information received and available with the Company. On the basis of such information, no interest is payable to any micro, small and medium enterprises. Auditors have relied upon the information provided by the Company.

Note 12 (b) : Financial Liabilities (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Borrowings		
Non-current interest bearing borrowings		
Secured		
Term loan From bank (Secured by hypothication of vehicles)	65.07	109.90
Total non-current interest bearing borrowings	**65.07**	**109.90**
Lease liability	85.66	125.69
Total	**150.73**	**235.59**

Note 12 (c) : Other Financial Liabilities (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Current maturities of non-current borrowings	18.18	16.51
Security Deposits	1.33	37.28
Unpaid dividend	17.66	17.81
Payable in respect of capital goods	43.91	33.51
Total current other financial liability	**81.08**	**105.11**

Note 12 (d) : Financial Liabilities By Category (₹ in Lakh)

Particulars	FVTPL	Amortised cost
31-March-2021		
Borrowings		65.07
Lease liability		85.66
Trade payable	-	1,934.87
Other financial liabilities	-	81.08
Total Financial liabilities	**-**	**2,166.68**
31-March-2020		
Borrowings	-	109.90
Lease liability	-	125.69
Trade payable	-	1,705.88
Other financial liabilities	-	105.11
Total Financial liabilities	**-**	**2,046.58**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

12 (e) Borrowings (₹ in Lakh)

Lender	31-March-21	31-March-20	Interest Rate
State Bank of India	83.25	126.41	9.30%

Terms of Repayment

Loan of State Bank of India is repayable on monthly instalments of Rs. 2.30 lakh starting from April 2019.

For financial instruments risk management objectives and policies, refer Note 27.

For fair value disclosures for financial assets and liabilities, refer Note 25 and fair value hierarchy disclosures for investments, refer Note 26.

Note 13 : Provisions (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Long-term		
Provision for employee benefits (refer Note 21)		
Provision for Compensated Absences	28.91	38.09
	28.91	**38.09**
Short-term		
Provision for employee benefits (refer Note 21)		
Provision for Compensated Absences	15.65	24.50
Provision for warranty	561.33	107.15
	576.98	**131.65**
Total	**605.89**	**169.74**

Provision for warranty

A provision for warranties relates mainly to standard warranty on sale of the product manufactured by the Company. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their asociated probabilities. The timing of the outflow is expected to be withing a period of one year from the date of balance sheet.

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
As on 01st April	107.15	183.55
Addition during the year	655.91	107.15
Utilization during the year	199.80	101.36
Short / (Excess) during the year	92.65	(82.19)
As on 31st March	**655.91**	**107.15**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 14 : Other Current / Non-Current Liabilities (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Current		
Advance from Customers	182.99	65.52
Statutory & Other Liabilities	334.33	188.88
Total	**517.32**	**254.40**

Note 15 : Revenue from Operations (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Sale of Products		
Domestic Sales	12,383.06	10,495.16
Export Sales	125.68	244.80
	12,508.74	**10,739.96**
Sale of Services		
Sale of Services	24.70	10.61
	24.70	**10.61**
Other operating revenue		
Sale of Scrap	37.43	40.49
Windmill Electricity Income	13.15	-
	50.58	**40.49**
Total	**12,584.02**	**10,791.06**

Note 16 : Other Income (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Other Income		
Interest Income	98.57	57.22
Dividend Income	6.37	25.37
Profit on Sale of Assets (Net)	6.34	-
Rent Income	7.59	53.91
Profit on sale of investments	-	3.15
Gain on fair valuation of investements	1,009.11	921.71
Duty Draw Back Claim	1.02	7.42
Miscellaneous Income	4.05	0.90
Total	**1,133.05**	**1,069.68**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 17 : Cost of raw materials and components consumed (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Inventory at the beginning of the year	2,987.25	3,329.71
Add : Purchases	2,815.26	4,319.71
	5,802.51	7,649.42
Less : Inventory at the end of the year	2,810.23	2,987.25
Cost of Raw material	2,992.28	4,662.17
Total	**2,992.28**	**4,662.17**

Note 18 : Purchases of stock-in-trade (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Purchase of traded goods	2,294.87	2,452.66
Total	**2,294.87**	**2,452.66**

Note 19 : Changes in inventories of finished goods, work-in-progress and stock-in-trade (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Inventory at the begining of the year		
Work-in-progress	2,151.70	488.40
Finished Goods	131.01	181.81
Finished goods in transit	-	16.16
Total	**2,282.71**	**686.37**
Inventory at the end of the year		
Work-in-progress	868.56	2,151.70
Finished Goods	40.60	131.01
Finished goods in transit	-	-
	909.16	**2,282.71**
Total	**1,373.55**	**(1,596.34)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 20 : Manufacturing expense (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Stores, Tools and Spares Consumed	165.43	185.79
Power and Fuel	28.12	27.63
Total	**193.55**	**213.42**

Note 21 : Employee benefits expense (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Salaries, Wages and Bonus	953.63	1,223.26
Contribution to Provident and other Funds	51.57	56.93
Employees' Welfare Expense	24.33	23.33
Employees' Retirement Benefits	29.00	29.24
Total	**1,058.53**	**1,332.76**

Note 22 : Finance costs (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Interest Expense	8.62	10.32
Interest on lease liability	8.97	12.28
Other Borrowing Costs	44.79	28.35
Total	**62.38**	**50.95**

Note 23 : Other expenses (₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Lease Rentals	12.53	3.70
Computer Software Charges	90.93	90.80
Rates & Taxes	116.56	72.14
Repairs and Maintenance :		
- Building	202.40	156.62
- Machinery	152.65	181.20
- Others	129.35	150.45
Insurance (Net of recoveries)	52.90	32.37
Travelling Expense	64.53	96.19
Directors' Fees	10.58	9.80
Commission to Non-Executive Directos	15.00	-
Packing, Forwarding & Distribution Expenses (Net of Recoveries)	136.15	127.93

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 23 : Other expenses (Contd...)

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Commission & Brokerage	1,315.34	1,167.86
Warranty Claim Replacement (Refer Note No.13)	655.91	107.15
Provision for Doubtful Debt	47.85	46.14
Advertisements & Sales Promotion Expenses	0.59	16.71
Payment to Auditors (Refer Note Below)	5.46	7.02
Expendinture on Corporate Social Responsibility (Refer Note No.34)	26.21	40.85
Donations	3.20	9.38
Professional Consultancy Fees	103.22	248.79
General Administrative Charges	408.53	538.86
Loss on Sales of Investment (Net)	13.60	
Loss on sale of asset	-	0.39
Loss on Account of Exchange Variation (Net)	21.26	36.92
Total	**3,584.75**	**3,141.27**

Payment to Auditors (Net of tax)

(₹ in Lakh)

	Particulars (For the Year Ended)	31-March-2021	31-March-2020
A.	**Statutory Auditors**		
	As Auditors		
	Audit fees	3.60	3.60
	Taxation matters	0.45	0.45
	Limited review fees	0.90	0.90
	Certification fees	0.51	0.25
	Reimbursement of expenses	-	1.82
	Total	**5.46**	**7.02**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 24 : Income tax

The major component of income tax expense for the years ended 31-March-2021 and 31-March-2020 are :

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Statement of Profit and Loss		
Current Tax		
Current tax	314.12	242.84
MAT credit Utilised /(Receivable)	23.38	(195.27)
Adjustment in respect of current tax of previous years	-	2.65
	337.50	**50.22**
Deferred Tax		
Relating to origination and reversal or temporary difference	(36.19)	29.34
Income tax expense reported in the statement of profit and loss	**301.31**	**79.56**

OCI Section

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Statement to Other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on actuarial gains and losses	(0.45)	(0.38)
Deferred tax charged to OCI	**(0.45)**	**(0.38)**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended 31-March-2021 and 31-March-2020.

A) Current Tax

(₹ in Lakh)

Particulars (For the Year Ended)	31-March-2021	31-March-2020
Accounting profit before tax from continuing operations	**1,427.01**	**1,020.16**
Tax @ 29.12% (31 March 2020 - 29.12%)	415.55	297.07
Adjustment		
In respect of additional allowance for R & D expense	-	(54.22)
In respect of Exempted income	(12.78)	(20.20)
In respect of Expense disallowed/(Allowed)	37.54	66.14
In respect of standard deduction on rent income	-	(3.69)
In respect of profit on sale of assets	0.04	(0.11)
In respect of tax rate difference on profit on sale of investment	(102.85)	(205.43)
At the effective income tax rate of 23.65% (31-March, 2020 : 7.80%)	**337.50**	**79.56**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

B) Deferred tax

(₹ in Lakh)

Particulars (For the Year Ended)	Balance Sheet		Statement of Profit and Loss	
	31-March-2021	31-March-2020	31-March-2021	31-March-2020
Depreciation difference	665.18	682.10	(16.92)	(47.38)
Disallowances u/s 43 B of Income Tax Act	(12.75)	(14.70)	1.95	36.07
Provision for Doubtful debts & advances	(25.13)	(14.23)	(10.90)	(13.43)
On Unrealised gain on fairvaluation of investment at FVTPL	313.16	325.32	(12.16)	50.84
Deferred tax expense/(income) accounted through Other Comprehensive income	0.61	0.16	0.45	0.38
ROU asset and lease liability	3.42	2.48	0.94	2.48
Deferred tax expense/(income)	**-**	**-**	**(36.64)**	**28.96**
Net deferred tax	**944.49**	**981.13**	**-**	**-**
Reflected in the balance sheet as follows				
Deferred tax assets	(37.88)	(28.93)	-	-
Deferred tax liabilities	982.37	1,010.06	-	-
Deferred tax liabilities (net)	**944.49**	**981.13**	**-**	**-**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 25 : Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ in Lakh)

Particulars as at	Carrying Amount		Fair Value	
	31-March-2021	31-March-2020	31-March-2021	31-March-2020
Financial assets				
Investments measured at fair value through profit or loss	14,830.30	14,623.56	14,830.30	14,623.56
Investments measured at amortised cost	940.61	938.81	667.27	661.39
Total	**15,770.91**	**15,562.37**	**15,497.57**	**15,284.95**

The management assessed that the fair values of cash and cash equivalents, other bank balance, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

Note 26 : Fair value hierarchy

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

Quantitative disclosures of fair value measurement hierarchy for financial assets as at 31-March-2021 and 31-March-2020.

(₹ in Lakh)

Particulars as at	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at 31-March-2021					
Assets measured at fair value					
Fair value through Profit and Loss					
Investment in Equity Shares, quoted	**31-March- 2021**	8.37	8.37	-	-
Investment in Mutual fund -unquoted	**31-March- 2021**	14,821.90	-	14,821.90	-
Assets for which fair values are disclosed					
Investment in Bonds, quoted	**31-March- 2021**	584.79	584.79	-	-
Investment property	**31-March- 2021**	1,113.74	-	-	1,113.74

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Particulars as at	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at 31-March- 2020					
Assets measured at fair value					
Fair value through Profit and Loss					
Investment in Equity Shares, quoted	**31-March-2020**	2.97	2.97	-	-
Investment in Mutual Fund-unquoted	**31-March-2020**	14,620.56		14,620.56	-
Assets for which fair values are disclosed					
Investment in Bonds, Quoted	**31-March-2020**	584.79	584.79	-	-
Investment Property	**31-March-2020**	1,039.03	-	-	1,039.03

Note 27 : Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, trade and other receivables and cash & short-term deposits that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

For risk management, management identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The management provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(a) 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 three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables.

Within the various methodologies to analyse and manage risk, the Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the Company. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

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

- The sensitivity of the relevant Statement of Profit or Loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31-March-2021 and 31-March-2020 including the effect of hedge accounting.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any borrowings with floating interest rate.Hence, the Company does not have any interest rate risk at present.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD/EUR. The Company has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk. However, exposure to foreign currency is not material and hence, foreign currentcy risk is assessed by the Company is low.

Equity price risk

The Company's investment consists of investments in publicly traded companies held for purposes other than trading. Such investments held in connection with non-consolidated investments represent a low exposure risk for the Company and are not hedged.

(b) Credit Risk

Credit risk is the risk that a 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) and from its financing activities, including deposits with banks, and other financial instruments.

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days to 90 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 6. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing analysis of trade receivables as of the reporting date is as follow: (₹ in Lakh)

Trade receivables as at	Neither past due nor impaired (including unbilled)	Past due but not impaired				Total
		Less than 90 days	90 to 180 days	180 to 365 days	Above 365 days	
31-March-2021	4,897.37	503.18	278.52	264.86	202.68	6146.61
31-March-2020	2,076.74	678.08	33.74	52.42	244.96	3085.94

The requirement of impairment is analysed as each reporting date.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance Sheet as on 31-March-2021 and 31-March-2020 is the carrying amount as disclosed in Note 25.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(c) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing, including bilateral loans, debt and overdraft from domestic banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in Lakh)

Particulars	On Demand	Less than 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
Year ended 31-March-2021						
Trade payables	-	1,312.96	621.91	-	-	-
Other financial liabilities	18.99				-	-
Payable for capital goods	-	-	43.91	-	-	-
Term Loan from Bank	-	2.30	6.90	18.40	110.40	-
	18.99	**1,315.26**	**672.72**	**18.40**	**110.40**	**-**
Year ended 31-March-2020						
Trade payables	-	840.58	865.30	-	-	-
Other financial liabilities	55.09			-	-	-
Payable for capital goods	-		33.51			-
Term Loan from Bank		2.30	6.90	18.40	138.00	27.60
	55.09	**842.88**	**905.71**	**18.40**	**138.00**	**27.60**

Note 28 : Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Trade and other payables (Note 12 & 14)	2,533.27	2,065.39
Less: cash and cash equivalent (including other bank balance) (Note 6)	(961.09)	(693.38)
Net Debt	**1,572.18**	**1,372.01**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Equity share capital (Note 10)	576.84	576.84
Other equity (Note 11)	32,154.31	31,316.32
Total Capital	**32,731.15**	**31,893.16**
Capital and Net Debt	**34,303.33**	**33,265.17**
Gearing Ratio	**5%**	**4%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31-March-2021 and 31- March- 2020.

Note 29 : Contingent Liabilities

(₹ in Lakh)

Particulars as at		31-March-2021	31-March-2020
Contingent liabilities not provided for			
a.	Income tax demands disputed by the Company	3.17	3.17
b.	Sales tax demands disputed by the Company	8.23	139.93
c.	Excise & Service tax demands disputed by the Company	855.70	855.70
d.	With reference to the judgment of Hon'ble Supreme Court of India, the Management is of the view that there is considerable uncertainty around the timing, manner and extent in which the judgment will be interpreted and applied by the regulatory authorities. Management is of the view that any incremental outflow in this regard can only be determined once the position being taken by the regulatory authorities in this regard is known and the Management is able to evaluate all possible courses of action available accordingly, in view of management, any additional financial liability for the period from date of the SC order (28 February 2019) to 31 March 2021 is not significant. In addition, pending the outcome of directions from the EPFO, the impact for past periods, if any, is not ascertainable and consequently no financial effect has been provided for in the accounts.	Amount not ascertained	Amount not ascertained

Note: Above all figures are excluding unquantified interest payable wherever applicable and outflow of funds, if any, would depend upon the outcome of the dispute / contingency.

Note 30 : Capital commitment and other commitments

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Capital commitments		
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Advance)	-	-
Other commitments	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 31 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 59.70 Lakh. (March 31, 2020: ₹ 67.70 Lakh) is recognised as expenses and included in Note No. 21 "Employee benefit expense"

(₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Provident Fund	51.57	56.93
Superannuation Fund	8.13	10.77
	59.70	**67.70**

B. Defined benefit plan:

The Company has following post employment benefit which is in the nature of defined benefit plan:

(a) Gratuity

The Company operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

31-March-2021 : Changes in defined benefit obligation and plan assets

(₹ in Lakh)

	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income							
	1-April-2020	Service cost	Net interest expense	**Sub-total included in statement of profit and loss (Note 21)**	**Benefit paid**	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demo-graphic assump-tions	Actuarial changes arising from changes in financial assump-tions	Experience adjust-ments	**Sub-total included in OCI**	**Asset Transfer In/ Transfer Out**	**Contri-butions by employer**	**31-March-2021**
Gratuity													
Defined benefit obligation	341.81	17.27	23.48	40.75	49.02)	-	-	1.24	(2.10)	(0.86)	5.42	-	338.10
Fair value of plan assets	368.47	0.00	25.31	25.31	(49.02)	(2.40)	0.00	0.00	0.00	0.00	-	2.94	345.30
Benefit liability/(Asset)	(26.66)	17.27	(1.83)	15.44	-	2.40	-	1.24	(2.10)	(0.86)	5.42	(2.94)	(7.20)
Total benefit liability/(asset)	**(26.66)**	**17.27**	**(1.83)**	**15.44**	**-**	**2.40**	**-**	**1.24**	**(2.10)**	**(0.86)**	**5.42**	**(2.94)**	**(7.20)**

31-March-2020 : Changes in defined benefit obligation and plan assets

(₹ in Lakh)

	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income							
	1-April-2019	Service cost	Net interest expense	**Sub-total included in statement of profit and loss (Note 21)**	**Benefit paid**	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demo-graphic assump-tions	Actuarial changes arising from changes in financial assump-tions	Experience adjust-ments	**Sub-total included in OCI**	**Asset Transfer In/ Transfer Out**	**Contri-butions by employer**	**31-March-2020**
Gratuity													
Defined benefit obligation	349.60	17.25	26.89	44.14	(49.84)	-	-	(11.74)	9.54	(2.20)	0.11	-	341.81
Fair value of plan assets	354.58	-	27.27	27.27	(49.84)	(3.50)	-	-	-	-	(1.50)	41.46	368.47
Benefit liability / (assets)	(4.98)	17.25	(0.38)	16.87	-	3.50	-	(11.74)	9.54	(2.20)	1.61	(41.46)	(26.66)
Total benefit liability/(assets)	**(4.98)**	**17.25**	**(0.38)**	**16.87**	**-**	**3.50**	**-**	**(11.74)**	**9.54**	**(2.20)**	**1.61**	**(41.46)**	**(26.66)**

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	**31-March-2021 (%) of total plan assets**	**31-March-2020 (%) of total plan assets**
Insured fund	100%	100%
(%) of total plan assets	**100%**	**100%**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars as at	31-March-2021	31-March-2020
Discount rate	6.80%	7.87%
Future salary increase		
Next one year	3%	0%
Next one year starting from second year	7%	3%
From 3rd Year	7%	7%
Expected rate of return on plan assets	6.80%	6.87%
Attrition rate	2.00%	2.00%
Morality rate during employment	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity (₹ in Lakh)

		(increase) / decrease in defined benefit obligation (Impact)	
Particulars as at	**Sensitivity Level**	**31-March-2021**	**31-March-2020**
Gratuity			
Discount rate	1% increase	(16.59)	(16.99)
	1% decrease	19.11	19.52
Salary increase	1% increase	18.97	19.57
	1% decrease	(16.80)	(14.99)
Attrition rate	1% increase	(0.29)	0.03
	1% decrease	0.33	(0.01)

The followings are the expected future benefit payments for the defined benefit plan : (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Gratuity		
Within the next 12 months (next annual reporting period)	86.44	80.90
Between 2 and 5 years	152.68	125.09
Between 6 and and 10 years	95.71	120.50
Beyond 11 years	222.49	228.89
Total Expected Payments	**557.32**	**555.38**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars as at	31-March-2021	31-March-2020
Gratuity	12	12

The followings are the expected contributions to planned assets for the next year: (₹ in Lakh)

Particulars as at	31-March-2021	31-March-2020
Gratuity	-	-

C. Other Long Term Employee Benefit Plans

Leave encashment / Compensated absences

Salaries, Wages and Bonus include ₹ -3.42 Lakh (Previous Year ₹ 21.56 Lakh) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

Note 32 : Related Party Transactions

As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Company are as follows :

a. Name of Related Parties and Nature of Relationship :

a. Associate

Eimco Elecon Electricals Ltd.

b. Individual/Enterprise having control/significant influence

Shri Prayasvin B. Patel
Elecon Engineering Company Limited

c. Key Management Personnel

Directors

Shri Pradip M Patel, Non Executive Director and Chairman
Shri Mukulnarayan Dwivedi, Executive Director
Shri Prayasvin B. Patel, Executive Director
Shri Prashant C. Amin, Non Executive Director - Nominee Director
Shri Nalin M. Shah, Non Executive Director - Independent Director
Shri Nirmal P. Bhogilal, Non Executive Director - Independent Director
Smt. Manjuladevi P. Shroff, Non Executive Director - Independent Director
Ms. Reena Bhagwati, Non Executive Director - Independent Director

Executive Officers

Shri N.D. Shelat, Chief Financial Officer
Shri Rikenkumar Dalwadi, Company Secretary

d. Enterprises over which (b) or (c) above have significant influence

EMTICI Engineering Limited
EMTICI Marketing LLP
Prayas Engineering Limited
Power Build Pvt. Ltd.
Elecon Information Technology Ltd.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Madhubhan Prayas Resorts Limited
Akkaish Mechatronics Limited
Speciality Woodpack Pvt Ltd.
Modsonic Instruments Manufacturing Co. Pvt. Ltd.
Elecon Peripherals Limited
Bipra Investment & Trusts Private Limited.
Devkishan Investments Private Limited.
K.B.investment Private Limited.
Aishpra Properties Pvt. Ltd.
Akaaishpra Infracon Pvt. Ltd.
BIP Buildcon Pvt. Ltd.
Jamco Consultants Pvt. Ltd.
Kirloskar Power Build Gears Ltd.
Madhuban Heights Pvt. Ltd.
MTC Buildcon Pvt. Ltd.
Akaaish Investments Pvt. Ltd.
Wizard Fincap Limited
Tech Elecon Pvt. Ltd.
Elecon Hydraulics Pvt. Ltd.
Vijay M. Mistry Construction Private Limited.
Eleccon Australia Pty. Limited.
Elecon Africa Pty. Limited.
Elecon Singapore Pte. Limited.
Elecon Middle East FZE, UAE
Elecon Engineering (Suzhou) Co Limited
Power Build Transmission International Limited
Radicon Transmission UK Limited
Radicon Drive System Inc. (formaly known as Elecon USA Trasnmission Limited)
Benzlers System, AB
AB Benzlers
Benzler Italia s.r.l., Italy
Benzler Transmission A.S (Denmark)
OY Benzler AB (Finland)
Benzler Antriebstechnik GMBH, Germany
Benzler TBA BV, Netherlands
Radicon Transmission FZE, UAE
Radicon Transmission (Thailand) Limited
Radicon Transmission System (Thailand) Limited
Radicon Transmission (Australia) Pty. Limited.
Desmin Agencies
United Marketing
Expert Energy System - LLP

e. Collaborators

Sandvik AB Sweden
Tamrock Great Britain Holding Ltd.

f. Post employment benefit plan

Eimco Employees Gtratuty S.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Eimco Emp Super Annuity SH (₹ in Lakh)

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

b. Disclosure in respect of Related Party Transactions :

Nature of Transactions	Year Ended	
	31-March-2021	31-March-2020
Purchase of Material		
Elecon Engineering Company Ltd.	481.03	410.66
Power Build Pvt.Ltd.	81.82	9.85
Speciality Woodpack Pvt Ltd.	15.27	18.32
Eimco Elecon Electrical Ltd.	45.09	99.39
Elecon Peripherals Ltd.	5.22	4.61
Elecon Hydraulics Pvt Ltd	0.31	36.04
Emtici Marketing LLP	0.41	-
Job work Income		
Elecon Engineering Company Ltd.	22.24	13.68
Job work Expenses		
Elecon Engineering Company Limited	5.51	15.67
Sale of Finished Goods, Consumables & Scrap		
Elecon Engineering Company Ltd.	32.39	36.70
Speciality Woodpack Pvt Ltd.	0.46	0.96
Power Build Pvt. Ltd	-	1.42
Vijay M. Mistry Construction Pvt. Ltd.	7.09	472.35
Purchase of Fixed Assets		
Tech Elecon Pvt. Ltd.	9.96	11.98
Elecon Peripherals Ltd.	-	7.48
Sale of Fixed Assets		
Power Build Pvt. Ltd.	-	16.92
Expenses Charged to		
Elecon Engineering Company Ltd.	4.84	6.36
Jamko Consultants Pvt. Ltd.	0.30	0.52
Expenses Charged by		
Elecon Engineering Company Ltd.	6.18	1.77
Speciality Woodpack Pvt. Ltd.	11.04	15.77
Elecon Information Technology Ltd.	14.78	14.66
Akaaish Mechatronics Ltd.	156.10	179.12
EMTICI Engineering Ltd.	75.70	88.39
Wizard Fincap Ltd.	19.44	14.67
Tech Elecon Pvt Ltd	112.94	121.99
Jamko Consultants Pvt. Ltd.	79.75	75.90

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

Nature of Transactions	Year Ended	
	31-March-2021	31-March-2020
Sales Commission		
EMTICI Engineering Ltd.	796.65	1095.88
EMTICI Marketing LLP	478.07	-
Reimbursement of Expense paid / payable		
Elecon Engineering Company Ltd.	0.96	2.36
Reimbursement of Expense Received / Receivables		
Elecon Engineering Company Ltd.	18.08	8.72
Power Build Pvt. Ltd.	3.86	6.74
Remuneration to Key Management Personnel	157.58	199.55
Dividend Paid		
Tamrock Great Britain Holding Ltd.	72.39	101.35
Elecon Engineering Company Ltd.	47.92	67.09
EMTICI Engineering Company Ltd.	40.92	57.28
K B Investments Private Ltd.	24.35	34.09
BIPRA Investments and Trusts Private Ltd.	9.41	13.17
Elecon Information Technology Ltd.	7.38	10.33
Devikishan Investments Private Ltd.	6.05	8.46
Prayas Engineering Ltd.	1.88	2.63
Akaaish Mechatronics Ltd.	1.30	1.81
Power Build Pvt. Ltd.	0.80	1.12

c. Balance as at year end :

(₹ in Lakh)

Nature of Transactions	Year Ended	
	31-March-2021	31-March-2020
Outstanding Payables :		
(a) Associate		
Eimco Elecon Electricals Ltd.	13.50	12.75
(b) Individual/Enterprise having control/significant influence		
Elecon Engineering Company Ltd.	84.12	82.30
(c) Key Management Personnel	23.00	8.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

(₹ in Lakh)

(d) Enterprises over which (b) or (c) above have significant influence		
Elecon Peripherals Ltd.	-	1.64
EMTICI Engineering Ltd.	12.35	351.40
Akaaish Mechatronics Ltd.	15.59	13.96
Speciality Woodpack Pvt. Ltd.	3.71	5.05
Power Build Pvt.Ltd.	0.58	0.54
Wizard FinCap Ltd.	1.76	0.68
Tech Elecon Pvt. Ltd.	4.04	12.23
Jamko Consultants Pvt. Ltd.	6.03	6.60
EMTICI Marketing LLP	476.84	-
Outstanding Receivables :		
(a) Associate		
Eimco Elecon Electricals Limited	-	-
(b) Individual/Enterprise having control significant influence		
Elecon Engineering Company Ltd.	19.85	5.85
(c) Enterprises over which (b) or (c) above have significant influence		
Speciality wood pack Pvt. Ltd.	0.09	0.19
Power Build Pvt. Ltd.	3.86	-
Elecon Hydraulics Pvt. Ltd.		0.00
Vijay M. Mistry Construction Pvt. Ltd.	1.74	0.21
Jamko Consultants Pvt. Ltd.	-	0.10
(d) Collaborators:		
Sandvik Asia Private Limited	-	-
Investment:		
(a) Associates		
Eimco Elecon Electricals Limited	51.00	51.00

c. Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions.

d. Commitments with related parties

The Company has not provided any commitment to the related party as at 31-March-2021, (31-March-2020: ₹ Nil)

e. Transactions with key management personnel

Compensation of key management personnel of the Company

(₹ in Lakh)

Particulars	**2020-21**	**2019-20**
Short-term employee benefits	132.01	189.74
Post employment benefits	4.99	3.50
Total compensation paid to key management personnel	**137.00**	**193.24**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 33 : Earning per share

(₹ in Lakh except EPS)

Particulars	2020-21	2019-20
Earing per Share (Basic and Diluted)		
Profit attributable to ordinary equity holders	1,127.50	948.82
Total No. of equity shares at the end of the year (No. in Lakhs)	57.68	57.68
Weighted average number of equity shares		
For basic EPS	57.68	57.68
For diluted EPS	57.68	57.68
Nominal value of equity shares	10.00	10.00
Basic earning per share	19.55	16.45
Diluted earning per share	19.55	16.45

Note 34 : Corporate Social Responsibility (CSR) Activities:

a. As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects. The funds were primarily allocated to a corpus and utilized throughout the year on these activities which are specified in Schedule VII of the Companies Act, 2013

b. Amount spent during the year on:

(₹ in Lakh)

		Year Ended					
		31-March-2021			31-March-2020		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-	-	-	-
(ii)	Contribution to various Trusts / NGOs / Societies / Agencies and utilization thereon	26.21		26.21	40.85	-	40.85
(iii)	Expenditure on Administrative Overheads for CSR	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

Note 35 : Impact of COVID 19

In view of the lockdown across the country due to the outbreak of COVID-19 pandemic, operations in our company are scaled down or shut down in compliance with the directives / orders issued by the Government authorities.

As per our current assessment, no significant impact on carrying amounts of inventories, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results

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For **THACKER BUTALA DESAI**
Chartered Accountants
ICAI Firm's Registration No.110864W

Yatin N. Patel
Partner
Membership No. 122676

Place : Navsari
Date : 13th May, 2021

For and on behalf of the Board of Directors
Eimco Elecon (India) Limited
CIN : L29199GJ1974PLC002574

Mukulnarayan Dwivedi
Executive Director
DIN : 08442155

Prayasvin B. Patel
Executive Director
DIN : 00037394

N. D. Shelat
Chief Financial Officer

Rikenkumar Dalwadi
Company Secretary

Place : Vallabh Vidyanagar
Date : 13th May, 2021

FORM AOC – 1

Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A" : Subsidiaries

Sr. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign Subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
No Subsidiary														

PART "B" : Associates and Joint Ventures (₹ in Lakh)

Sr. No.	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
		No.	Amount of Investment in Associates/Joint Venture	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
1	31-03-2021	510000	51.00	47.62	N.A.	In view of MCA Notification dtd. 14-10-2014, exemption granted from consolidation	355.82	1.80	-

Note: There is significant influence due to percentage (%) of share capital

For and on behalf of the Board of Directors,

Mukulnarayan Dwivedi
Executive Director
DIN : 08442155

Prayasvin B. Patel
Executive Director
DIN : 00037394

N. D. Shelat
Chief Financial Officer

Rikenkumar Dalwadi
Company Secretary

Place : Vallabh Vidyanagar
Date : 13th May, 2021

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