



# Marine Electricals (India) Limited

B-1, Udyog Sadan-3, MIDC, Andheri (E), Mumbai-93, India, Tel.: 91-22-40334300 Fax: 91-22-28364045 E-mail: info@marineelectricals.com  
Website : www.marineelectricals.com CIN : L31907MH2007PLC176443 (Formerly known as Marine Electricals (I) Pvt. Ltd.)



Ref: MEIL/SEC/2021-22/40

**Date: 3<sup>rd</sup> September, 2021**

**The Manager**

**National Stock Exchange of India Ltd.**

Exchange Plaza, C-1, Block- G,

Bandra Kurla Complex,

Bandra (East) Mumbai-400 051.

Fax No. 26598235/8237/8347.

**Symbol: MARINE**

**Dear Sirs/Madam,**

**Subject: Annual Report for Financial Year 2020-21**

The 14<sup>th</sup> Annual General Meeting ("AGM") of the Company will be held on Tuesday, 28<sup>th</sup> September, 2021 at 11.30 a.m IST through Video Conferencing / Other Audio Visual Means.

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Integrated Annual Report of the Company along with the Notice of AGM for the financial year 2020-21 which is being sent only through electronic mode to the Members.

The Integrated Annual Report containing the Notice is also uploaded on the Company's website at: <https://www.marineelectricals.com/annual-report.html>

You are requested to take the same on record & oblige.

Thanking You.

Yours faithfully,

**For Marine Electricals (India) Limited**

**Ms. Mitali Ambre**

**Company Secretary and Compliance officer**

**ACS: 60296**



Encl: As above

# Annual Report

2020-21



**Strength and Growth  
Through Continuous  
Efforts**





Managing electrical distribution efficiently, reliably and safely is primary requirement of all business establishment, be it any Industry, Data Center or Commercial Building.

At Marine Electricals, we help our customers in different segments, across the world to manage complex power distribution and automation systems. Established in 1978, we have been associated with projects of varied criticality and complexity in all the major segments like Shipping, Oil & Gas, Chemicals, Pharmaceuticals, Automobile, Data Centers and Buildings. With time, we have extended our services in manufacturing and supplying electrical vehicle charging solutions. Also, we have started undertaking electrical packages for Naval and Commercial Ships.

We have vast pool of experts and experienced engineers in multi-disciplinary fields to develop new solutions and manage operations. Our manufacturing facilities, certified as per ISO9001, ISO14001 and ISO 45001, has latest state-of-the-art machinery, including CNC turrets & bending machines, automated powder coating plant and a huge assembly area to meet challenging project schedules.

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## MESSAGE FROM CHAIRMAN'S DESK



Dear Shareholders,

I am pleased to share with you on behalf of our Board of Directors an update on your Company's performance for 2020-21. The year saw a challenging business environment with lower GDP on a backdrop of sluggish global economy. The period leading up to the lockdown and the subsequent stoppage of all economic activity due to the Second wave of coronavirus pandemic from March end has adversely affected your Company's operations in late FY 2020-

21 as well as the better part of Q1 FY 2021-22. We do expect the impact to ease during the second quarter though normalcy may be restored only during second half of the fiscal. Against this backdrop, your Company has delivered competitive, profitable and responsible results.

India plans to spend \$130 bn on military modernisation in the next 5 years, as achieving self-reliance in defence production is a key target for the Government of India. The Government has opened up the Defence industry for private sector participation to provide impetus to indigenous manufacturing. Further, simmering tensions along our northern border have hastened our governments resolve to enhance self-reliance. This has provided your company with many new opportunities to increase our product offering and solutions to our clients. The results are seen in our order book position from Rs. 4017 million at end of FY20 to Rs. 4410 million at end of FY21 with the increase in portfolio of products to our customers we anticipate a further increase and robust order booking for FY22 as well. Our continued focus on R&D on new product developments & indigenisation and product and solutions improvement should help us in maintaining our sales revenue and order book position growth

India's march towards energy-efficient urbanisation and rural electrification will continue owing to the Government's continued focus to drive electrification. In addition the relentless drive of the government to provide an attractive alternative for multi national companies to set up manufacturing facilities in India with a continued ease to conduct business has seen many new green field projects being set up. The governments push to improve infrastructure like new airports, hospitals, educational institutions all over the country has opened up a huge opportunity for your company to provide it industrial solutions to these projects. Your company is already a prominent pan India player in providing electrical and automation solutions to our customers.

India data center market is poised to emerge as a potential data center hub for global enterprises. While the number of Internet users is closing 450 million and shows no signs of abating, the continued adoption of the latest technologies has triggered the demand for data storage. Favorable initiatives being pursued by the Government of India toward the establishment of data centers is expected to play a decisive role in driving the growth of the data center industry in India. The data center market in India is getting lucrative in terms of investments, particularly owing to the initiatives being pursued by the Indian government to migrate all the governance operations to the cloud as part of the efforts to push a digital economy and encourage e-governance. Your company has been providing critical power solutions to



## MESSAGE FROM CHAIRMAN'S DESK

major players in the industry and is a preferred partner with many prominent data center operators in the country. With a strong resurgence in our core business your company has taken a conscious call to focus on its core activities and would be not to participate in turnkey EPC solar projects due to uncertainty of policies and profit recognition.

With a strong engineering and R&D capability your company has invested in developing a complete range of EV charging solutions indigenously. We see a great future and explosive growth in Electric vehicles in India and world wide. This business will open a completely new and exciting revenue stream for your company.

People continue to be the fulcrum of your Company's operations and focused attention is given to retention and professional development of talent at all levels. The top management devotes considerable attention to ensuring that employees are given opportunities for professional development and are able to grow along with the businesses they work for.

I thank all our stakeholders for their continued support. Going forward, we see immense growth opportunities with support from conducive policies. We have created enough growth engines and made necessary investments to be a part of this resurgence. From an organizational standpoint, we are well-prepared for the coming decade and to create value.

Yours Sincerely,

**Mr. Vinay Uchil**

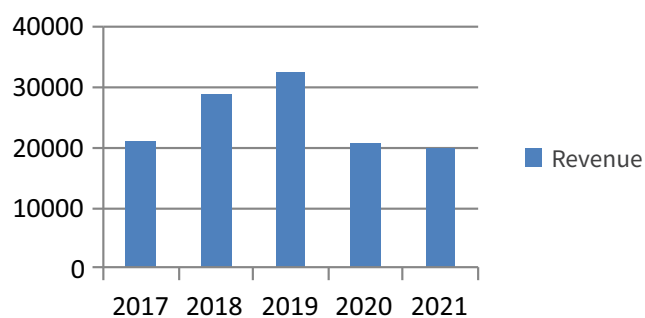
**Chairman and Executive Director**

## FINANCIAL HIGHLIGHTS

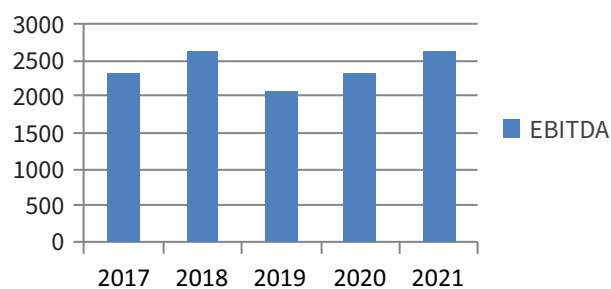
### Standalone:

Year	Revenue (In Rs. Lacs)	EBITDA (In Rs. Lacs)	PAT (In Rs. Lacs)	Net Worth (In Rs. Lacs)
2017	20,944.17	2,313.16	861.14	5,874.74
2018	28,766.39	2,622.68	1,172.41	7,547.49
2019	32,323.03	2,072.46	777.72	12,064.64
2020	20,592.22	2,306.03	474.68	12,559.51
2021	19,987.37	2,622.74	782.85	13,387.59

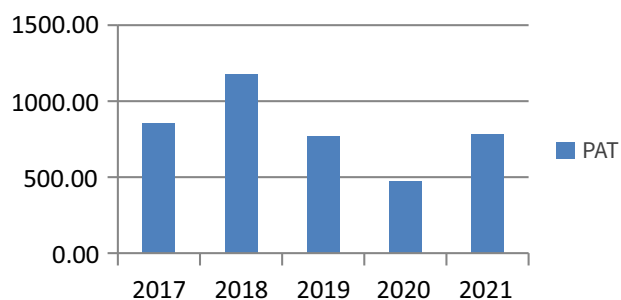
Revenue in Lacs



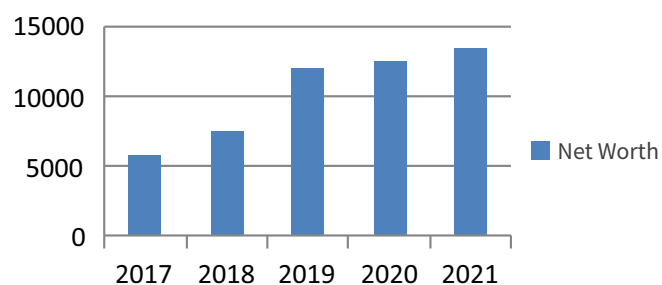
EBITDA in Lacs



PAT In Lacs



Net worth In Lacs

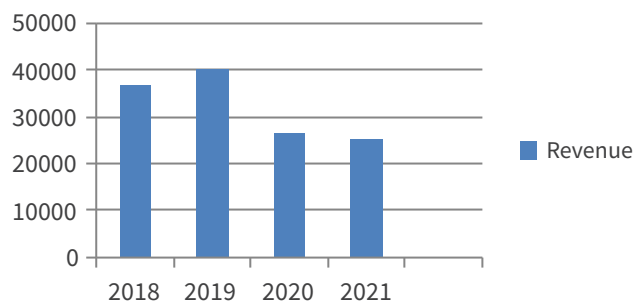


## FINANCIAL HIGHLIGHTS

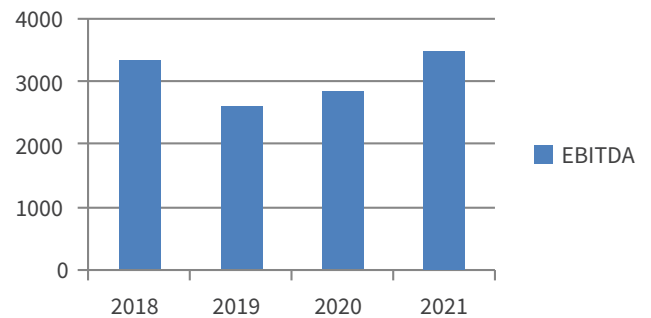
### Consolidated:

Year	Revenue (In Rs. Lacs)	EBITDA (In Rs. Lacs)	PAT (In Rs. Lacs)	Net Worth (In Rs. Lacs)
2018	36,880.49	3,442.33	1,626.1	9,554.43
2019	39,984.13	2,608.56	915.24	14,757.31
2020	26,292.52	2,837.84	588.63	15,609.90
2021	25,128.66	3,495.86	1,353.19	16,999.95

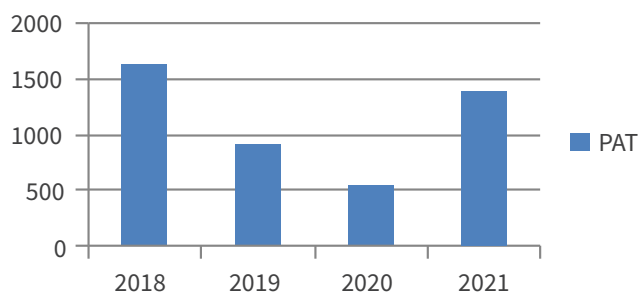
Revenue in Lacs



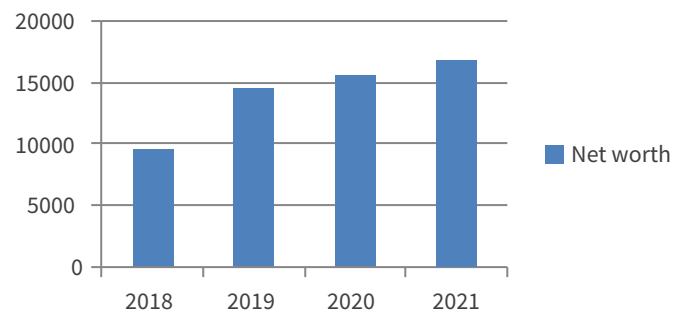
EBITDA in Lacs



PAT In Lacs



Net worth





## BOARD OF DIRECTORS



### Mr. Vinay Uchil

Chairman and Executive Director

Mr. Vinay Uchil, aged 50 years, is Chairman & Executive Director and Promoter of the Company. He has Bachelors Degree in Instrumentation from Swami Vivekananda College, Mumbai and MBA in Finance from Narsee Monjee Institute of Management. He has over Two Decades of experience in this Segment. He joined “M/s. Marine Electricals”, as a proprietorship concern in 1995 and since then he is actively involved in Marketing, Finance and Administration functions of the Solar & Marine Division of the Organisation. Currently, he is involved in getting the orders from Defense and Public sector undertakings dealing in Shipping. His contribution is instrumental in expanding the business of the Company and had taken business to a new height by diversifying into difference verticals i.e. Defense, Shipping, Marine & Non- Marine Sectors & Renewable Energy.



### Mr. Venkatesh Uchil

Managing Director

Mr. Venkatesh Uchil, aged 44 years, is the Managing Director and Promoter of the Company. He has Bachelors Degree in Electronics and Telecommunication from University of Mumbai and Post Graduate Diploma in Management from S.P Jain Institute of Management, Mumbai. He has over two decades of experience in this Sector. He joined “M/s. Marine Electricals”, as a proprietorship concern in 2002 and since then he is actively involved in procurement, production and technical areas of the entity. He played an instrumental role in strategising and expanding the proprietorship concern to partnership firm and later a Company form of organisation. He started focusing on the marketing Division of the Company and got the orders from various industry / offices / Banks for automation, power management systems & control centers and electrification areas. He has actively participated in timely execution of the Industry orders. He has been guiding force behind the growth and business strategy of the Company.

## BOARD OF DIRECTORS



### Mr. Madan Pendse

Non-Executive Independent Director

Mr. Madan Pendse, aged 70 years, is the Non-Executive Independent Director on the Board of Company. He has a Bachelor's Degree in Commerce and Master's Degree in Business Administration. Mr. Pendse has around four decades of experience in Finance and Accounts functions including 28 years in Mazagon Dock Limited (now known as Mazagon Dock Shipbuilders Limited) at various positions including General Manager (F&A). He has been working as CFO & KMP at Reliance Naval and Engineering Limited since last 3-4 years. He acts as a Director on the board of various subsidiaries of Reliance Naval and Engineering Limited.



### Mr. Nikunj Mishra

Non-Executive Independent Director

Mr. Nikunj Mishra, aged 65 years, is the Non Executive Independent Director on the Board of Company. He has completed M.Tech (Computer Science) from IIT Bombay and PG Diploma in Business Management from IGNOU. He has around 38 years of experience including about 34 years of experience in India Navy at various levels and 4 years of experience in Hindustan Shipyard Limited as Chairman & Managing Director. He has been the Defence Attaché at Embassy of India, Rome. Further, He has been adjudged as the "Best Naval Cadet" at National Defence Academy, Pune and has Stood First in overall order of Merit at Naval Engineering Course and Advanced Electronics Engineering Course. He was also awarded "Nao Sena Medal" by the President of India for successful completion of Aircraft Carrier Modernisation in record time and was appreciated with many such awards in the year 2013-2014.

## BOARD OF DIRECTORS



### **Dr. Tanuja Pudhierkar**

Non Executive Non-Independent Director

Dr. Tanuja Pudhierkar, aged 48 years, is the Non Executive Non-Independent Director on the Board of Company. She is M.D in Obstetrics, & Gynaecology from University of Mumbai and has also undergone various Diploma Courses such as Diploma in Gynaecology & Obstetrics, Diploma in Artificial Reproductive Medicine, Diploma in Advanced Gynaecological Endoscopy, Diploma in Specialised Advanced Gynaecological Endoscopy. Further, she holds Bachelor's Degree of Medicine & Bachelor's Degree of Surgery (M.B.B.S.), from University of Mumbai. She has around two decades of experience in the field of Gynaecology & Obstetrics. She was associated with various hospitals such as K.E.M Hospital, Nowrosjee Wadia Maternity Hospital, Cooper Hospital and has been a consultant Obstetrician & Gynaecologist at Oma Hospital, Cozy Clinique & Nursing Home and Dr. Shankar's Polyclinic.



### **Mr. Shailendra Shukla**

Non-Executive Non-Independent Director

Mr. Shailendra Kumar Shukla, aged 53 years, is the Non Executive Non Independent Director on the Board of Company. He has Bachelors Degree in Electronics and Communications Engineering from University of Marathwada, Masters Degree in Administrative Management, Post Graduate Diploma in Weapon Control Systems from INS Valsura and Masters in Administration from Narsee Monjee Institute of Management Studies, Mumbai. Mr. Shukla has served at many Senior Level positions including Vice President and Managing Director in foreign Multinational Companies. He has around three decades of experience in Maritime, Technology and Defence Industries.



## BOARD OF DIRECTORS



### **Mr. Vikas Jaywant**

Non-Executive Independent Director

Mr. Vikas Jaywant, aged 63, is Non-Executive Independent Director on the Board of Company. He holds Bachelors Degree in Electrical Engineering (B.E. Electrical) and he has done his Masters in Marketing Management (MMM) from Jamnalal Bajaj Institute Of Management Studies. He is a certified Energy Auditor and a Chartered Engineer. Vikas has over two decades of Work experience with companies like Crompton and Greaves and Schneider Electric Ltd. He is Promoter Director of Oasis Energy & Applied Technologies Pvt Ltd since 2014.



### **Mr. Mohan Rao**

Non-Executive Independent Director

Mr. Mohan Rao, aged 72 Years, is Non-Executive Independent Director on the Board of Company. He holds Bachelors Degree in Science and he has done his Masters in Science (MSC) (Physics) from Mumbai University. He's been on the Board of Companies like Konkan Barge Builders Pvt Ltd. Since last 10 years he's acting as Consultant of Modest Shipyard Pvt Ltd. He was member of National Shipping Board constitutes by Ministry of Shipping in 2002 and also a member of High Powered Committee for drafting the National Shipping Policy for the First Time in 1996.

## BOARD OF DIRECTORS



### **Ms. Archana Rajagopalan**

Additional Non-Executive Independent Director

Ms. Archana Rajagopala, aged 49 years, is Additional Director to be designated as Non-Executive Independent Director on the Board of Company. She is a Chartered Accountant and Certified Information Systems Auditor (from ISACA, U.S.A) She has done her Bachelor's degree in Commerce from Hyderabad and has a diploma in Information Technology Systems Audit (from ICAI). She has an experience of over 18 years in various roles and Industries and has been associated with companies like Ditech Process Solutions Private Limited, as Chief Operating Officer, Hiranandani Group of Companies, as Manager, Finance, in Hiranandani Foundation School, as Consultant. She is currently working as an Associate partner with IXCFO Services Private Limited, Mumbai, since last 7 years and handles various assignments of the firm in Strategic Finance Roles.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Vinay K Uchil  
(Chairman and Executive Director)

Mr. Venkatesh K Uchil  
(Managing Director)

Dr. Tanuja Pudhierkar  
(Non-Executive Non - Independent Director)

Mr. Shailendra Shukla  
(Non-Executive Non - Independent Director)

Mr. Madan Pendse  
(Non-Executive Independent Director)

Mr. Nikunj Mishra  
(Non-Executive Independent Director)

Mr. Vikas Jaywant  
(Non-Executive Independent Director)

Mr. Mohan Rao  
(Non-Executive Independent Director)

Mr. Archana Venkata Rajagopalan  
(Additional Non-Executive Independent Director)

### STATUTORY AUDITOR

Saini Pati Shah & Co LLP  
(formerly known as S G J & Co.)  
Chartered Accountants  
D - 207, Times Square, Near Marol Naka Metro Station,  
Andheri Kurla Road, Andheri (E) Mumbai - 400 059

### SECRETARIAL AUDITOR

R. Bhandari & Co  
CS Raghunath Bhandari  
Company Secretaries  
Office No.9, 1st Floor, Behind "B" Wing, Pushp Vinod No.1,  
S. V. Road, Borivali, Mumbai - 400 092.

### REGISTRAR AND SHARE TRANSFER AGENTS

Bigshare Services Pvt Ltd  
Bharat Tin Works Building, 1<sup>st</sup> Floor, Opp. Vasant Oasis,  
Makwana Road Marol, Andheri - East, Mumbai - 400059.

### CHIEF FINANCIAL OFFICER

Mr. Aditya Desai  
(14<sup>th</sup> November, 2019 to 24<sup>th</sup> June, 2020)

Ms. Namita Sethia  
(appointed w.e.f 30<sup>th</sup> July, 2020)

### BANKERS

Axis Bank

ICICI Bank

State Bank of India

### COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Reesha Ratanpal  
(20<sup>th</sup> July, 2019 to 26<sup>th</sup> February, 2021)

Ms. Mitali Ambre  
(appointed w.e.f 27<sup>th</sup> February, 2021)

### SHARES LISTED ON

National Stock of Exchange of India Limited

Symbol: MARINE

INE01JE01028

### REGISTERED OFFICE ADDRESS

B/1, Udyog Sadan NO.3, MIDC, Andheri (E),  
Mumbai - 400093

### PLANT LOCATIONS

Mumbai Plant : B/1, Udyog Sadan NO.3, MIDC, Andheri (E),  
Mumbai - 400093

Goa Plant: Plot No. 17, 18 and Plot No. N-51, N-52,  
N-54, N-55, N-56, N-57, N-59, N-60 Verna Industrial Estate



## NOTICE

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting (AGM) of Members of **Marine Electricals (India) Limited** (CIN: L31907MH2007PLC176443) (the 'Company') will be held on Tuesday, 28<sup>th</sup> September, 2021 at 11:30 A.M. (I.S.T) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To Receive, Consider and Adopt the Audited Financial Statement of the Company (including the Consolidated Financial Statement) for the financial year ended 31<sup>st</sup> March, 2021 together with the reports of the Board of Directors and the Auditors thereon.
2. To Declare Final Dividend on equity shares of the Company for the Financial Year ended 31<sup>st</sup> March, 2021. (the Board of Directors of the Company at their meeting held on 7<sup>th</sup> June, 2021 recommended Dividend of Rs. 0.2 (i.e. 10%) per equity share of fully paid up face value of Rs. 2.00 each for the above financial year)
3. To Appoint a Director in place of Dr. Tanuja Pudhierkar (DIN:08190742), who retires by rotation and being eligible offers herself for re-ppointment.

### **SPECIAL BUSINESS:**

4. **To Appoint Ms. Archana Venkata Rajagopalan (DIN: 09077128) as Non-Executive Independent Director of the Company.**

**To consider and if thought fit, to pass the following Resolution as ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modifications or re-enactment thereof for the time being in force), Ms. Archana Venkata Rajagopalan (DIN: 09077128), who was appointed as an Additional (Non-Executive Independent) Director of the Company by the Board of Directors through Circular Resolution with effect from 23<sup>rd</sup> February, 2021 and who holds office till the date of this AGM in terms of Section 161 of the Companies Act, 2013, who is eligible for appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and who has submitted a declaration to that effect and declaration under Section 164 of the Companies Act, 2013 declaring that she is not disqualified to become the Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 signifying her intention to propose Ms. Archana Venkata Rajagopalan (DIN: 09077128), as a candidate for the office of a Non-Executive Independent Director of the Company and whose appointment has been recommended by Nomination and Remuneration Committee and Board of Directors of the Company, be and is hereby appointed as Non-Executive Independent Director of the Company for a period up to 22<sup>nd</sup> February, 2024, not liable to retire by rotation.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Mr. Vinay K Uchil, Chairman and Executive Director or Mr. Venkatesh Uchil, Managing Director or Ms. Mitali Ambre, Company Secretary and Compliance Officer of the Company be and are hereby severally authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution."

5. **To Re-Appoint Mr. Vinay Uchil (Din: 01276871) as Chairman and Executive Director and Fixation of Remuneration.**

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

**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17(6) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, (as amended from time to time) consent of Members of the Company be and is hereby accorded for the appointment and fixation of remuneration of Mr Vinay Krishna Uchil as Chairman & Executive Director, not liable to retire by rotation for a period of three years, with effect from 1st August, 2021 to 31<sup>st</sup> July, 2024 upon such terms & conditions including payment of remuneration, perquisites and benefits as are set out hereunder:

Gross Salary: Rs. 60,00,000/- per annum

## NOTICE

(with the authority to the Board (which include the committee of the Board) to interchange the above heads in accordance with the overall limits of remuneration approved by the members).

**RESOLVED FURTHER THAT** notwithstanding anything contained herein, where in any financial year(s) during the tenure of the Chairman & Executive Director, the Company has no profits or its profits are inadequate the Chairman & Executive Director will be entitled to receive the same remuneration, perquisites and benefits subject to compliance with the applicable provisions of Schedule V and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity, ex-gratia and leave encasement shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of part II of Schedule V to the Act.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Mr. Vinay K Uchil, Chairman and Executive Director or Mr. Venkatesh Uchil, Managing Director or Ms. Mitali Ambre, Company Secretary and Compliance Officer of the Company be and are hereby severally authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution.”

### 6. To Re-appoint Mr. Venkatesh Uchil (DIN: 01282671) as Managing Director and Fixation of Remuneration.

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

**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17(6) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, (as amended from time to time), the consent of Members of the Company be and is hereby accorded for the appointment and fixation of remuneration of Mr. Venkatesh Uchil as Managing Director of the Company, not liable to retire by rotation for a period of three years, with effect from 1st August, 2021 to 31<sup>st</sup> July, 2024 upon such terms & conditions including payment of remuneration, perquisites and benefits as are set out hereunder:

Gross Salary : Rs. 60,00,000/- per annum

(with the authority to the Board (which include the committee of the Board) to interchange the above heads in accordance with the overall limits of remuneration approved by the members).

**RESOLVED FURTHER THAT** notwithstanding anything contained herein, where in any financial year(s) during the tenure of the Managing Director, the Company has no profits or its profits are inadequate the Managing Director will be entitled to receive the same remuneration, perquisites and benefits subject to compliance with the applicable provisions of Schedule V and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity, ex-gratia and leave encashment shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of part II of Schedule V to the Act.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Mr. Vinay K Uchil, Chairman and Executive Director or Mr. Venkatesh Uchil, Managing Director or Ms. Mitali Ambre, Company Secretary and Compliance Officer of the Company be and are hereby severally authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution.”

### NOTE:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19”, circular no. 20/2020 dated May 5, 2020 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” and Circular no. 02/2021 dated January 13, 2021 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual

## NOTICE

means (OAVM)” (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic” and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic” (collectively referred to as “SEBI Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. Pursuant to the provisions of the Companies Act, 2013 (“Act”) 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 pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, 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, Attendance Slip and route map of the AGM are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate Members are required to send, (before e-voting/ attending AGM) a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM, pursuant to section 113 of the Act on the e-mail id [cs@marineelectricals.com](mailto:cs@marineelectricals.com) not later than **Monday, 27<sup>th</sup> September, 2021**.
3. The relative Explanatory Statements, pursuant to Section 102 of the Act, in respect of the Special Business set out under Items No. 4, 5 & 6, of the accompanying Notice are annexed hereto.
4. In terms of Section 152 of the Act, Dr. Tanuja Pudhierkar Non Executive Non Independent Director, shall retire by rotation at the ensuing AGM. Dr. Tanuja Pudhierkar (DIN:8190742) being eligible, offers herself for re-appointment.  
The Board of Directors of the Company recommends re-appointment of Dr. Tanuja Pudhierkar.
5. A statement giving additional details of the Director(s) seeking appointment /re-appointment at this AGM as set out at Item No. 3, 4, 5 & 6 of this Notice are annexed herewith as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.
6. In compliance with the aforesaid MCA Circulars and SEBI Circulars the Notice calling the AGM and Annual Report 2020-21 has been uploaded on the website of the Company at [www.marineelectricals.com](http://www.marineelectricals.com). The Notice can also be accessed from the website of National Stock Exchange of India Limited (NSE) at [www.nseindia.com](http://www.nseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the above mentioned Circulars issued by the MCA the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by NSDL.
8. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of **Tuesday, 21<sup>st</sup> September, 2021**.
9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

## NOTICE

10. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and ClientID/folio number, PAN, mobile number at [cs@marineelectricals.com](mailto:cs@marineelectricals.com) from **Tuesday, 21<sup>st</sup> September, 2021 (9:00 a.m. IST) to Friday, 24<sup>th</sup> September, 2021(5:00 p.m. IST)**. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
11. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 22<sup>nd</sup> September, 2021 to Tuesday, 28<sup>th</sup> September, 2021** (both days inclusive) for the purpose of Annual General Meeting (AGM) and for determining eligibility for payment of dividend.
12. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Bigshare Services Private Limited, Company's Registrar and Share for assistance in this regard.
13. Members are requested to note that SEBI, vide its circular no. SEBI/HO/MIRSD /RTAMB/CIR/P/2020/166 dated 7<sup>th</sup> September, 2020, has fixed 31st March, 2021 as the cutoff date for re-lodgment of physical share transfer requests and has stipulated that such transferred shares shall be issued only in demat mode.
14. Dividend on Company's Equity Shares for the year ended 31st March, 2021, as recommended by the Board of Directors, if approved at the AGM, payment of such dividend subject to deduction of tax at source will be made as under:
- i) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on **Tuesday, 21<sup>st</sup> September, 2021**.
  - ii) To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on **Tuesday, 21<sup>st</sup> September, 2021**.
15. SEBI has mandated submission of Permanent Account number (PAN) and bank account details by every participant in securities market. The Companies are shall use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/ National Electronic Clearing Service (NECS)/ Real Time Gross Settlement (RTGS)/ Direct Credit/ IMPS/ NEFT etc.
- In order to receive the dividend without loss of time, the Members holding shares in physical form are requested to submit particulars of their bank accounts along with the original cancelled cheque bearing the name of the Member to RTA(email id: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)) / Company (email id: [cs@marineelectricals.com](mailto:cs@marineelectricals.com)) to update their bank account details and all the eligible shareholders holding shares in demat mode are requested to update with their respective DPs before **Tuesday, 21<sup>st</sup> September, 2021**, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, e-mail ID and Mobile No(s).
- Members holding shares in physical form may communicate these details to the RTA viz. Bigshare Services Pvt Ltd ( before **Tuesday, 21<sup>st</sup> September, 2021** by quoting the reference folio number and attaching photocopy of the cheque leaf of their active bank account and a self-attested copy of their Permanent Account Number ('PAN') card.
- This will facilitate the remittance of the dividend amount as directed by SEBI in the bank account electronically. Updation of e-mail IDs and Mobile No(s) will enable the Company in sending communication relating to credit of dividend, un-encashed dividend, etc. The Company or RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members.
- Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Company's RTA (email id: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)) in case the shares are held by them in physical form.

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16. Pursuant to the Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
17. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source, Shareholders may write to the following email id: investor@bigshareonline.com by 11:59 p.m. IST on **Tuesday, 21<sup>st</sup> September, 2021** to enable the Company to determine the appropriate TDS rates. No communication on the tax determination/deduction received post **Tuesday, 21<sup>st</sup> September, 2021** shall be considered for payment of the Dividend. It is advisable to upload the documents at the earliest to enable the Company to collate the documents to determine the appropriate TDS rates. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investor@bigshareonline.com or to cs@marinelectricals.com. The aforesaid declarations and documents need to be submitted by the Shareholders by 11:59 p.m. IST on **Tuesday, 21<sup>st</sup> September, 2021**.
18. Members are requested to:
- intimate to the Company's RTA, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;
  - intimate to the respective DP, changes, if any, in their registered addresses/email ID or bank mandates to their DP with whom they are maintaining their demat accounts.
  - quote their Folio Numbers/Client ID/DP ID in all correspondence; and
  - consolidate their holdings into one Folio in case they hold shares under multiple Folios in the identical order of names.
19. Members holding shares in physical form are advised to avail the Nomination facility in respect of their shares by filling the prescribed form. Members holding shares in electronic form may contact their DP for recording their Nomination.
20. Members seeking any information with regard to the Accounts or any matter to be placed at the AGM, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and relevant documents referred to in the accompanying Notice and in the Explanatory Statement are requested to write to the Company on or before **Tuesday, 21<sup>st</sup> September, 2021** through e-mail on cs@marinelectricals.com. The same will be replied by the Company suitably.
21. The Company's Statutory Auditors, SAINI PATI SHAH & CO LLP (Formerly known as SGJ & Co), Chartered Accountants, registered with the Institute of Chartered Accountants of India vide registration number 137904W / W100622, were appointed as Statutory Auditors of the Company for a period of five (5) consecutive years at the Annual General Meeting ("AGM") of the Members held on 31<sup>st</sup> August 2018 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from 7<sup>th</sup> May, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought.
- The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.



## NOTICE

### 22. Voting through electronic means:

- The remote e-voting period begins on **Friday, 24<sup>th</sup> September, 2021 at 9:00 A.M.** and ends on **Monday, 27<sup>th</sup> September 2021 at 5:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday 21<sup>st</sup> September, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Tuesday 21<sup>st</sup> September, 2021.**
- Members joining the meeting through VC, who have not already cast their votes by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
- The voting rights of the Members shall be in proportion to their shares in the paid-up share capital of the Company as on the cut-off date, being **Tuesday, 21<sup>st</sup> September, 2021.**
- Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. **Tuesday, 21<sup>st</sup> September, 2021** may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. **Tuesday, 21<sup>st</sup> September, 2021** may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
- The Company has appointed Akansha Rathi & Associates, Practicing Company Secretary (Membership No. 9288, COP: 10134) as the Scrutinizer to scrutinize the voting and remote e-Voting process in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of the AGM, count the votes cast at the AGM and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 48 hours after the conclusion of the AGM to the Chairman or a person authorised by him. The Chairman or any other person authorised by the Chairman, shall declare the result of the voting forthwith.
- The resolution will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions. The results declared along with the scrutinizers report shall be placed on the Company's website [www.marineelectricals.com](http://www.marineelectricals.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the result is declared by the Chairman.

### The Instructions For Members For Remote E-Voting And Joining General Meeting Are As Under:-

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

##### Step 1: Access to NSDL e-Voting system

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

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for <b>NSDL IDeAS facility</b> , please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the " <b>Beneficial Owner</b> " icon under "Login" which is available under " <b>IDeAS</b> " section. A new screen will open. You will

## NOTICE

Type of shareholders	Login Method
	<p>have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <ol style="list-style-type: none"> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>



## NOTICE

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

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

Login type	Helpdesk Details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022- 23058542-43

In case of any grievances connected with facility for e-voting, please contact

- A. Ms. Pallavi Mhatre, Manager  
E-voting Helpdesk  
National Securities Depository Limited  
Email: [evoting.nsdl.co.in](mailto:evoting.nsdl.co.in)  
Phone: 022 - 24994545
- B. Ms. Mitali Ambre, Company Secretary and Compliance Officer  
Marine Electricals (India) Limited  
Registered Address: B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093  
Email: [cs@marineelectricals.com](mailto:cs@marineelectricals.com)  
Phone: 022 40334300
- C. Mr. Vinayak Morbale  
Bigshare Services Pvt Ltd (RTA)  
Registered Office: Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis,  
Makwana Road Marol, Andheri – East, Mumbai – 400059  
Email: [vinayak@bigshareonline.com](mailto:vinayak@bigshareonline.com)  
Phone: 022 62638200

**By Order of the Board of Directors**

**Mr. Vinay Uchil**  
**Chairman and Executive Director**  
**DIN: 01276871**

**Mumbai, 7<sup>th</sup> June 2021**

**Registered Office:**

B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093

CIN : L31907MH2007PLC176443

Email ID : [cs@marineelectricals.com](mailto:cs@marineelectricals.com)

[Website: www.marineelectricals.com](http://www.marineelectricals.com)

Tel. No : 91-22-4033 4300

# NOTICE

## **Explanatory Statement pursuant to Section 102 of the Act**

Pursuant to Regulation 36(3) of the Listing Regulations read with Section 102 of the Act, the following explanatory statement sets out all material facts relating to Item No. 4, 5 and 6 of the Notice

### **Item No 4:**

Ms. Archana Venkata Rajagopalan (DIN: 09077128) was appointed as an Additional (Non-Executive Independent) Director in accordance with the provisions of Section 161 of the Companies Act, 2013 by the Board of Directors through Circular Resolution with effect from 23<sup>rd</sup> February, 2021. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Archana Venkata Rajagopalan (DIN: 09077128) will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Ms. Archana Venkata Rajagopalan (DIN: 09077128) for the office of Non-Executive Independent Director of the Company and to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Nomination and Remuneration Committee and the Board of Directors has, at their respective meetings held on 7<sup>th</sup> June, 2021 considered and recommended the appointment of Ms. Archana Venkata Rajagopalan (DIN: 09077128) as a Non-Executive Independent Director of the Company to hold office for a period up to 22<sup>nd</sup> February, 2024, not liable to retire by rotation. In the opinion of Nomination and Remuneration Committee and the Board, Ms. Archana Venkata Rajagopalan (DIN: 09077128), the Non-Executive Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and is independent of the Management. She is also registered as Independent Director in Independent Director's Data Bank.

The Company has received from Ms. Archana Venkata Rajagopalan (DIN: 09077128) (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies(Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

A copy of the draft letter for the appointment of Ms. Archana Venkata Rajagopalan (DIN: 09077128) as Non-Executive Independent Director setting out the terms and conditions are uploaded on the website of the Company.

Brief profile of Ms. Archana Venkata Rajagopalan (DIN: 09077128) as required under Regulation 36(3) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), is forming a part of this Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members. None of the Directors or Key Managerial Personnel of the Company or their relatives, except Ms. Archana Venkata Rajagopalan (DIN: 09077128) is in anyway, concerned or interested in the Resolution at Item No. 4 of the Notice.

### **Item No 5**

The Nomination and Remuneration Committee and Board of Directors approved the terms and conditions for Re-Appointment and Remuneration of Mr. Vinay Krishna Uchil as Chairman and Executive Director of the Company not liable to retire by rotation for a period of 3 years, with effect from 1st August, 2021 to 31st July, 2024 upon such terms and conditions including payment of remuneration, perquisites and benefits. Following are the mandatory disclosures pursuant to provisions of Schedule V of the Companies Act, 2013, to justify the proposed remuneration paid to Chairman and Executive Director.

The additional information as required by Section II of Part II of Schedule V to the Act is given below:

# NOTICE

## I. General Information:

Sr. No.	Particulars	Disclosures										
1.	Nature of Industry	Ship Building, Navy, Industries, Buildings, Solar Energy										
2.	Date of commencement of commercial production	In the year of 1978										
3.	In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.										
4.	Financial performance based on given indicators - as per audited standalone financial statement for the financial year ended on 31st March 2021:(Amt in Lacs.)	<table><tr><td>Perticulars</td><td>2020-21</td></tr><tr><td>Sales</td><td>19,987.37</td></tr><tr><td>Profit/(Loss) After tax</td><td>782.85</td></tr><tr><td>Equity Capital</td><td>2,453.31</td></tr><tr><td>Reserve and Surplus</td><td>10,934.28</td></tr></table>	Perticulars	2020-21	Sales	19,987.37	Profit/(Loss) After tax	782.85	Equity Capital	2,453.31	Reserve and Surplus	10,934.28
Perticulars	2020-21											
Sales	19,987.37											
Profit/(Loss) After tax	782.85											
Equity Capital	2,453.31											
Reserve and Surplus	10,934.28											
5.	Foreign investments or collaborators, if any	N.A.										

## II. Information about the appointee:

Sr. No.	Particulars	Disclosures
1.	Background details	Mr. Vinay Uchil, a techno commercial, joined the Organization in the year 1992 and is actively involved in Marketing, Finance and Administration functions of the company. He started his career after completing B.E. in Instrumentation from Swami Vivekananda College, Mumbai in 1992 and thereafter completed MBA (Finance) from Narsee Monjee Institute of Management Studies in the year 1994. He is actively involved in getting the orders from Defense and Public sector undertakings dealing in Shipping. He was instrumental in expanding the business of the company to a new height by diversification of the business into different verticals i.e. Defense, Shipping, Marine & Non- Marine Sectors & Renewable Energy. Timely delivery/execution of the contract is his major focus and hence he ensures that all the contracts undertaken has been executed timely. More than 600 persons (skilled & Semi Skilled) are working under his leadership.
2.	Past remuneration*	48,00,000 p.a.
3.	Recognition or awards	N.A.
4.	Job profile and his suitability	Mr. Vinay Uchil is the promoter of the company and has a vast experience in Ship Building, Navy, Industries, Buildings, Solar Energy. He shall be responsible for the overall management affairs of the company.

\* The remuneration approved by the shareholders in its Meeting held on 2nd August, 2018 was Rs. 48,00,000 p.a. Mr. Vinay Uchil was paid total remuneration of Rs. 44.25 lakhs in FY 2020-21 (salary deduction due to Covid 19 pandemic)

## NOTICE

Sr. No.	Particulars	Disclosure
5.	Remuneration proposed	As per the details provided in the Special Resolution
6.	Comparative remuneration profile with respect to industry, the size of the company, profile of Company, the position and person	Looking into his experience and expertise in the Industry, the Board of Directors of the Company decided to appoint Mr. Vinay Uchil as Chairman and Executive Director of the Company. The remuneration paid to him is reasonable considering the prevailing emoluments in the industry for senior management with similar qualifications and experience.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial Personnel, if any:	Mr. Vinay Uchil has no other relationship with the Company except the remuneration being paid to him as Chairman and Executive Director of the Company. Mr. Vinay Uchil is brother of Mr. Venkatesh Uchil and Dr. Tanuja Pudhierkar.

### III. Other Information

Sr. No.	Particulars	Disclosure
1.	Reasons for inadequate profits steps taken or proposed to be taken for improvement.	The Management of the company is in process of expanding the business of the Company, for that reason management focus more on expanding the business rather than Profitability. Once the business of the Company will be in growth stage the profitability of the Company will certainly be increased.
2.	Expected increase in productivity and profits in measurable terms.	The steps as discussed above, both short term and long term are expected to yield results in the coming years.

### IV. Disclosures

Sr. No.	Particulars	Disclosure
1.	Remuneration package	As mentioned in the Special Resolution

None of the Directors of the Company, except Mr. Vinay Krishna Uchil and his relatives are concerned or interested in the Resolution.

The Board recommends this resolution for the approval of the members as Special Resolution.

#### Item No 6:

The Nomination and Remuneration Committee and Board of Directors approved the terms and conditions for Re-Appointment and Remuneration of Mr. Venkatesh Uchil as Managing Director of the Company not liable to retire by rotation for a period of 3 years, with effect from 1st August, 2021 to 31st July, 2024 upon such terms and conditions including payment of remuneration, perquisites and benefits. Following are the mandatory disclosures pursuant to provisions of Schedule V of the Companies Act, 2013, to justify the proposed remuneration paid to the Managing Director.

The additional information as required by Section II of Part II of Schedule V to the Act is given below:

# NOTICE

## I. General Information:

Sr. No.	Particulars	Disclosures										
1.	Nature of Industry	Ship Building, Navy, Industries, Buildings, Solar Energy										
2.	Date of commencement of commercial production	In the year of 1978										
3.	In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.										
4.	Financial performance based on given indicators - as per audited standalone financial statement for the financial year ended on 31st March 2021:(Amt in Lacs.)	<table><tr><td>Particulars</td><td>2020-21</td></tr><tr><td>Sales</td><td>19,987.37</td></tr><tr><td>Profit/(Loss) After tax</td><td>782.85</td></tr><tr><td>Equity Capital</td><td>2,453.31</td></tr><tr><td>Reserve and Surplus</td><td>10,934.28</td></tr></table>	Particulars	2020-21	Sales	19,987.37	Profit/(Loss) After tax	782.85	Equity Capital	2,453.31	Reserve and Surplus	10,934.28
Particulars	2020-21											
Sales	19,987.37											
Profit/(Loss) After tax	782.85											
Equity Capital	2,453.31											
Reserve and Surplus	10,934.28											
5.	Foreign investments or collaborators, if any	N.A.										

## II. Information about the appointee:

Sr. No.	Particulars	Disclosures
1.	Background details	Mr. Venkatesh Uchil joined the organization in 1999 and was actively involved in procurement, production and technical areas of the company. He has completed his Bachelor in Engineering in Electronics and Telecommunications from Parshvanath College of Engineering, Mumbai in the year 1999 and Post Graduate Diploma in Management from S. P. Jain Institute of Management, Mumbai in the year 2002. He is instrumental in developing the Non- Marine business of the Organization and started marketing in Industry Sectors and grabbed the orders from various industry / offices / Banks for automation, power management systems & control centers and electrification areas. He also got the Company registered with Delhi Metro for electrification and automation installation and now dealing with Mumbai Metro. His active participation in grabbing and timely execution of the Industry orders, the company achieved more than 50% of the turnover from Industry Sector in the year 2017. He ensures that the quality control standards are not compromised under any circumstances over and above timely execution.
2.	Past remuneration*	48,00,000 p.a.
3.	Recognition or awards	N.A
4.	Job profile and his suitability	Mr. Venkatesh Uchil, is the promoter of the company and He has Actively Participated in timely execution of the Industry Orders, the company achieved more than 50% of the turnover from Industry Sector in the year 2021. He has been guiding force behind the growth and business strategy of our Company. He will also look after the day to day management of the Company.

\* The remuneration approved by the shareholders in its Meeting held on 2nd August, 2018 was Rs. 48,00,000 p.a. Mr. Venkatesh Uchil was paid total remuneration of Rs. 44.25 lakhs in FY 2020-21 (salary deduction due to Covid 19 pandemic)

## NOTICE

Sr. No.	Particulars	Disclosure
5.	Remuneration proposed	As per the details provided in the Special Resolution
6.	Comparative remuneration profile with respect to industry, the size of the company, profile of Company, the position and person	Looking into his experience and expertise in the Industry, the Board of Directors of the Company decided to appoint Mr. Venkatesh Uchil as Managing Director of the Company. The remuneration paid to him is reasonable considering the prevailing emoluments in the industry for senior management with similar qualifications and experience
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:	Mr. Venkatesh Uchil has no other relationship with the Company except the remuneration being paid to him as Managing Director of the Company. Mr. Venkatesh Uchil is brother of Mr. Vinay Uchil and Dr. Tanuja Pudhierkar.

### III. Other Information

Sr. No.	Particulars	Disclosure
1.	Reasons for inadequate profits steps taken or proposed to be taken for improvement.	The Management of the company is in process of expanding the business of the Company, for that reason management focus more on expanding the business rather than Profitability. Once the business of the Company will be in growth stage the profitability of the Company will certainly be increased.
2.	Expected increase in productivity and profits in measurable terms.	The steps as discussed above, both short term and long term are expected to yield results in the coming years.

### IV. Disclosures

Sr. No.	Particulars	Disclosure
1.	Remuneration package	As mentioned in the Special Resolution

None of the Directors of the Company, except Mr. Venkatesh Uchil and his relatives are concerned or interested in the Resolution.  
The Board recommends this resolution for the approval of the members as Special Resolution.

**Mumbai, 7<sup>th</sup> June 2021**

**Registered Office:**

B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093

CIN : L31907MH2007PLC176443

Email ID : [cs@marineelectricals.com](mailto:cs@marineelectricals.com)

Website: [www.marineelectricals.com](http://www.marineelectricals.com)

Tel. No : 91-22-4033 4300

**By Order of the Board of Directors**

**Mr. Vinay Uchil**  
**Chairman and Executive Director**  
**DIN: 01276871**

# NOTICE

## ANNEXURE

DETAILS OF DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED AT THE FORTHCOMING AGM AS REQUIRED BY REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("LISTING REGULATIONS") AND SECRETARIAL STANDARDS ON GENERAL MEETINGS (SS -2)

Name of Director	Mr. Tanuja Pudhierkar	Ms. Archana V. Rajagopalan	Mr. Vinay Uchil	Mr. Venkatesh Uchil
DIN	08190742	09077128	01276871	01282671
Date of 1 <sup>st</sup> Appointment	01/08/2018	23/02/2021	04/12/2007	04/12/2007
Date of birth and Age	27/01/1973 and 48 Years	11/06/1972 and 49 Years	21/06/1971 and 50 Years	04/10/1977 and 44 years
Qualification	Bachelor's Degree of Medicine & Bachelor's Degree of Surgery (M.B.B.S.), from Seth G.S. Medical College & KEM Hospital, University of Mumbai. She is M.D in Obstetrics, & Gynaecology from University of Mumbai - 2002.	Chartered Accountant and Certified Information Systems Auditor (from ISACA, U.S.A) and has done her Bachelor's degree in Commerce from Hyderabad and has a diploma in Information Technology Systems Audit (from ICAI)	B.E. in Instrumentation from Swami Vivekananda College, Mumbai in 1992 and thereafter completed MBA (Finance) from Narsee Monjee Institute Of Management Studies in the year 1994.	Bachelor degree in Engineering in Electronics and Telecommunications from Parshvanath College of Engineering Mumbai in the year 1999 and Post Graduate Diploma in Management from S.P.Jain Institute Of Management Mumbai in the year 2002.
Experience:	Over 2 decades	Over 2 decades	Over 2 decades	Over 2 decades
Terms and conditions of re-appointment along with details of remuneration sought to be paid	Non Executive Non Independent Director, liable to retire by rotation	Non Executive Independent Director, not liable to retire by rotation	The details are provided in the resolution at Item no. 5 of this notice.	The details are provided in the resolution at Item no. 6 of this notice.
Last Drawn Remuneration:	NIL	NIL	Rs. 48,00,000 p.a*	Rs. 48,00,000 p.a*
Relationship with Other Directors, Manager and Other Key Managerial Personnel of the Company:	Dr. Tanuja Pudhierkar is sister of Mr. Vinay Uchil and Mr. Venkatesh Uchil	None	Mr. Vinay Uchil is brother of Mr. Venkatesh Uchil and Dr. Tanuja Pudhierkar	Mr. Venkatesh Uchi is brother of Mr. Vinay Uchil and Dr. Tanuja Pudhierkar
Shareholding in the Company (Individually or Jointly):	1000	NIL	1000	26772375
Number of Meetings of the Board Attended during the Year:	4	0	4	3
Directorship and Committee Memberships (Excluding Marine Electricals (India) Limited)	N.A.	N.A.	1. Eltech Engineers Madras Private Limited 2. KDU Enterprises Private Limited 3. Mcgeoch Marine Electricals Private limited 4. Evigo Charging Consultants Private limited 5. Switch N Control Gears Pvt Ltd	1. Eltech Engineers Madras Private Limited 2. KDU Enterprises Private Limited 3. Mcgeoch Marine Electricals Private limited 4. Evigo Charging Consultants Private limited 5. Switch N Control Gears Pvt Ltd 6. Voks Shipmanagement Private Limited



## NOTICE

Name of Director	Mr. Tanuja Pudhierkar	Ms. Archana V. Rajagopalan	Mr. Vinay Uchil	Mr. Venkatesh Uchil
<b>Justification for choosing the appointees for appointment as Independent Directors</b>	Relevant experience and expertise	Relevant experience and expertise	Relevant experience and expertise	Relevant experience and expertise

The remuneration approved by the shareholders in its Meeting held on 2nd August, 2018 was Rs. 48,00,000 p.a.

\*Mr. Vinay Uchil was paid total remuneration of Rs. 44.25 lakhs in FY 2020-21 (salary deduction due to Covid 19 pandemic)

\*\*Mr. Venkatesh Uchil was paid total remuneration of Rs. 44.25 lakhs in FY 2020-21 (salary deduction due to Covid 19 pandemic)

**By Order of the Board of Directors**

**Mr. Vinay Uchil**  
**Chairman and Executive Director**  
**DIN: 01276871**

**Mumbai, 7<sup>th</sup> June 2021**

**Registered Office:**

B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093

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[Website: www.marineelectricals.com](http://www.marineelectricals.com)

Tel No : 91-22-4033 4300

## DIRECTOR'S REPORT

The Members,

### Marine Electricals (India) Ltd.

Your Directors are pleased to present the 14<sup>th</sup> Annual Report of your Company together with the Audited Financial Statements (standalone and consolidated) for the financial year ended 31<sup>st</sup> March, 2021.

#### 1. FINANCIAL SUMMARY AND HIGHLIGHTS:

Certain key aspects of your Company's performance during the Financial Year ended 31<sup>st</sup> March, 2021 as compared to the previous Financial Year are summarised below:

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	Year Ended	Year Ended	Year Ended	Year Ended
	31.03.2021	31.03.2020*	31.03.2021	31.03.2020*
Total income	20,346.31	21,246.60	25,901.75	26,899.39
Expenses	19,260.49	20,645.85	24,210.28	26,128.02
Profit before Interest, Depreciation and Taxation	2,622.74	2306.03	3495.72	2,837.92
Interest and bank charges	772.56	877.74	892.76	1,103.88
Depreciation and Amortization	764.36	827.54	911.62	962.59
Profit before tax	<b>1,085.82</b>	<b>600.75</b>	<b>1,691.34</b>	<b>771.45</b>
Less: Provision for current tax & deferred tax	(302.97)	(126.07)	(338.15)	182.81
Profit after taxation	782.85	474.68	1,353.19	588.63

\*Previous year/period ended figures have been regrouped/rearranged/reclassified wherever necessary to make it comparable.

The standalone revenue of your Company for the year is Rs 20,346.31 Lakhs as against Rs. 21,246.60 Lakhs in the previous financial year. Total exports revenue was Rs. 2,398.74 Lakhs as against Rs. 1,656.05 Lakhs in the previous year.

The standalone net profit for the year is Rs. 782.85 Lakhs as against Rs. 474.68 Lakhs in the previous financial year.

The Consolidated revenue of your Company for the year is Rs. 25,901.75 Lakhs as against Rs. 26,899.39 Lakhs in the previous financial year. The Consolidated net profit for the year is Rs. 1,353.19 Lakhs as against Rs. 588.63 Lakhs in previous year.

#### 2. DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 0.2 (10%) per equity share of Rs. 2/- each on 12,26,65,250 equity shares for the year ended 31st March, 2021, aggregating to Rs. 245.3305 lakhs payable to those Shareholders whose names appear in the Register of Members as on the Record Date. There is no dividend distribution tax applicable on the Dividend payable.

#### 3. TRANSFER TO RESERVES

During year under review, no amount has been transferred to general reserves.

#### 4. SHARE CAPITAL

The paid up equity capital as on 31<sup>st</sup> March, 2021 was Rs. 24,53,30,500/- divided into 12,26,65,250 equity shares of Rs. 2/- each. During the financial year 2020-21, there was no public issue, rights issue, bonus issue or preferential issue etc and the Company has not issued shares with differential voting rights or sweat equity shares.

## DIRECTOR'S REPORT

### 4.1 Subdivision/ Split Of Shares

During the year under review, the company had obtained approval from the shareholders through postal ballot on 4<sup>th</sup> February, 2021 for subdivision of its equity shares having face value of Rs. 10/- each (Rupees Ten each) into 5 (five) Equity Shares having face value of Rs. 2/- each and intimated to the National Stock Exchange and availed approval pursuant to which the the authorized, issued, subscribed and paid up equity share capital of the company is divided into 12,26,65,250 equity shares of Rs. 2/- each with effect from 22<sup>nd</sup> February, 2021.

## 5. HOLDING, SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company is having total 1 (one) Holding Company and 4 (Four) subsidiaries including step down subsidiaries. There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

### 5.1 Holding Company

KDU Enterprises Private Limited (Indian Company) (CIN: U31401MH1982PTC027850) is the "Holding Company". During the year, there has not been any change in number of shares held by the holding company. As at the end of the Financial Year 2020-21, Holding Company continue to hold 63406875 fully paid-up equity shares.

### 5.2 Domestic Subsidiaries

The Company has 2 (two) Indian Subsidiaries i.e. Eltech Engineers Madras Private Limited (CIN : U29142TN1996PTC036500) and Evigo Charging Consultants Pvt Ltd (CIN No. U74999MH2018PTC317824).

During the year, the Company has invested and acquired 74.000312% of equity shares of Evigo Charging Consultants Pvt Ltd ("Subsidiary") Company (CIN No. U74999MH2018PTC317824) carrying out business in selling and installing Electric Vehicle ("EV") chargers and providing consulting and project management services for AC & DC fast charger installations.

However, above mentioned Subsidiaries are not material subsidiaries as per the thresholds of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations").

### 5.3 Foreign subsidiaries

The Company has 2 (two) foreign subsidiaries including step down subsidiary i.e MEL Powers FZC and STI Company SRL. During the year under review, Technology Ventures Middle East FZC, cease to be the Step-down associate of the company. The Policy for determining material subsidiaries as approved may be accessed on the Company's website [www.marineelectricals.com](http://www.marineelectricals.com).

During the year under review, there are no significant transactions and arrangements entered into by the Company with the Subsidiary.

### 5.4 Consolidated Financial Statements

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Act, read with Schedule III of the Act and Rules made thereunder, including Indian Accounting Standards specified under Section 133 of the Act. The audited consolidated Financial Statements together with the Auditors' Report thereon forms part of the Annual Report the Company.

The audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on Company's website [www.marineelectricals.com](http://www.marineelectricals.com).

These documents will also be available for inspection during working hours at the Registered Office of the Company.

Performance and contribution of each of the Subsidiaries, Associates and Joint Ventures as per Rule 8 of Company's (Accounts) Rules, 2014, a Report on the Financial performance of Subsidiaries, Associates and Joint Venture Companies along with their contribution to the overall performance of the Company during the Financial Year ended 31st March, 2021 is annexed to this Board's report in form **AOC 1**.

## DIRECTOR'S REPORT

### 6. MIGRATION FROM SME EMERGE PLATFORM TO MAIN BOARD

National Stock Exchange (NSE) approved the Company's application for Migration from SME Platform to Main Board on 27th November, 2020. Consequently, the Company's shares are now traded on National Stock Exchange's (NSE) Main Board Platform with effect from 2nd December, 2020.

### 7. CHANGE IN THE NATURE OF BUSINESS ACTIVITIES

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

### 8. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with section 134(3)(a) of the Companies Act, 2013, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and is accessible at the weblink: [www.marineelectricals.com](http://www.marineelectricals.com)

### 9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per Regulation 34(2) read with Schedule V of the SEBI (Listing Regulations) LODR, 2015 and amendments thereto the Management Discussion and Analysis Report forms part of this Annual Report which gives a detailed information of state of affairs of the operations of the Company and its subsidiaries.

### 10. CORPORATE GOVERNANCE REPORT

The Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with. As per Regulation 34(3) Read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance, together with a certificate from the Practicing company secretaries regarding the compliance with the conditions of Corporate Governance as stipulated under the SEBI LODR which forms part of this Annual Report.

### 11. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report as required under National Guidelines on Responsible Business Conduct formulated by Ministry of Corporate Affairs, Government of India, and under Regulation 34(2)(f) of the Listing Regulations, describing the initiatives taken by the Company from an environmental, social and governance perspective, forms part of this Annual Report.

### 12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### 12.1 Directors

To broad-base the Board, Mr. Vikas Jaywant (DIN: 06607484) and Mr. Mohan Rao (DIN: 02592294) were regularised as Non-Executive Independent Directors of the Company by the Shareholders in the 13th Annual General Meeting held on 28th September, 2020.

The Board of Directors, subject to approval of the Shareholders, vide Circular Resolution dated 23rd February, 2021 appointed Ms. Archana Venkata Rajagopalan (DIN: 09077128) as an Additional Director of the Company in the category of Non-Executive Women Independent Director for a term of three consecutive years effective from 23rd February, 2021. Pursuant to Section 161 of the Act, 2013 and other applicable provisions, if any, Ms. Archana Venkata Rajagopalan holds office upto the date of forthcoming Annual General Meeting. The Company has received a notice as per the provisions of Section 160(1) of the Companies Act, 2013 from a Member in writing proposing her candidature for the office of Director. The Board has recommended her appointment at the forthcoming Annual General Meeting as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 3 (three) consecutive years commencing from 23rd February, 2021.

During the year under review Mr. Vinay Uchil (DIN: 01276871), Chairman and Executive Director Mr. Venkatesh K. Uchil (DIN: 01282671), Managing Director, Mr. Madan Pendse (DIN: 07650301), Non Executive Independent Director, Mr. Nikunj Mishra (DIN: 03589730), Non Executive Independent Director, Dr. Tanuja Pudhierkar (DIN: 08190742), Non Executive Non Independent Director and Mr. Shailendra Shukla (DIN: 08049885), Non Executive Non Independent Director, Mr. Vikas Jaywant (DIN: 06607484) Non Executive Independent Director and Mr. Mohan Rao Non Executive Independent Director (DIN: 02592294) continued to be appointed on the Board.

## DIRECTOR'S REPORT

### Retirement By Rotation

The independent directors hold office for a fixed term not exceeding five years from the date of their appointment and are not liable to retire by rotation. The Companies Act, 2013, mandates that at least two-thirds of the total number of directors (excluding independent directors) shall be liable to retire by rotation. Accordingly, Dr. Tanuja Deepak Pudhierkar (DIN 08190742), being the longest in the office amongst the directors is liable to retire by rotation and, being eligible, have offered her candidature for re-appointment.

Brief details of Dr. Tanuja Deepak Pudhierkar (DIN 08190742), Director, who is seeking re-appointment is given in the notice of annual general meeting.

### Re-Appointment of Chairman And Executive Director

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board has subject to the requisite approvals, at its Meeting held on 7<sup>th</sup> June, 2021, approved re-appointment of Mr. Vinay Krishna Uchil (DIN: 01276871) as Chairman & Executive Director, not liable to retire by rotation for a period of three years, with effect from 1<sup>st</sup> August, 2021 to 31<sup>st</sup> July, 2024. The Board has recommended to the shareholders his appointment and remuneration as the Chairman & Executive Director, for a period of three years effective from 1<sup>st</sup> August, 2021.

### Re-Appointment Of Managing Director

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board has subject to the requisite approvals at its Meeting held on 7<sup>th</sup> June, 2021, approved re-appointment of Mr. Venkatesh Uchil (DIN:01282671) as Managing Director, not liable to retire by rotation for a period of three years, with effect from 1<sup>st</sup> August, 2021 to 31<sup>st</sup> July, 2024. The Board has recommended to the shareholders his appointment and remuneration as the Managing Director, for a period of three years effective from 1<sup>st</sup> August, 2021 to 31<sup>st</sup> July, 2024.

Brief resume and other details of Ms. Archana Venkata Rajagopalan, Dr. Tanuja Deepak Pudhierkar, Mr. Vinay Uchil and Mr. Venkatesh Uchil in terms of Regulation 36(3) of SEBI LODR and Secretarial Standards on General Meeting, are provided in the notice forming part of the Annual Report. All the above mentioned four Directors are not disqualified from being re-appointed / appointed as Directors by virtue of the provisions of Section 164 of the Companies Act, 2013.

## 12.2 Key Managerial Personnel (KMP)

The details with respect changes in KMP during the Financial Year 2020-21 is as under:

Sr. No	Particulars	Designation	Appointment Date	Resignation Date
1	Mr. Vinay K. Uchil	Chairman & Executive Director	1 <sup>st</sup> August 2018	-
2	Mr. Venkatesh K. Uchil	Managing Director	1 <sup>st</sup> August 2018	-
3	Mr. Aditya Desai	Chief Financial Officer	14 <sup>th</sup> November, 2019	24 <sup>th</sup> June 2020
4	Ms. Namita Sethia	Chief Financial Officer	30 <sup>th</sup> July, 2020	-
5	Ms. Reesha Ratanpal	Company Secretary & Compliance Officer	20 <sup>th</sup> July, 2019	26 <sup>th</sup> February 2021
6	Ms. Mitali Ambre	Company Secretary & Compliance Officer	27 <sup>th</sup> February, 2021	-

## 13. BOARD MEETINGS

The Board met Four (4) times in financial year 2020-21 viz 30<sup>th</sup> July, 2020, 10<sup>th</sup> November, 2020, 31<sup>st</sup> December, 2020, 10<sup>th</sup> February, 2021. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and extended by respective authorities due to Covid 19 Pandemic. As stipulated by Code of Independent Directors under the Companies Act, 2013, The meeting details are provided in Corporate Governance Report, forming part of this Annual Report.

## DIRECTOR'S REPORT

### 14. COMMITTEES OF THE BOARD

As on March 31, 2021, the Board had 5 (five) Committees viz:

- 1 Audit Committee
- 2 Nomination and Remuneration Committee
- 3 Stakeholder's Relationship Committee,
- 4 Corporate Social Responsibility Committee
- 5 General purpose Committee

Pursuant to SEBI (LODR) (2nd Amendment) Regulations 2021, the Board at its meeting held on 7th of June, 2021 has formed Risk Management Committee under Regulation 21 of SEBI (LODR), Regulations 2015 for monitoring and reviewing of the risk assessment, mitigation and risk management plan & policy from time to time. Detail report on composition of Committees, number of meeting held during the year and the changes in the composition during the year are provided in Corporate Governance Report forming part of this Annual Report.

### 15. ANNUAL EVALUATION AND PERFORMANCE OF THE BOARD

Pursuant to Section 178(2) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and as per the provision of Schedule IV of the Companies Act, 2013 (Code for Independent Directors), and SEBI Listing Regulations (LODR), 2015 and amendments thereto, the Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors

The Board's functioning was evaluated after taking inputs from the Directors on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The Committees of the Board were evaluated after taking inputs from the Committee members on the basis of criteria such as degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The Board and the Nomination and Remuneration Committee had reviewed the performance of the individual directors on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

In a separate meeting of independent directors, performance of Non-Independent Directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors.

#### Certificate of Non-Disqualification Of Directors

In accordance with the Listing Regulations, a certificate has been received from Akansha Rathi & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company have been disqualified to act as Director. The same is annexed herewith as **Annexure A**.

### 16. DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in section 149 (6) of the Companies Act, 2013, as amended and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), as amended.

The Board took on record the declaration and confirmation submitted by the independent directors regarding their meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same as required under Regulation 25 of the Listing Regulations, 2015. The Ministry of Corporate Affairs vide its circular dated 22nd October 2019

## DIRECTOR'S REPORT

further amended the Companies (Appointment and Qualification of Directors) Rules, 2014 by requiring an independent director to apply online, to the Indian Institute of Corporate Affairs for inclusion of his/her name in the data bank for such period till he/she continues to hold office of an independent director in any Company. The independent directors were also required to submit a declaration of compliance in this regard. All the independent directors of the Company have submitted the declaration with respect to the same.

In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended vide Notification No. GSR.774(E), dated 18.12.2020, wherever required, Independent Directors of the Company have undertaken to complete on line proficiency self-assessment test conducted by the said Institute.

### Meeting of Independent Directors.

A separate meeting of the Independent Directors was held on 30th July, 2020, under the Chairmanship of Mr Madan Pendse, Independent Director, interalia, to discuss evaluation of the performance of non-independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-executive Directors and the 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.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

## 17. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

The Company's policy on director's appointment and remuneration as required under Sub-Section (3) of Section 178 of the Companies Act, 2013, is provided in "Annexure B." The policy is also available on the website of the Company at [www.marineelectricals.com](http://www.marineelectricals.com)

## 18. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to sub-section 5 of Section 134 of the Companies Act, 2013, the Directors confirm that:

- in the preparation of the annual accounts for the Financial Year ended 31st March, 2021 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at 31st March, 2021 and of the profit of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts for Financial Year ended 31st March, 2021 on a going concern basis; and
- the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, the details in respect of adequacy of internal financial controls with reference to the Financial Statements, have been mentioned subsequently in this report.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 19. AUDITORS

### A. Statutory Auditors

The current statutory auditor Saini Pati Shah & Co LLP (Formerly known as SGJ & Co), Chartered Accountants registered with the Institute of Chartered Accountants of India vide registration number 137904W / W100622 were appointed as Statutory Auditors for a period of 5 years in the AGM held on 31st August 2018.

Accordingly, Saini Pati Shah & Co LLP (Formerly known as SGJ & Co), Chartered Accountants, Statutory Auditors of the Company will continue till the conclusion of Annual General Meeting to be held in 2023. In this regard, the Company has received a Certificate from the Auditors to the effect that their continuation as Statutory Auditors, would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditor of the Company, in audit report.



## DIRECTOR'S REPORT

### B. Internal Auditors

During the year, the Board of Directors of the Company had appointed Mr. Prasanna V. Pakkala, Chartered Accountant (Membership No: 103201) as Internal Auditor to conduct Internal Audit of the Company for the Financial Year ended 31st March, 2021 at its Board Meeting held on 30th July, 2020. Mr. Prasanna V Pakkala tendered resignation as Internal Auditor with effect from 10th November, 2020.

The board of Directors at its meeting held on 10th November, 2020, appointed M/s. SMSD & Co, Chartered Accountants as Internal Auditor for Financial Year 2020 - 21 Audit observations of M/s. SMSD & Co and corrective actions thereon are periodically presented to the Audit Committee of the Board. The Board of Directors on the recommendation of the Audit Committee re-appointed M/s. SMSD & Co to carry out the Internal Audit of the Company for the Financial Year 2021-22.

### C. Secretarial Auditor

Section 204 of the Act, inter-alia requires every listed company to undertake Secretarial Audit and annex with its Board's Report a Secretarial Audit Report given by a Company Secretary in practice in the prescribed form. In line with the requirement of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of the Listing Regulations and other applicable provisions, if any, the Board of Directors of the Company had appointed M/s. R. Bhandari & Co., Company Secretaries in Whole-time Practice, to carry out Secretarial Audit for the financial year 2020-21. The Board of Directors on the recommendation of the Audit Committee re-appointed M/s. R. Bhandari & Co., Company Secretaries in Whole-time Practice to carry out the Secretarial Audit of the Company for the Financial Year 2021-22.

The Secretarial Audit Report for the financial year ended 31st March, 2021 are annexed as **Annexure C** to this Report. As per the report, Company has complied with all the provisions of the Act, Rules, Regulations, Guidelines, Standards during the financial year 2020-21 except with the provision of Regulation 17(1)(a) of SEBI (LODR), 2015 i.e. for appointment of One Woman Independent Director on the Board for the period 02/12/2020 to 22/02/2021. The Company got migrated on 2nd December, 2020 from SME platform to the Main Board of National Stock Exchange (NSE), at the time of migration, the Company was falling under the top 1000 Companies as per the Market Capitalization of the Company as on 31st March, 2020. Post migration, Regulation 17 (1) of SEBI (LODR) Regulations, 2015 became applicable to the company. The Company has complied with Regulation 17(1) and has appointed Ms. Archana Venkata Rajagopalan as Independent woman Director with effect from 23rd February, 2021.

### D. Cost Auditor

Maintenance of cost records as specified by the Central Government under Section 148 of the Companies Act 2013 is not applicable to the Company.

## 20. INTERNAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial control with reference to financial statements.

The Company has adopted accounting policies which are in line with Section 133 and other applicable provisions, if any, of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015.

The Company in preparing its financial statements makes judgments and estimates based on sound policies and uses external agencies to verify/ validate them as and when appropriate. The basis of such judgments and estimates are also approved by the Statutory Auditors and Audit Committee.

The Internal Auditor evaluates the efficiency and adequacy of internal control system, accounting procedures and policies adopted by the Company for efficient conduct of its business, adherence to Company's policies, safeguarding of Company's assets, prevention and detection of frauds and errors and timely preparation of reliable financial information etc. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

### Internal Financial Control

As per Section 134(5)(e) of the Companies Act, 2013, Internal Financial Control means the policies and procedures adopted by the Company for ensuring:

## DIRECTOR'S REPORT

- accuracy and completeness of the accounting records
- safeguarding of its assets, prevention and detection of fraud and error
- orderly and efficient conduct of business operations including adherence to the company's policies
- timely preparation of reliable financial information

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of internal financial controls over financial reporting, and the reviews performed by management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls was adequate and operating effectively as on March 31, 2021. During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

### 21. DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), and SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 which came into force from 6th May 2021. The Board of Directors of the Company at its meeting held on 7th June, 2021 have formulated and adopted a 'Dividend Distribution Policy'. The Policy is available on the Company's website at [www.marineelectricals.com](http://www.marineelectricals.com)

### 22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT

During the reporting period, your Company has not granted any Loans, Guarantees, Investments and Security in violation of Section 186 of the Companies Act, 2013 and rules made thereunder. For information pertaining to Investments, kindly refer notes to financial statements.

### 23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All Related party Transactions that were entered into during the financial year 2020-21 were in the ordinary course of business and on arm's length basis. The Company has not entered into any contract/arrangement/transaction with related parties which could be considered material in nature as per Regulation 23 of the SEBI Listing Regulations (LODR), 2015 and amendments thereto and as per Company's policy on Related Party Transactions. All Related Party Transactions are placed before the Audit Committee and Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of unforeseen and repetitive in nature. Further the disclosure of transactions with related parties for the year 2020-21, as per accounting standard 18 forms part of notes to accounts.

The policy adopted by the Board on Material Related Party Transactions is available on the website of the Company at [www.marineelectricals.com](http://www.marineelectricals.com).

### 24. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report are given below.

#### 24.1 PANDEMIC – COVID-19

The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges to the business of the Company. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lockdown of production facilities etc.

### 25. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material orders have been passed by any regulator or courts or tribunals which shall impact the going concern status and operations of your Company in future.

## DIRECTOR'S REPORT

### 26. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is appended as **Annexure D** to this Report.

### 27. RISK MANAGEMENT

The Company has formed Risk Management Committee and also laid down the procedures to inform the Board about the risk assessment and minimization procedures and the Board have formulated Risk Management Policy to ensure that the Board, its Audit Committee and its management should collectively identify the risks impacting the Company's business and document their process of risk identification, risk minimization, risk optimization as a part of a risk management policy strategy. At present there is no identifiable risk which, in the opinion of the Board may threaten the existence of the Company. The details of composition and terms of reference of the Risk Management Committee are provided in Corporate Governance Report forming part of this Annual Report

Policy relating to Risk Management can be accessed on company's website viz; [www.marineelectricals.com](http://www.marineelectricals.com)

### 28. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure E** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is available on company's website viz; [www.marineelectricals.com](http://www.marineelectricals.com).

### 29. REPORTING OF FRAUDS

There are 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 Act and Rules framed thereunder.

### 30. VIGIL MECHANISM

#### Vigil Mechanism (Whistle Blower Policy) and Code of Conduct

Creating a fraud and corruption free culture has always been the core factor of your Company. In view of the potential risk of fraud, corruption and unethical behavior that could adversely impact the Company's business operations, performance and reputation, Marine Electricals (India) Limited has emphasized even more on addressing these risks. To meet this objective, a comprehensive vigil mechanism named Whistle Blower Policy, in compliance with the provisions of Section 177(10) of the Act and Listing Regulations, is in place. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and posted on the website of the Company at [www.marineelectricals.com](http://www.marineelectricals.com).

During the year no personnel of the Company was denied access to the Audit Committee and no complaints were received.

#### Code of Conduct to Regulate, Monitor and report trading by Insiders

In terms of SEBI (Prohibitions of Insider Trading) Regulations, 2015, as amended from time to time, the Company has adopted a Revised Code of Conduct for Prevention of Insider Trading (Insider Code) as approved by the Company's Board. Any Insiders (as defined in Insider Code) including designated employees & persons and their relatives are, inter-alia, prohibited from trading in the shares and securities of the Company or counsel any person during any period when the "unpublished price sensitive information" are available with them.

The Insider Code also requires pre-clearance for dealing in the Company's shares and prohibits dealing in Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

### 31. DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE ACT

The Company has neither accepted nor renewed any deposits during the Financial Year 2020-21 in terms of Chapter V of the Act.

## DIRECTOR'S REPORT

### 32. HUMAN RESOURCES

The industrial relations at the manufacturing facilities of your Company have been cordial during the year. Employees are considered to be team members being one of the most critical resources in the business which maximize the effectiveness of the organization. Human resources build the enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems. The Company maintains healthy, cordial and harmonious relations with all personnel and thereby enhancing the contributory value of the Human Resources.

### 33. PARTICULARS OF EMPLOYEES

A statement comprising the names of top 10 employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure F** and forms an integral part of this annual report.

The disclosures in terms of the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure G** to this Report. There were no employee who receives remuneration of Rs. 850,000/- per month or Rs. 1,0200,000/- per annum.

### 34. EMPLOYEES STOCK OPTION SCHEME

Your company has not granted any Employee Stock Options during the year under review.

### 35. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has devised a sound Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act 2013 with the proper composition of members.

The Company is committed to provide a safe and conducive work environment to its employees. Your Directors further state that, during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has not received any complaints during the year.

### 36. COMPLIANCE OF THE SECRETARIAL STANDARDS

During the financial year, the Company has complied with the applicable Secretarial Standards i.e SS-1 and SS-2 as issued by the Institute of the Company Secretaries of India.

### 37. ACKNOWLEDGMENTS

Your Directors express their sincere appreciation for the co-operation received from shareholders, bankers and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

**On behalf of the board of directors**

**Sd/-**

**Mr. Vinay K. Uchil**

**Chairman and Executive Director**

**DIN: 01276871**

**Sd/-**

**Mr. Venkatesh K. Uchil**

**Managing Director**

**DIN: 01282671**

**Date: 7<sup>th</sup> June, 2021**

**Place: Mumbai**

# DIRECTOR'S REPORT

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

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

(Amount in Lakhs)

Sr. No.	Particulars	Details			
1	Name of the subsidiary	MEL power Systems FZC	Eltech Engineers Madras Private Limited	STI Company SRL	Evigo Charging Consultants Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	From 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March 2021	From 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March 2021	From 1 <sup>st</sup> January, 2020 to 31 <sup>st</sup> December 2020	From 9 <sup>th</sup> October 2020 to 31 <sup>st</sup> March 2021
3	Holding company's reporting period	From 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021	From 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021	From 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021	From 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	AED 1AED : 19.96	INR	EURO 1EURO : 86.21	INR
5	Share capital	21.52	30	1003.76	22.51
6	Reserves & surplus	2,781.01	(214.32)	336.10	(10.65)
7	Total assets	4,451.43	99.13	5,475.31	9.45
8	Total Liabilities	4,451.43	99.13	5,475.31	9.45
9	Investments	798.90	-	333.86	-
10	Turnover	2,709.64	170.72	2,324.10	-
11	Profit before taxation	582.95	(11.56)	16.10	(13.40)
12	Provision for taxation	-	7.15	2.61	-
13	Profit after taxation	582.95	(18.72)	13.49	(13.40)
14	Proposed Dividend	-	-	-	-
15	% of shareholding	90	70	67.5	74.000312

The following information shall be Furnished:

Names of subsidiaries, which are yet to commence operations: Nil

Names of subsidiaries, which have been liquidated or sold during the year: Nil

Part "B": Associates and Joint Ventures : NA

The following information shall be furnished: -

- Names of associates or joint ventures, which are yet to commence operations: NA
- Names of associates or joint ventures, which have been liquidated or sold during the year: NA

On behalf of the board of directors

Sd/-

Mr. Vinay K. Uchil

Chairman and Executive Director

DIN: 01276871

Sd/-

Mr. Venkatesh K. Uchil

Managing Director

DIN: 01282671

Date: 07<sup>th</sup> June 2021

Place: Mumbai

## DIRECTOR'S REPORT

### Annexure A

#### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) read with clause 10 (i) of Part C of Schedule V of SEBI LODR, 2015, the Declaration on Codes of Conduct is given below:

To,

The Members

Marine Electricals (India) Limited

We have examined the relevant registers, records, forms, returns and disclosures, from the Directors of **Marine Electricals (India) Limited** having CIN L31907MH2007PLC176443 and having registered office at B/1, Udyog Sadan No. 3, MIDC, Andheri (E), Mumbai MH – 400093, India (hereinafter referred to as 'the Company'), produced before us by the Company in electronic mode, 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. No physical verification of any document / record was possible due to the current nationwide lockdown owing to the outbreak of COVID-19 pandemic.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we 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 continues as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of the Director	DIN	Date of appointment in Company
1	Vinay Krishna Uchil	01276871	04/12/2007
2	Venkatesh Krishnappa Uchil	01282671	04/12/2007
3	Mohan Rao	02592294	30/05/2020
4	Nikunj Kishore Mishra	03589730	11/07/2018
5	Vikas Manohar Jaywant	06607484	24/02/2020
6	Madan Gopal Pendse	07650301	11/07/2018
7	Shailendra Kumar Shukla	08049885	07/12/2018
8	Tanuja Deepak Pudhierkar	08190742	01/08/2018
9	Archana Venkata Rajagopalan	09077128	23/02/2021

Ensuring the eligibility 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 AKANSHA RATHI & ASSOCIATES**  
**COMPANY SECRETARIES**  
**AKANSHA RATHI**  
**PROPRIETOR**  
**F.C.S. No. 9288**  
**UDIN:F009288C000420501**

Place : Mumbai

Date : 7<sup>th</sup> June, 2021

# DIRECTOR'S REPORT

## ANNEXURE B

### **NOMINATION AND REMUNERATION POLICY MARINE ELECTRICALS (INDIA) LIMITED**

#### **PREAMBLE**

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of Every Listed Company and such other class or classes of Companies, as may be prescribed under Rule 6 of the Companies Meetings of Board and its Powers) Rules, 2014 and pursuant to Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations") shall constitute the Nomination and Remuneration Committee and the Board of Directors (the "Board") of Marine Electricals (India) Limited (the "Company"), has adopted the following policy and procedures with regard to Nomination and Remuneration as defined below. The Nomination and Remuneration Committee may, from time to time, review and recommend amendments to this policy to the Board. The Board may amend this policy from time to time.

#### **OBJECTIVES**

The interdenominational & Remuneration Committee would be:

- a) To guide the Board in relation to Appointment and Removal of Directors, Key Managerial Personnel and Senior Management;
- b) To evaluate the Performance of the Members of the Board and provide necessary report to the Board for further evaluation;
- c) To recommend the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- d) To provide to Key Managerial Personnel and Senior Management, reward linked directly to their effort, performance, dedication and achievement relating to company's performance;
- e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- f) To enable the Company for competing effectively in the labour market and to recruit and retain high caliber staff;
- g) To operate at minimum rate of labour turnover.
- h) To develop a succession plan for the Board and to regularly review the plan;
- i) Assessing the independence of independent directors;

#### **DEFINITIONS**

**"Act"** means the Companies Act, 2013 and Rules framed there under as amended from time to time.

**"Board"** refers to Board of Directors of Marine Electricals (India) Limited

**"Directors"** mean Directors of Marine Electricals (India) Limited.

**"Independent Director"** means Director appointed in terms of Section 149 of the Companies Act, 2013.

**"Key Managerial Personnel" (KMP)** means:

- a) Chief Executive Officer or the Managing Director or the Manager,
- b) Company Secretary,
- c) Whole time Director,
- d) Chief Financial Officer and
- e) Such other officer as may be prescribed.

**"Senior Management"** means Personnel of the Company who are members of its Core Management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.



## **DIRECTOR'S REPORT**

### **SCOPE**

The Board of the Company has constituted Nomination and Remuneration Committee as per requirement of provisions of the Companies Act, 2013. This policy prescribes guideline, criteria and principles for the Committee for recommending to the Board the appointment and remuneration of the directors, key managerial personnel and senior management of the Company.

### **POLICY ON CONSTITUTION AND OPERATIONS OF THE COMMITTEE:**

#### **MEMBERSHIP:**

The Committee shall consist of a minimum 3 Non Executive Directors, atleast 50% of them being Independent. Minimum two (2) or one third of the members of the committee, whichever is greater, including at least one independent director in attendance, shall constitute a Quorum for the Committee meeting. Membership of the Committee shall be disclosed in the Annual Report & updated on the website of the company. Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **CHAIRPERSON:**

Chairperson of the Committee shall be an Independent Director. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson. Chairperson of the Nomination and Remuneration Committee meeting may be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### **FREQUENCY OF MEETINGS:**

The Committee shall meet at least once in a year.

#### **COMMITTEE MEMBERS' INTERESTS:**

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **MINUTES OF COMMITTEE MEETING:**

Proceedings of all meetings must be appropriately recorded in the Minutes Book and signed by the Chairman within 30 days of the said meeting or by the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

#### **SECRETARY:**

The Company Secretary of the Company shall act as Secretary of the Committee.

### **POLICY**

#### **a) Appointment of Directors/Key Managerial Personnel or Senior Management Personnel.**

The Nomination and Remuneration Committee, Inter alia, consider qualification, positive attributes, areas of expertise, experience, relevant knowledge about the industry of the Company and directorship or membership in various other companies as well as independency of the directors in case of appointment of independent director. The Committee shall recommend to the Board of the Company, for any appointment, afterwards final decision shall be taken by the Board of the Company.

#### **b) Remuneration to Directors and Key Managerial Personnel.**

The Committee shall recommend to the Board about the remuneration to the directors and key managerial personnel and periodically review that the remuneration payable to the directors and key managerial personnel is in the line and limits prescribed under provisions of the Companies Act, 2013 and approved by the shareholders of the Company. The Remuneration to the directors and key managerial personnel shall be in line with the limits prescribed under provisions of the Companies Act, 2013 and rules made thereunder.

Non-executive directors may be entitled for sitting fees for attending Board and Committee meetings as decided and approved by the Board. They are also entitled for commission from profit, if any approve by the Board.

## DIRECTOR'S REPORT

For determining remuneration of directors and key managerial personal the Committee shall take into account remuneration trends in the group companies, or peers industry.

For determining remuneration to directors and key managerial personnel the Committee shall have power to obtain reliable, up - to - date information about remuneration in other companies. To help it fulfil its obligations the committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the board.

The remuneration structure shall include the following components:

- (I) Basic salary
- (ii) Allowances & Perquisites
- (iii) Commission, if any.
- (iv) Stock options, if any.
- (v) Retired Benefits
- (vi) Incentives

The Committee shall periodically review the remuneration payable to the directors and key managerial personnel and recommend any revision thereof on the basis of financial condition of the Company and performance of the director or key managerial personnel.

### **c) Remuneration to senior management and other employees.**

The Remuneration to senior management and other employees shall be decided on the basis of qualification, experience, performance, job profile, skills, position and industry criteria.

### **d) Loan and advances to directors, key managerial personnel and senior management**

The Committee shall review and approve the loans and advances to directors, key managerial personnel and senior management in line with the requirements of provisions of Companies Act, 2013 and rules made thereunder.

### **POLICY ON BOARD DIVERSITY**

The Board shall comprise of Directors having expertise in different areas / fields like Finance, Sales and Marketing, Banking, Engineering, Human Resource management, etc. or as may be considered appropriate. The Board shall have at least one Board member who has accounting or related financial management expertise and at least one women director.

The balance of Skills and experience along with diversity of thought, knowledge and perspective and gender will help the Company in attainment of its objectives.

### **MODIFICATION AND AMENDMENT**

This policy is subject to modification and amendments from time to time.

**On behalf of the board of directors**

**Sd/-**

**Mr. Vinay K. Uchil**

**Chairman and Executive Director**

**DIN: 01276871**

**Sd/-**

**Mr. Venkatesh K. Uchil**

**Managing Director**

**DIN: 01282671**

**Date: 07<sup>th</sup> June 2021**

**Place: Mumbai**

# DIRECTOR'S REPORT

## ANNEXURE C

### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2021

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
**MARINE ELECTRICALS (INDIA) LIMITED**  
B/1, Udyog Sadan No.3, MIDC, Andheri (E),  
Mumbai - 400093.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MARINE ELECTRICALS (INDIA) LIMITED (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliance and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made 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 Investments, Overseas Direct Investments and External Commercial Borrowing;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable during the audit period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable during the audit period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable during the audit period)**

## DIRECTOR'S REPORT

- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not Applicable during the audit period)**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (SEBI LODR) and
- (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (vi) Other Laws applicable specifically to the Company are;
  - (a) The Factories Act, 1948;
  - (b) The Employees Provident Funds Act, 1952;
  - (c) The Employees State Insurance Act, 1948 (ESIC Act);
  - (d) The Payment of Bonus Act, 1965 & Rules;
  - (e) The Maternity Benefit Act, 1961;
  - (f) The Minimum Wages Act, 1948;
  - (g) The Payment of Gratuity Act, 1972;
  - (h) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
  - (i) The Equal remuneration Act, 1976;
  - (j) Bombay IR Act, 1946;
  - (k) The Industrial Dispute Act, 1947;
  - (l) The Weekly Holiday Act, 1942;
  - (m) The Maharashtra Labour Welfare Fund Act, 1953 & The Maharashtra Labour Welfare Fund Rules, 1953;
  - (n) The Employees State Insurance Act, 1948 (ESIC Act);
  - (o) The Contract Labour (Regulation and Abolition) Act, 1970 & The Maharashtra Contract Labour (Regulation and Abolition) Rules, 1971;
  - (p) The Maharashtra Workmen's Minimum House-Rent Allowance Act, 1983 & The Maharashtra Workmen's Minimum House-Rent Allowance Rules, 1990;
  - (q) The Industrial Employment (Standing Order) Act, 1946;
  - (r) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;
  - (s) The Electricity Act, 2003;
  - (t) Air (Prevention and Control of Pollution) Act, 1981;
  - (u) Water (Prevention and Control of Pollution) Act, 1974;
  - (v) Environment (Protection) Act, 1986;
  - (w) Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016;
  - (x) The Water (Prevention and Control of Pollution) Cess Act, 1977 (Water Cess Act) And Water (Prevention and Control of Pollution) Cess Rules, 1978 (Water Cess Rules);
  - (y) Other applicable laws.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with stock exchanges;

During the Audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except for the matter listed below.

## DIRECTOR'S REPORT

1. The Company had not complied the provision of Regulation 17(1)(a) of SEBI (LODR), 2015 i.e. the Board of Directors had not appointed One Woman Independent Director on the Board for the period from 02/12/2020 to 22/02/2021. However subsequently it had been complied on 23/02/2021.

The Company was levied fine of Rs. 1,50,000 (without GST) vide NSE letter dated 15th February, 2021 for non-compliance of Regulation 17(1) of SEBI (LODR), 2015. An application for waiver of penalty of Rs. 1,50,000 (without GST) was submitted by the Company on 24th February, 2021 having application number: 896 as per the Policy for Exemption of fines levied and the provisions of SEBI SOP Circular and has chosen the option of personal hearing.

### I further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except for above instance.
- b. During the audit period, Mr. Mohan Rao was appointed as an Additional Non-Executive Independent Director, w.e.f. 30th May, 2020 via circular resolution. Further Mrs. Archana Rajagopalan was appointed as an Additional Non-Executive Independent Director, w.e.f. 23rd February, 2021.
- c. During the audit period, there was change in designation of Mr. Vikas Manohar Jaywant and Mr. Mohan Rao from Additional Non-Executive Independent Director to Non-Executive Independent Director w.e.f. 28th September, 2020
- d. The members of the Company at their Annual General Meeting held through Video conferencing on 28th September, 2020, re-appointed Mr. Shailendra Shukla who retires by rotation at the meeting.
- e. During the audit period, Mr. Aditya Desai resigned as Chief Financial Officer w.e.f. 24th June, 2020 and on his resignation, Ms. Namita Sethia was appointed as Chief Financial Officer w.e.f. 30th July, 2020
- f. During the Audit period, Ms. Reesha Ratanpal resigned from the post of Company Secretary and Compliance Officer w.e.f. 26th February, 2021 and on her resignation, Ms. Mitali Ambre was appointed as the Company Secretary and Compliance officer w.e.f. 27th February, 2021.
- g. The members of the Company through postal ballot results dated 20th September, 2020 approved migration of the company's present listing from SME Platform (EMERGE) of National Stock Exchange of India (NSE) to Main Board of NSE. The Company migrated from SME Platform to NSE Main Board on 2nd December, 2020.
- h. The members of the Company through postal ballot results dated 4th February, 2021 approved sub-division of the equity shares of the company having face value of Rs. 10/- each (Rupees Ten each) sub-divided into 5 (five) Equity Shares having face value of Rs. 2/- each (Rupees Two each) and consequent alteration of the capital clause in Memorandum of Association of the company.
- i. In terms of the provisions of section 138 of the Companies Act, 2013, the Company has appointed SMSD & CO, Chartered Accountants as Internal Auditor for the Financial Year 2020-2021 w.e.f. 10th November, 2020 and took note of resignation of previous internal auditor- Mr. Prasanna V Pakkala.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously or majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

**For R. Bhandari & Co.**  
Company Secretaries

**Raghunath Bhandari**  
Proprietor

Date : 7<sup>th</sup> June, 2021

Place: Mumbai

FCS No. 8048

CP No. 15381

UDIN : F008048C000426796

This report is to be read with our letter which is annexed as Annexure I and forms an integral Part of the Report

## DIRECTOR'S REPORT

### ANNEXURE I

To,  
The Members,  
MARINE ELECTRICALS (INDIA) LIMITED  
B/1, Udyog Sadan No.3, MIDC, Andheri (E),  
Mumbai - 400093.

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

1. Maintenance of Secretarial record of applicable laws 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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process 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 applicable to the Company is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For R. Bhandari & Co.**  
Company Secretaries

**Raghunath Bhandari**  
Proprietor

Date : 7<sup>th</sup> June, 2021

Place: Mumbai

FCS No. 8048

CP No. 15381

## DIRECTOR'S REPORT

### ANNEXURE D

#### **CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE INFLOW & OUTFLOW**

Energy conservation continues to be an area of focus for your Company. Initiatives to integrate energy efficiency into overall operations are undertaken through design considerations and operational practices.

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

a) Conservation of Energy

Your Company has taken sufficient steps to conserve energy by monitoring the use thereby resulting in savings for the company.

b) Technology Absorption

The Company is using latest technology for manufacturing of the products and same has been fully absorbed. The Company is continuously improving its quality and installed latest equipment and new testing and measuring equipment. Indigenous technology available is continuously being upgraded to improve overall performance.

c) Expenditure on Research & Development

Your company has in addition to R&D facility in Mumbai started a R&D facility in Kochi to increase new product development. Our new team of very senior engineers have brought improvements in all our existing products developed by the company in the past.

d) Foreign Exchange Earnings/ Outgo (Rs: in Lakhs):

Foreign Exchange Earnings: Rs. 2,523.15

Foreign Exchange Outgo: Rs. 2,176.00

**On behalf of the board of directors**

**Sd/-**

**Mr. Vinay K. Uchil**

**Chairman and Executive Director**

**DIN: 01276871**

**Sd/-**

**Mr. Venkatesh K. Uchil**

**Managing Director**

**DIN: 01282671**

**Date: 07<sup>th</sup> June 2021**

**Place: Mumbai**



## DIRECTOR'S REPORT

### ANNEXURE E

#### ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes: Marine, CSR Policy is focused on enhancing the lives of the local community in which it operates. This takes shapes by way of providing a better quality of life for the people in the communities in which the Company operates. We strongly believe in contributing towards the betterment of society and endeavor to create a positive impact, while achieving our business goals. The CSR Policy can be accessed on company's website viz; [www.marineelectricals.com](http://www.marineelectricals.com)

2. The composition of the CSR committee:

Name of Members	Category	Designation	No. of Committee meetings held during the year	No. of Committee meeting attended
Mr. Vinay Uchil	Chairman and Executive Director	Chairman	1	1
Dr. Tanuja Pudhierkar	Non-Executive Non-Independent Director	Member	1	0
Mr. Vikas Jaywant*	Non-Executive Independent Director	Member	0	0
Mr. Nikunj Mishra	Non-Executive Independent Director	Member	1	1
Madan Pendse**	Non-Executive Independent Director	Member	1	1

\*The CSR Committee was reconstituted on 30<sup>th</sup> July, 2020. Mr. Vikas Jaywant became member of the Committee on 30<sup>th</sup> July, 2020

\*\*Mr. Madan Pendse cease to be member of the Committee w.e.f 30<sup>th</sup> July, 2020

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: [www.marineelectricals.com](http://www.marineelectricals.com)
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) : Not Applicable.
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 Rs)	Amount required to be set-off for the financial year, if any (in lakhs)
1	2020-2021	NA	NA
<b>TOTAL</b>			<b>NA</b>

6. Average net profit of the company as per section 135(5):

(Rs. In Lakhs)

2019-2020	655.58
2018-2019	775.31
2017-2018	1172.34
Total Profit	2603.21
<b>Average 3 Years</b>	<b>867.74</b>

- 7.

(a)	Two percent of average net profit of the company as per section 135(5)	Rs. 17.35 Lakhs
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c)	Amount required to be set off for the financial year, if any	Nil
(d)	Total CSR obligation for the financial year (7a+7b- 7c)	Rs. 17.35 Lakhs

## DIRECTOR'S REPORT

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

Total amount Spent for the Financial year (Rs. in Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to unspent CSR account as per section 135(6)		Amount transferred to any fund specified under schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
Rs. 21.40	NA	NA	NA	NA	NA

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

(1) Sl. No	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No.)	(5) Location of the project		(6) Project Duration	(7) Amount allocated for the Project (in Rs.)	(8) Amount spent in the current financial year (in Rs.)	(9) Amount transferred to Unspent CSR account for the project as per section 135(6) (in Rs.)	(10) Mode of implementation - direct (Yes/No)	(11) Mode of implementation - Through implementing agency
				State	Distri- ct						Name CSR Regi- strati- on No.
1	NOT APPLICABLE										

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

(1) Sl. No	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No.)	(5) Location of the project		(6) Amount spent for the project (Rs. in Lakhs)	(7) Mode of implementation - direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration No.
1	Supply of Electrical Panels to MMRCL for the construction of Covid-19 hospital, at Kandrapada site	Creating health infrastructure for COVID care promoting of health care, including preventive health care, and disaster management Covid 19	Yes	Maharashtra	Mumbai	9.80	Yes	NA	NA
2.	Promotion of Education	Education	No	All over India	All over India	8.00	No	Anand Education Trust	-
3.	Social Cause	Eradicating hunger, poverty and malnutrition	No	All over India	All over India	3.60	No	Amrita Trust	E 22443
TOTAL						21.40			

## DIRECTOR'S REPORT

(d) Amount spent in Administrative Overheads: NA

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 21.40 lakhs

(g) Excess amount for set off if any

Sl. No.	Particular	Amount (Rs. in Lakhs.)
(i)	Two percent of average net profit of the company as per section 135(5)	17.35
(ii)	Total amount spent for the Financial Year	21.40
(iii)	Excess amount spent for the financial year [(ii)-(i)]	4.05
(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)]	4.05

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

Sl. No	Preceding financial year	Amount transferred to Unspent CSR Account 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), is any			Amount remaining to be spent in succeeding financial year (in Rs.)
				Name of the fund	Amount (in Rs.)	Date of transfer	
1.	2017-2018	Not Applicable					
2.	2018-2019	Not Applicable					
3.	2019-2020	Not Applicable					

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID	Name of the Project	Financial year in which the project was commenced	Project Duration	Total amount allocated for the project	Amount spent on the project in the reporting	Cumulative amount spent at the end of reporting financial year (in Rs.)	Status of the project - completed / ongoing
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): NA

(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): NA

Sd/-  
Mr. Vinay K. Uchil  
Chairman CSR Committee

Sd/-  
Mr. Venkatesh K. Uchil  
Managing Director

Date: 07<sup>th</sup> June 2021  
Place: Mumbai

## DIRECTOR'S REPORT

### ANNEXURE F

**STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

List of Top 10 salaried employees for the Financial Year ended 31<sup>st</sup> March 2021

Sl. No.	Name & Designation	Remuneration received during the period from April 1, 2020 to March 31, 2021	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age (DOB)	The last employment held before joining the Company	Whether is a relative of any director or manager of the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause(iii) of sub-rule (2) of Rule 5
1	Mr. Suresh Nair	Rs. 36,00,000	Regular	B.E Electricals and 22 Yrs.	12/02/2019	24/12/1969	Merchant Navy	No	Nil
2	Mr. T K Mani	Rs. 24,00,000	Regular	B.E Electricals and 30 Yrs.	01/08/2018	15/10/1950	NA	No	Nil
3	Mr. Pritesh Jani	Rs. 26,40,000	Regular	B.E Electricals and 15 Yrs.	01/06/2016	24/01/1984	Phoenix Contact India Emerson Export Engineering	No	Nil
4	Mrs. Stella D'Souza	Rs. 13,80,000	Regular	HSC and 26 Yrs	01/04/2013	29/01/1968	No	No	Nil
5	Mr. Dhansukh L Gohil	Rs. 17,40,000	Regular	B.E Electricals 27 Yrs.	07/04/2014	14/05/1971	Elcome International LLC, Dubai MEANS Pvt. Ltd.	No	Nil
6	Mr. Ram Singh	Rs. 15,60,000	Regular	B.E Electricals 22 Yrs.	70/04/2014	23/11/1974	Indian Navy	No	Nil
7	Mr. Navin Rao	Rs. 18,84, 000	Regular	B.E Electricals 27 Yrs.	01/04/1999	20/03/1974	NA	No	Nil
8	Mrs. Rinku Joshi	Rs. 15,60,000	Regular	B. Com and 24 Yrs.	19/08/1997	14/05/1974	NA	No	Nil
9	Mr. P R Mohanraj	Rs. 15,30,000	Regular	B.E Electricals 30 Yrs	08/05/2002	30/06/1962	Indian Navy	No	Nil
10	Mr. Ankush Chetwani	Rs. 14,88,000	Regular	B Tech 9 Yrs	20/01/2020	28/02/1985	ARI Simulation	No	Nil

## **DIRECTOR'S REPORT**

**On behalf of the board of directors**

**Sd/-**

**Mr. Vinay K. Uchil**

**Chairman and Executive Director**

**DIN: 01276871**

**Sd/-**

**Mr. Venkatesh K. Uchil**

**Managing Director**

**DIN: 01282671**

**Date: 07<sup>th</sup> June 2021**

**Place: Mumbai**

## DIRECTOR'S REPORT

### ANNEXURE G

#### **The Statement of particulars of Appointment and Remuneration of Managerial personnel as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The remuneration and perquisites provided to the employees and Management are at par with the industry levels. The remunerations paid to the Managing Director and senior executives are reviewed and recommended by the Nomination and Remuneration Committee.

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year

Sl. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Mr. Vinay K Uchil (Chairman & Executive Director)	10.93
2	Mr. Venkatesh K Uchil (Managing Director)	10.93
3	Dr. Tanuja D Pudhierkar (Non Executive Director)	0.00
4	Mr. Shailendra Kumar Shukla (Non Executive Director)	0.00
5	Mr. Madan Pendse (Independent Director)	0.00
6	Mr. Nikunj Mishra (Independent Director)	0.00
7	Mr. Vikas Jaywant (Independent Director)	0.00
8	Mr. Mohan Rao (Independent Director)	0.00
9	Ms. Archana Vankata Rajagopalan (Independent Woman Director)	0.00

\*Median remuneration of Employees: Rs. 33,684.00 (per month)

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year

Sl. No.	Name of the Director	Percentage increase in remuneration
1.	Mr. Vinay K Uchil (Chairman & Executive Director)	0.00%
2.	Mr. Venkatesh K Uchil (Managing Director)	0.00%
3.	Dr. Tanuja D Pudhierkar (Director)	Not paid any salaries
4.	Mr. Shailendra Kumar Shukla (Director)	Not paid any salaries
5.	Mr. Madan Pendse (Independent Director)	Not paid any salaries
6.	Mr. Nikunj Mishra (Independent Director)	Not paid any salaries
7.	Mr. Vikas Jaywant (Independent Director)	Not paid any salaries
8.	Mr. Mohan Rao (Independent Director)	Not paid any salaries
9.	Ms. Archana Vankata Rajagopalan (Independent Woman Director)	Not paid any salaries
10.	Ms. Namita Sethia (CFO Appointed w.e.f. 30 <sup>th</sup> July 2020)	0.00%
11.	Mr. Aditya Desai (CFO Resigned w.e.f. 24 <sup>th</sup> June 2020)	0.00%
12.	Ms. Reesha Ratanpal (CS Resigned w.e.f. 26 <sup>th</sup> Feb 2021)	0.00%
13.	Ms. Mitali Ambre (CS Appointed w.e.f. 27 <sup>th</sup> Feb 2021)	0.00%

(iii) The percentage increase in the median remuneration of employees in the financial year 2020-2021 is 16.5%

(iv) The number of permanent employees on the rolls of Company : There are 387 permanent employees on the rolls of the Company in the financial year 2020-21.

## DIRECTOR'S REPORT

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The Average percentile increase already made in the salaries of employees is 7.5%

There are two Whole-time Directors i.e., Mr. Venkatesh Uchil, Managing Director and Mr. Vinay Uchil, Chairman & Executive Director. There has been no increase in the managerial remuneration for the financial year.

(vi) The Remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.

Sl. No.	Name & Designation	Remuneration received	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	The last employment held before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) of Rule 5	Whether is a relative of any director or manager of the Company
1.	Mr. Vinay Uchil Executive Director	Rs. 44.25 Lakhs*	Permanent	B. E. (Instrumentation) and MBA (Finance)	1995	50 Years	NA	0.00%	Brother of Mr. Venkatesh Uchil and Dr. Tanuja Pudhierkar
2.	Mr. Venkatesh Uchil Managing Director	Rs. 44.25 Lakhs**	Permanent	B.E. (Electronics and Telecomm) and PG Diploma in Management	2002	44 Years	NA	21.83%	Brother of Mr. Vinay Uchil and Dr. Tanuja Pudhierkar

### Note:

1. There are no other employees who draw remuneration in excess of the limits prescribed in Rule 5(2) (i), (ii) & (iii) of the Companies (Appointment and Remuneration) Rules, 2014

2. The remuneration approved by the shareholders in its Meeting held on 2nd August, 2018 was Rs. 48,00,000 p.a.

\*Mr. Vinay Uchil was paid total remuneration of Rs. 44.25 lakhs in FY 2020-21 (salary deduction due to Covid 19 pandemic)

\*\*Mr. Venkatesh Uchil was paid total remuneration of Rs. 44.25 lakhs in FY 2020-21 (salary deduction due to Covid 19 pandemic)

**On behalf of the board of directors**

**Sd/-**

**Mr. Vinay K. Uchil**

**Chairman and Executive Director**

**DIN: 01276871**

**Sd/-**

**Mr. Venkatesh K. Uchil**

**Managing Director**

**DIN: 01282671**

**Date: 07<sup>th</sup> June 2021**

**Place: Mumbai**



# MANAGEMENT DISCUSSION AND ANALYSIS

## Management Discussion and Analysis

### I. Overview of the Company's Business:

Marine Electricals' business prospects are linked to the growth of Electrical Power Generation and Distribution needs of India and neighbouring countries having MEIL footprint. In addition, the growth of Marine / Shipping industry also brings significant opportunities and value proposition to our services business concentrated in India and middle-east. Strong Electrical backbone clubbed with the growing electronics and NAVCOM business helps to leverage MEIL a turn-key package solution provider to the shipyards as a credible integrator. This also enables us to attempt larger repair and service contracts. The Management Discussion and Analysis of MEIL therefore focuses on the trends and business opportunities emerging from these sectors and analyses our competitive positioning in these businesses. Company has timely steps for horizontal and vertical expansions into related business and technology segments with measured low-risk manageable steps.

### II. Performance of the Company:

The Key Financials Parameters as on 31st March, 2021 on Standalone and Consolidated Basis are as follows:

Standalone:

Particular	As on 31 <sup>st</sup> March 2021	As on 31 <sup>st</sup> March 2020
Debt/Equity Ratio	0.29	0.24
Debt Service Ratio	0.87	1.06
Interest Coverage Ratio	0.42	0.59
Current Ratio	1.58	1.47
Net Profit Ratio	3.92%	2.31%
Operating Profit Ratio:	9.30%	7.18%

Consolidated:

Particular	As on 31 <sup>st</sup> March 2021	As on 31 <sup>st</sup> March 2020
Debt/Equity Ratio	0.29	0.30
Debt Service Ratio	0.87	0.75
Interest Coverage Ratio	0.35	0.59
Current Ratio	1.61	1.48
Net Profit Ratio	5.39%	2.24%
Operating Profit Ratio:	10.38%	7.13%

#### Revenue from operations

Standalone: 19,987.37

Consolidated: 25,128.66

### III. Performance of each Segments

Our Company is mainly dealing into two segments viz Electricals & Electronics and Solar. The Company has been receiving orders from customers for Electricals & Electronics segment on regular basis. Solar segment largely being EPC projects business so the Company is moving slow on getting new projects in this segment as the existing two Solar projects which are still in progress and moving towards completion. The Company achieved revenues of Rs. 18201.33 Crores for Electricals & Electronics segment and Rs. 1786.02 Crores for Solar segment during FY 2020-21 as against Rs. 18720.20 Crores for Electricals & Electronics segment and Rs. 1872 Crores for Solar segment during FY 2019-20.

The Company achieved PBIT of Rs. 2041.16 Crores for Electricals & Electronics segment and Rs. (488.17) Crores for Solar segment during FY 2020-21 as against Rs. 1548.05 Crores for Electricals & Electronics segment and Rs. (687.75) Crores for Solar segment during FY 2019-20.

#### Electrical Power Generation and Distribution Sector

1. According to the IMF World Economic Outlook (April-2021), India's GDP growth rate in 2021 is projected at 12.55%. India is in 5th position out of 193 economies. India is among six economies that will experience a double-digit growth rate in 2021. With a 7.965% contraction in 2020, India is at the 150th position. India was among the top ten growing economies in two years, 2016 (7th out of 203) and 2015 (9th out of 204). Real GDP growth or Gross Domestic Product (GDP) growth of India at constant (2011-12) prices in the year 2020-21 is estimated at -7.25 percent compared to the growth rate of 4.04 percent in 2019-20. The growth in the gross domestic product in 2020-21 is the slowest since 1950-51.

Source: Ministry of Statistics and Programme Implementation (MOSPI) <https://statisticstimes.com/economy/country/india-gdp-growth.php>

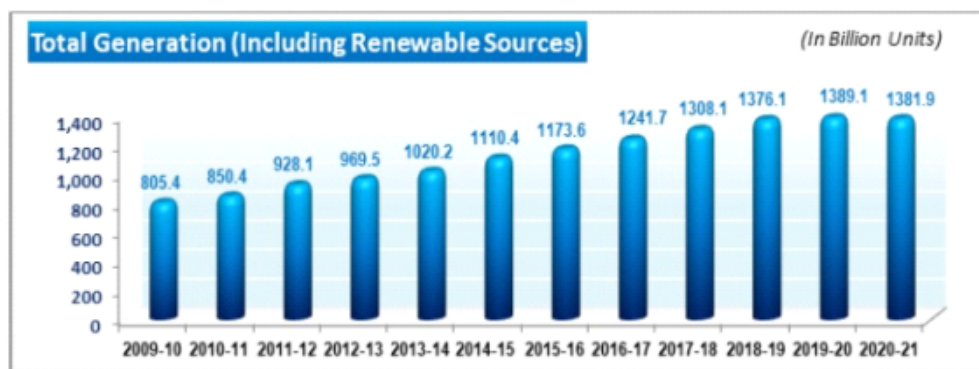
## MANAGEMENT DISCUSSION AND ANALYSIS

2. However, the Indian economy expanded 1.6% year-on-year in Q1 2021, accelerating from an upwardly revised 0.5% growth in Q4 (FY 20-21) and beating market forecasts of 1%. It was the 2nd straight quarter of growth since the country exit a pandemic-induced recession. Asia's 3rd largest economy is expected to grow at the world's fastest rate in this year (FY 21-22), despite projections for the current quarter being more pessimistic amid the 2nd flare-up of infections in April 21.

Source: Ministry of Statistics and Programme Implementation (MOSPI) <https://tradingeconomics.com/india/gdp-growth-annual>

3. India's installed capacity and its transmission infrastructure is amongst the largest in the world. Government has also undertaken a number of policy and reform-based initiatives like SAUBHAGYA, Affordable 12x7, Power for All, IPDS, UDAY, UJALA, Energy Efficiency etc. for growth of the sector.
4. Policy Initiatives: Electricity Act 2003 has been enacted and came into force from 15.06.2003. The objective is to introduce competition, protect consumer's interests and provide power for all. The Act provides for National Electricity Policy, Rural Electrification, Open access in transmission, phased open access in distribution, mandatory SERCs, license free generation and distribution, power trading, mandatory metering and stringent penalties for theft of electricity. It is a comprehensive legislation replacing Electricity Act 1910, Electricity Supply Act 1948 and Electricity Regulatory Commission Act 1998. The Electricity Act, 2003 has been amended on two occasions by the Electricity (Amendment) Act, 2003 and the Electricity (Amendment) Act, 2007. The aim is to push the sector onto a trajectory of sound commercial growth and to enable the States and the Centre to move in harmony and coordination.
5. Performance of Power Generation from Conventional Sources: The electricity generation target of conventional sources for the year 2021-22 has been fixed as 1356 Billion Unit (BU). i.e. growth of around 9.83% over actual conventional generation of 1234.608 BU for the previous year (2020-21). The conventional generation during 2020-21 was 1234.608 BU as compared to 1250.784 BU generated during 2019-20, representing a negative growth of about 1.29%.
6. Generation and growth in conventional generation in the country during 2009-10 to 2020-21

### Generation (Billion Units)



Source: <https://powermin.gov.in/en/content/power-sector-glance-all-india>

Government of India, Ministry of Power

Is:-

Year	Total Generation (Including Renewable Sources) (BU)	% of growth
2009-10	808.498	7.56
2010-11	850.387	5.59
2011-12	928.113	9.14
2012-13	969.506	4.46
2013-14	1,020.200	5.23
2014-15	1,110.392	8.84
2015-16	1,173.603	5.69
2016-17	1,241.689	5.80
2017-18	1,308.146	5.35
2018-19	1,376.095	5.19
2019-20	1,389.102	0.95
2020-21	1,381.827	-2.49
2021-22*	127.172	38.60

\* Upto April 2021 (Provisional), Source: CEA

## MANAGEMENT DISCUSSION AND ANALYSIS

7. The above parameters are indicative of robust and sustained market for Electrical Business of MEIL in all sectors - Industry, Commercial and Defence. This in synchronism with company's growth parameters is a testimony of healthy business environment around us. The PEST and SWOT analysis undertaken by in-house teams also substantiates the healthy business trends.

### Naval Shipbuilding

8. The Indian Navy has been the leading patron of the indigenisation of defence production capabilities, with a vision of a 200-strong combat fleet by 2027. In wake of the naval vision, warship construction has witnessed an unprecedented growth. This has been one of the growth impetus for Marine Electricals too.

(I) The various projects of Indian Navy, at different stages of execution in shipyards are tabulated below (excluding smaller ships like FACs & auxiliary crafts). This is the current business concentration of the Naval division of our Company:

Ser	Project	Type	No of Ships	Shipyard
(a)	P28	Corvettes	01	M/s Garden Reach Shipbuilders Ltd
(b)	IAC	Aircraft Carrier	01	M/s Cochin Shipyard Ltd
(c)	P15B	Destroyers	04	M/s Mazagon Shipbuilders Ltd
(d)	P17A	Frigates	07	M/s Mazagon Shipbuilders Ltd & M/s Garden Reach Shipbuilders Ltd
(e)	Follow on 1135.6	Frigates	02	M/s Goa Shipyard Ltd
(f)	LCU	Landing Ship	02	M/s Garden Reach Shipbuilders Ltd
(g)	Survey Vessel	Survey Vessel	04	M/s Garden Reach Shipbuilders Ltd
(h)	ASW Shallow Water Craft		16	M/s Cochin Shipyard Ltd M/s Garden Reach Shipbuilders Ltd
(j)	NOPV	Patrol Vessels	05	M/s RNEL
(k)	DSV	Diving Support Vessel	02	M/s Hindustan Shipyard Ltd
(l)	FSS	Tanker	05	M/s Hindustan Shipyard Ltd
	<b>Total</b>		<b>49</b>	

(II) Shipbuilding Projects of Indian Navy in on the Anvil / Planning Phase (excluding smaller ships like FACs & auxiliary crafts). This forms longer term business target for Marine Electricals spanning over next decade:

Ser	Project	No of Ships
(a)	LPD	04
(b)	NGMV	06
(c)	Survey Training Vessel	01
(d)	MCMV	12
(e)	MPV	04
(f)	NGC	07
(g)	NGF	07
(h)	CTS	03
(j)	NGD	05
(k)	IAC 2	01
	<b>Total</b>	<b>50</b>

Note: Eleven New Generation OPVs have been added recently taking the tally to 61.

## MANAGEMENT DISCUSSION AND ANALYSIS

(III) In addition to the Indian Navy, the Indian Coast Guard is also engaged in a massive expansion plan and is in the process of acquiring various craft to strengthen the maritime boundaries of the country. However, the performance of private shipbuilding industry has been much better in terms of project completion mainly attributable to less complex weapons and sensors, leading to timely completion of the project. The various shipbuilding projects of Indian Coast Guard in progress/ planning phase are as below.

Ser	Project	Quantity	Shipyards
(a)	Fast patrol Vessel	05	M/s Garden Reach Shipbuilders Ltd
(b)	Offshore Patrol Vessel	05	GSL Goa
(c)	Offshore Patrol Vessel	07	L&T Mumbai
(d)	Fast patrol Vessel	14	RDEL Mumbai
(e)	Training Ship	01	RDEL Mumbai
(f)	Interceptor Boats	18	L&T Mumbai
(g)	Interceptor Boats	15	BDIL
(h)	FSB	05	BDIL
	<b>Total</b>	<b>70</b>	

(IV) Shipbuilding Projects of Coast Guard in Planning Phase: Which would add to the business target over coming decade:

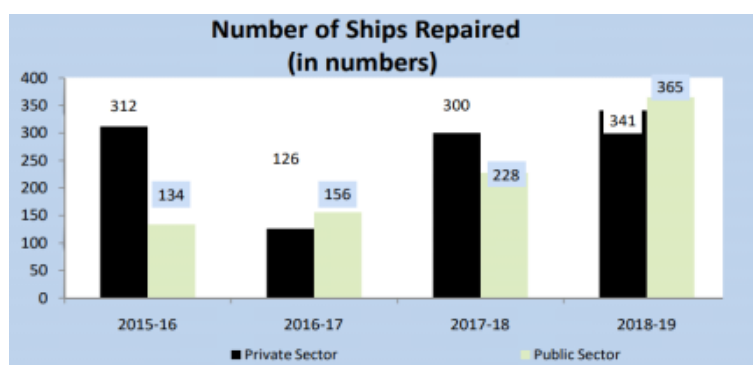
Ser	Project	No of Ships
(a)	Pollution Control Vessel	02
(b)	Air Cushion Vessel	06
(c)	Fast patrol Vessel	08
	<b>Total</b>	<b>16</b>

Marine Electricals' flagship equipment such as Integrated Bridge System, NAVCOM systems including navigation radars, Main Switchboard, assorted control panels, alarm monitoring systems and a host of data aggregation control systems for fire, flood and auxiliary machinery control systems are needed by all above ships. This forms a significant established business segment for the naval division of Marine Electricals.

This also fuels a parallel sustained derivative business stream of services for providing Annual Maintenance Contract and Rate Repair Contract of own deliveries of the past to the Indian Navy and Indian Coast Guard.

### Ship Technical Services Sector:

- The shipping industry outlook for 2021 and beyond has been relatively buoyant. In 2018-19, total 706 ships were repaired out of which 341 ships were repaired by private sector shipyards and 365 ships were repaired by public sector shipyards against 528 ships repaired in 2017-18. Chart-VIII given below depicts comparative picture of the number of ships repaired by all public and private sector shipbuilding yards during 2015-16 to 2018-19 and details of the same are given as below:



*Source: Government of India, Ministry of Shipping, Transport Research Wing, New Delhi: Statistics Of India's Ship Building And Ship Repairing Industry 2018-19*

## MANAGEMENT DISCUSSION AND ANALYSIS

With the growing ship repair and technical services sector, our services business of marine and defence sector also continues to be healthy and expected to grow along with the buoyant business scenario. Our navigation and Communication services business also grows in sync with the growth of ship repair and technical services opportunity.

**10. Business Domain Expansion:** Marine Electricals has taken timely steps for horizontal and vertical expansions into related fields for better benefits at lower risk such as:

- (a) Broadened Industrial Customer Base: Datacenters, Steel, Cement, Chemical, Pharma and Automobile industries, High rise buildings using own patented solutions for LV (MEcubE3), MV (MEpowerR3), Busduct solution etc.
- (b) Geographical Expansion in Industrials
  - Entering South India with acquisition of Eltech Engineers
  - Exploring acquisition opportunities to enter North & Eastern India
- (c) Metro Rails: Electrical Products and Sensors
- (d) Indian Railways: Electrical Equipment and Lights
- (e) Ports: Vehicle traffic management system, Port management systems for port operations
- (f) Electric Vehicles: Charging Stations for Fast Charging
- (g) Expanding Solution Offerings in Marine
  - Providing IPMS for commercial ships, working on expanding it to Naval Ships
  - Focusing on complete installation package for Naval Ships
  - Targeting to receive Service Contract for Weapon Systems

**11. Achieved Business Parameters :** The Y-o-Y growth parameters of MEIL are outlined as below. As can be observed the growth trends of MEIL are following/ exceeding the growth trends of the sector.

(Amount in Lakhs)

Year	Order Book*	Revenue/ Sales*	PBIT*
2020-21	44,100.00	19,987.37	1,085.82
2019-20	40,170.19	20,771.13	1,572.78
2018-19	18,786.00	32,323.03	1,728.33
2017-18	16,087.40	28,766.39	2,266.86
2016-17	4,361.24	20,944.17	1,875.94
2015-16	3,262.97	19,344.95	1,530.51

**12. Competitive Scenario :** MEIL has the first mover's advantage. It has been able to resist and sustain the aggressive moves and postures of the new incomers in this business domain. The International players do pose a challenge but, MEIL product quality and market reputation are also at par with International brands. We make all endeavors to maintain and sustain International quality and maturity in our products, processes and product life cycle support.

### IV. Overall Business and Growth Strategy

Marine Electrical intends to be one of the top ten players in the global marine market. We will realise this by becoming a true life cycle management partner, combining two key roles as system integration partner and maintenance partner to all our customers and constantly focus on exceeding their expectations. And last but not least, we are dedicated to create smart and green solutions at a competitive cost of ownership.

Marine Electricals will provide high quality Industrial solutions for LV, MV & Automation addressing requirements of diverse customers thru superior technology & manufacturing standards. We aspire to take leadership position in Western region of India.

A focus on power plants, the automotive industry, pharmaceuticals, chemicals and petrochemicals, the energy and environment market, pharmaceuticals, machine building, oil & gas, and the aircraft industry.

## MANAGEMENT DISCUSSION AND ANALYSIS

### V. Safety and Environment Clearances Outlook

We continuously seek to improve safety and reliability at all our production facilities. Our production facilities have been awarded the ISO Certification for maintaining quality and environment management standards.

### VI. Statutory Compliance

The Company Secretary Cum Compliance Officer ensures compliance with SEBI Regulations and Listing Agreement , Guidelines of Insider Trading and Companies Act 2013.

### VII. Internal Control Systems

The company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively

### VIII. Return on Networth (Consolidated)

The return on networth for the financial year 2020-21 is 55.17% as compared to 23.99% for the financial year 2019-20.

### IX. Cautionary Statement

The management discussion and analysis report containing your company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the company's operation include raw material availability and prices, cyclical demand and pricing in the company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the company conducts business and other incidental factors.



# CORPORATE GOVERNANCE REPORT

## I. Philosophy on Code of Governance

Your Company believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing long-term shareholders value while safeguarding the interest of all the stakeholders. It is this conviction that has led the Company to make strong corporate governance values intrinsic in all operations. The Company is led by a distinguished Board. The Board provides a strong oversight and strategic counsel. The Company has established systems and procedures to ensure that the Board of the Company is well-informed and well-equipped to fulfill its oversight responsibilities and to provide management the strategic direction it needs to create long-term shareholder's value.

The Company has adopted a Code of Conduct for its Board of Directors and Senior Management Personnel and its employees. The Company also laid down under Insider Trading Regulations, Insider Trading Code and Code on fair disclosure of unpublished price sensitive information to safe guard interest of the shareholders.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations (LODR) as applicable, with regard to corporate governance.

## II. Board of Directors

### Board diversity

Company recognizes the benefits of a Board that possesses a balance of skills, experience, expertise and diversity for effective decision making. Diversity at the Board level is an important element in strong corporate governance. The Board diversity enhances decision-making capability and a diverse Board is more effective in dealing with organizational changes and less likely to suffer from group thinking. The Board diversity policy adopted by the Board is available on the website of the Company at [www.marineelectricals.com](http://www.marineelectricals.com).

### a) Composition:

Regulation 17 of the SEBI Listing Regulations (LODR) has mandated that the Company has a regular non-executive chairperson who is also a Promoter then atleast half of the Board should be independent. Further SEBI Listing Regulations (LODR) (Amendments) 2018 has mandated the Board of top 1000 listed companies to have at least one Independent Woman Director on the Board. The Board of the Company is having appropriate mix of Executive, Non-Executive and Independent Director.

As on March 31, 2021, the Board comprises of total Nine (9) members, One (1) Chairman and Executive Director, one (1) Managing Director, Two (2) Non Executive Non- Independent Directors and Five (5) Non-Executive Independent Directors out of which One (1) is Independent Non-Executive Woman Director. Hence the composition of the Board is in conformity with SEBI Listing Regulations (LODR) and amendments thereof.

The details of Board members along with their tenure during the financial year 2020-21 are as follows:

Name of Director	Designation	Date of Appointment	Date of Re-appointment	Date of Cessation
Mr. Vinay K Uchil	Chairman & Executive Director	04-12-2007	01-08-2018	-
Mr. Venkatesh K Uchil	Executive Managing Director	04-12-2007	01-08-2018	-
Dr. Tanuja Pudhierkar	Non-Executive Director	01-08-2018	-	-
Mr. Shailendra Shukla	Non-Executive Director	07-12-2018	-	-
Mr. Madan Pendse	Non-Executive Independent Director	11-07-2018	-	-
Mr. Nikunj Mishra	Non-Executive Independent Director	11-07-2018	-	-
Mr. Vikas Jaywant	Non-Executive Independent Director	24-02-2020	-	-
Mr. Mohan Rao	Non-Executive Independent Director	30-05-2020	-	-
Ms. Archana Venkata Rajagopalan*	Additional Non-Executive Independent Director	23-02-2021	-	-



## CORPORATE GOVERNANCE REPORT

### b) Details of the Directorships and Committee Chairmanship/membership held by the Directors in other public companies as on March 31, 2021 are as under :

Name of Director	Number of Equity Shares held	No. of Directorships in other Public Limited Companies 1	No. of Board Committees of other companies in which Member/Chairperson 1&2		Name of the other Listed Entity(ies) in which the Director hold Directorship
			Member	Chairperson	
Mr. Vinay K Uchil	1000	0	0	0	0
Mr. Venkatesh K Uchil	26772375	0	0	0	0
Dr. Tanuja Pudhierkar	1000	0	0	0	0
Mr. Nikunj Mishra	-	0	0	0	0
Mr. Shailendra Shukla	-	0	0	0	0
Mr. Madan Pendse	-	4	0	0	0
Mr. Vikas Jaywant	-	0	0	0	0
Mr. Mohan Rao	-	0	0	0	0
Ms. Archana Venkata Rajagopalan*	-	0	0	0	0

\* Ms. Archana was appointed on Board as Additional Non- Executive Independent Director w.e.f 23<sup>rd</sup> February, 2021 via circular resolution.

#### Notes:

1. Directorship(s) and membership(s)/ Chairmanship(s) in the Committees of the Board of Directors exclude Marine Electricals (India) Limited, foreign Companies, Companies formed under Section 25 of the Companies Act, 1956 and Section 8 of the Companies Act, 2013.
2. Chairmanship/ Membership of Committee only include the Audit Committee and Stakeholders' Relationship Committee in other Indian Public Companies (Listed and Unlisted & excludes Marine Electricals (India) Limited).
3. None of the Directors hold Directorship in more the Seven(7) Listed Entities as per Regulation 17A of the Listing Regulations.
4. No Director holds membership(s) of more than Ten (10) Committees of any Board, nor, is a Chairperson of more than Five (5) Committees of any Board across all listed companies with which he/ she is associated as a Director.
5. The particulars of Director seeking re-appointment at the forthcoming AGM are provided in the Notice to the Annual General meeting. The brief profile of the Directors is also placed on the website of the Company.
6. The tenure of the Independent Directors is in compliance with the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under SEBI Listing Regulations (LODR) and Section 149 of the Companies Act, 2013. In the opinion of the board, the independent directors fulfill the conditions specified in SEBI Listing Regulations and Independent Directors are independent of the management.
7. None of the Directors have any inter-se relation among themselves except Mr. Vinay Uchil, Mr. Venkatesh Uchil and Dr. Tanuja Pudhierkar

### c) Board Meetings

During the year, 4 (Four) Board meetings were held on 30<sup>th</sup> July, 2020, 10<sup>th</sup> November, 2020, 31<sup>st</sup> December, 2020, and 10<sup>th</sup> February, 2021 and the particulars of attendance of the Directors are as under:

## CORPORATE GOVERNANCE REPORT

Name of Director	Attendance at AGM held on 28/09/2020	No. of Board meeting held during tenure	No. of meeting attended
Mr. Vinay K Uchil	Yes	4	4
Mr. Venkatesh K Uchil	Yes	4	3
Dr. Tanuja Pudhierkar	Yes	4	4
Mr. Shailendra Shukla	Yes	4	4
Mr. Madan Pendse	Yes	4	4
Mr. Nikunj Mishra	Yes	4	4
Mr. Vikas Jaywant	Yes	4	4
Mr. Mohan Rao	Yes	4	4
Ms. Archana Venkata Rajagopalan*	No	0	0

\* Ms. Archana Venkata Rajagopalan was appointed as Non-executive Independent Director on 23<sup>rd</sup> February, 2021 through circular resolution.

The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company at [www.marineelectricals.com](http://www.marineelectricals.com)

### d) Meeting of Independent Directors

Schedule IV of the Companies Act, 2013 and the rules mandate that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of the Management. During the year under review, separate meeting of the Independent Directors was held on 30<sup>th</sup> July, 2020 to review the performance of Non-Independent Directors, Chairman and the Board as whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

### e) Familiarisation Programme

The Independent Directors are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The details of familiarisation programme conducted for Independent Directors during FY 2020-21 is available on the website of the Company at [www.marineelectricals.com](http://www.marineelectricals.com)

### f) Board Skill/ Expertise/ Competence

The members of the Board are committed to ensure that the Board is in compliance with the highest standards of corporate governance. The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Mr. Vinay Uchil and Venkatesh Uchil	Business Understanding	Mr. Vinay Uchil is the Chairman & Executive Director of the company and has a vast experience in Ship Building, Navy, Industries, Buildings, Solar Energy. Mr. Venkatesh Uchil, is the Managing Director of the company and He has Actively Participated in timely execution of the Industry Orders, the company achieved more than 50% of the turnover from Industry Sector in the year 2021. He has been guiding force behind the growth and business strategy of our Company.
	Strategic skill & planning	Understanding Company's strategic objectives and choices, strategic thinking, experience in guiding and leading management in decision making in uncertain environment, analysis and reporting and leadership.

## CORPORATE GOVERNANCE REPORT

Mr. Madan Pendse Mr. Nikunj Mishra Mr. Vikas Jaywant Mr. Mohan Rao Ms. Archana Venkata Rajagopalan Dr. Tanuja Pudhierkar Mr. Shailendra Shukla	Governance	<p>Understanding the roles and responsibilities of the Board member within the governance framework and developing best corporate governance practices, serving to the best interest of all stakeholders and building long term relationship with them, driving corporate ethics and values, ability to display independence in word and actions.</p> <p>Challenging the performance of the management team and the company and contribute towards ensuring that the board members achieve their objectives. The experiences of a non-executive director from a different field are valuable to the company. bringing in a wider perspective and outside experience contributing to strategic developments.</p>
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### III. Committees of the Board

The Board has formed various Committees as required under Companies Act, 2013 and SEBI Listing Regulations (LODR). The Board reviews and amends the policies/terms of reference of the Committee as and when needed. The Board has formed following Committees:

#### i. Audit Committee

The Audit Committee is constituted as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations (LODR) read with Part C of Schedule II and amendments thereto. Members of the Audit Committee possess financial/accounting expertise. The Audit Committee invites executives, as it considers appropriate, representatives of Statutory Auditors and Internal Auditors to present at its meetings. The Company Secretary acts as the secretary to the Audit Committee.

#### **Composition:**

Mr. Madan Pendse (Non-Executive Independent Director) - Chairman  
Mr. Vikas Jaywant (Non-Executive Independent Director) - Member  
Mr. Venkatesh Uchil (Executive Director) - Member

#### **Meetings & Attendance:**

During the year under review, the Committee met 3 (Three) times on 30th July, 2020, 10th November, 2020 and 10th February, 2021. and not more than one hundred and twenty days lapsed between two consecutive meetings of the Audit Committee.

Name of Members	No. of Committee meetings held during tenure	No. of Committee meeting attended
Mr. Madan Pendse Non-Executive Independent Director	3	3
Mr. Vikas Jaywant Non-Executive Independent Director	2	2
Mr. Venkatesh K Uchil Executive Director	3	2
Mr. Nikunj Mishra** (Non-Executive Independent Director)	1	1

\*The Audit Committee was reconstituted on 30th July, 2020 and Mr. Vikas Jaywant became member of the Committee on 30th July, 2020. The Audit Committee constitutes of Mr. Madan Pendse, Mr. Vikas Jaywant & Mr. Venkatesh Uchil.

\*\*Mr. Nikunj Mishra cease to be a member of the Committee w.e.f 30th July, 2020

# CORPORATE GOVERNANCE REPORT

## **Terms of reference:**

### **Powers of Audit Committee**

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

### **Role of Audit committee, inter alia, includes the following:**

- 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;
- Recommending the appointment, remuneration and terms of appointment of auditors of the Company;
- Approving payment for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the Annual Financial Statements and Auditor's report thereon before submission to the Board for approval, with particular reference to: Matters required to be included in the Director's Responsibility Statement in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions;
- Modified opinion(s) in the draft Audit report;
- Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval;
- 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;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of Internal Financial Controls and Risk Management Systems;
- Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with Internal Auditors of any significant findings and follow up there on;
- 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;
- Discussion with 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;
- 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;
- To review the functioning of the Whistle Blower mechanism;
- 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;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments.

## CORPORATE GOVERNANCE REPORT

- Review of Information by Audit Committee:
- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- Review the statement of deviations:
- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### ii) Nomination & Remuneration Committee

- The Nomination and Remuneration Committee of the Company is constituted under Section 178 of the Companies Act, 2013 and pursuant to the provisions of Regulation 19 of SEBI Listing Regulations (LODR). The Committee has formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. The Committee has developed the criteria for appointment of Independent Directors, Non-Executive Directors and Executive Directors in compliance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 read with Part D of Schedule II and amendments thereto.

#### Composition,

Mr. Nikunj Mishra (Non-Executive Independent Director)	- Chairman
Mr. Shailendra Shukla (Non-Executive Non-Independent Director)	- Member
Mr. Vinay Uchil (Executive Director)	- Member
Mr. Mohan Rao (Non-Executive Independent Director)	- Member

#### Meetings & Attendance :

During the year under review, the Committee met three (3) times viz; 30th July, 2020, 10th November, 2020 and 10th February, 2021.

**Names of the Committee Members along with their attendance during the financial year are given below :**

Name of Members	No. of Committee meetings held during tenure	No. of Committee meeting attended
Mr. Nikunj Mishra (Non-Executive Independent Director)	3	3
Mr. Shailendra Shukla (Non-Executive Non-Independent Director)*	2	2
Mr. Vinay Uchil (Executive Director)*	2	2
Mr. Mohan Rao (Non-Executive Independent Director)	2	2
Mr. Madan Pendse** (Non-Executive Independent Director)	1	1
Dr. Tanuja Pudhierkar** (Non-Executive Non-Independent Director)	1	1

\* The Nomination and Remuneration Committee was reconstituted on 30th July, 2020, Mr. Nikunj Mishra was appointed as Chairman of the Committee and Mr. Shailendra Shukla, Mr. Vinay Uchil & Mr. Mohan Rao became member of the Committee on 30th July, 2020. The NRC committee constitutes of Mr. Nikunj Mishra, Mr. Shailendra Shukla, Mr. Vinay Uchil and Mr. Mohan Rao.

\*\* Mr. Madan Pendse and Dr. Tanuja Pudhierkar cease to be members of the Committee w.e.f 30th July, 2020

## CORPORATE GOVERNANCE REPORT

### **Terms of Reference:**

- To identify persons who are qualified to become Directors and who may be appointed in Senior Management Level in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of performance of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To deal with the matters relating to the remuneration payable to Whole Time Directors, Key Managerial Personnel and Senior Management Executives and commission, if any, to be paid to Non-Executive Directors, apart from sitting fees.
- To review the overall compensation policy, service agreement and other employment conditions of Whole Time Directors, Key Managerial Personnel and Senior Management Executives.
- To evaluate whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- To deal with other matters as the Board may refer to the Nomination and Remuneration Committee ("the Committee") from time to time.
- To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

### **Nomination & Remuneration Policy:**

The Company recognizes the competitive nature of the current labour market conditions and this requires the Company to provide competitive remuneration offering to Directors and employees to ensure that a high caliber of staff is attracted to the Company and retained once they have gained experience. The Company further acknowledges that it can only excel in service delivery through the exceptional performance of its people and that the remuneration offering to the Directors and employees plays a substantial motivational role when exceptional performance is compensated with exceptional rewards.

The Remuneration of Directors, Key Managerial Personnel and Senior Executives and Employees of the Company are decided based on predetermined criteria and as per the recommendation of the Committee. The Company will pay remuneration to Directors, Key Managerial Personnel and Senior Executives and Employees by way of fixed component i.e. salary, retirement benefits perquisites, allowances and by way of variable component i.e. incentives and commission based on the recommendation of the Committee and approval of the Board of Directors and shareholders, if applicable and shall be governed by the provisions of the Companies Act, 2013, rules framed thereunder and the notifications issued by the Ministry of Corporate Affairs from time to time.

The Nomination and Remuneration policy is also available on the web site of the Company at [www.marineelectricals.com](http://www.marineelectricals.com).

### **Criteria for appointment and performance evaluation – related remuneration for Directors/Key Managerial Personnel and Senior Executives of the Company.**

- At the time of selection of a Director the Company must examine the integrity of the person and possession of relevant expertise, qualifications and experience.
- In case of appointment of Independent Director, the Company must observe the pecuniary relationship with the promoters and group companies.
- The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate Directors/executives to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Financial and operating performance vis-à-vis the Annual and Operating Budget of the Company.
- Remuneration of Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

## CORPORATE GOVERNANCE REPORT

- External Competitiveness: The quantum and nature of the total offering to Directors and employees determines how competitive the Company is in recruiting and retaining them. The appropriate mix of guaranteed benefits and incentives further enhances the Company's ability to motivate them in a manner that will improve the Company's competitiveness.
- The size and complexity of a position is determined through a valid job evaluation system and individual performance is measured through the established and approved Performance Management System.
- Remuneration recognizes and rewards both high levels of competence and superior performance through the use of incentive bonuses linked to performance.
- The Nomination and Remuneration Committee shall consider whether the Directors are eligible for annual bonuses. If so, performance conditions should be relevant, stretching and designed to promote the long term success of the Company. Upper limits should be set and disclosed.
- The said Committee shall consider whether the Directors are eligible for benefits under long-term incentive schemes. Any new long-term incentive schemes which are proposed should be approved by shareholders.
- Remuneration incentives should be compatible with risk policies and systems, if any.
- The above committee shall consider the consequences and associated costs to the Company if basic salary increases and any other changes, whenever required.
- Performance Evaluation Criteria for Independent Directors: The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. The Committee has formulated criteria and questionnaires to evaluate the performance of Board, its Committees and Individual Directors including the Independent Directors. The performance evaluation criteria are determined by the Committee taking into consideration the composition of the Board, role of the Directors and Committees etc. An indicative list of factors that may be evaluated include level of engagement and contribution by a director, independence of judgment, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality.

**Performance Evaluation Criteria for Independent Directors:** The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. The Committee has formulated criteria and questionnaires to evaluate the performance of Board, its Committees and Individual Directors including the Independent Directors. The performance evaluation criteria are determined by the Committee taking into consideration the composition of the Board, role of the Directors and Committees etc. An indicative list of factors that may be evaluated include level of engagement and contribution by a director, independence of judgment, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality.

Based on the feedback received on the questionnaires, the performance of every Director was evaluated. Independent Directors at their separate meeting carried out evaluation on the performance of Non Independent Directors and Board as a whole. Chairman's evaluation was carried out by entire Board of Directors including the Independent Directors.

### iii Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted pursuant to Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations (LODR).

#### Composition:

Mr. Madan Pendse (Non-Executive Independent Director)	- Chairman
Mr. Mohan Rao (Non-Executive Independent Director)	- Member
Mr. Shailendra Shukla (Non-Executive Non-Independent Director)	- Member

#### Meetings & Attendance:

During the year under review, the Committee met 1 (One) time viz; 30th July, 2020

**Name of the Committee Members along with their attendance during the financial year 2020-21 are given below:**



## CORPORATE GOVERNANCE REPORT

Name of Members	No. of Committee meetings held during tenure	No. of Committee meeting attended
Mr. Madan Pendse Mr. Nikunj Mishra (Non-Executive Independent Director)	1	1
Mr. Mohan Rao (Non-Executive Independent Director)*	0	0
Mr. Shailendra Shukla (Non-Executive Non-Independent Director)*	0	0
Mr. Nikunj Mishra (Non-Executive Independent Director)**	1	1
Dr. Tanuja Pudhierkar (Non-Executive Non-Independent Director)**	1	0

\*The Stakeholder Relationship Committee was reconstituted on 30th July, 2020 and Mr. Madan Pendse was appointed as Chairman, Mr. Mohan Rao & Mr. Shailendra Shukla were appointed as members of the Committee on 30th July, 2020.

\*\*Mr Nikunj Mishra, cease to be Chairman and Dr. Tanuja Pudhierkar cease to be member of the Committee w.e.f 30th July, 2020

### Name, designation & address of Compliance Officer

Ms. Mitali Ambre, Company Secretary of the Company has been designated as Compliance Officer (E-mail ID: cs@marineelectricals.com) for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges.

The “SCORES” website of SEBI for redressing of Grievances of the Investors is being visited at regular intervals by the Company Secretary and there are no pending complaints registered with SCORES for the financial year ended on 31st March, 2021.

### Terms of Reference:

- The Committee looks into the various aspect of interest of investors such as transfer of shares, non-receipt of declared dividend/notices/ annual reports, etc.
- 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 dividend, issue of new/duplicate certificates, general meeting etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- 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.
- Review of the various measures and initiative taken by the listed entity for reducing the quantum of unclaimed dividend and ensuring timely receipt of dividend warrant/annual report/statutory notices by the shareholders of the Company.

### Details of Investor Complaints:

Number of Complaints from 01.04.2020 to 31.03.2021			
Pending as on 31.03.2021	Received	Redressed	Pending as on 31.03.2021
Nil	0	0	Nil

### iv Corporate Social Responsibility (CSR) Committee

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Company has developed a CSR Policy which is available on the website of the Company at [www.marineelectricals.com](http://www.marineelectricals.com)

## CORPORATE GOVERNANCE REPORT

### Composition:

Mr. Vinay Uchil (Chairman and Executive Director)	- Chairman
Dr. Tanuja Pudhierkar (Non-Executive Non-Independent Director)	- Member
Mr. Vikas Jaywant (Non-Executive Independent Director)	- Member
Mr. Nikunj Mishra (Non-Executive Independent Director)	- Member

### Meetings & Attendance:

During the year under review, the Committee met 1 (One) time viz; 30th July, 2020.

**Name of the Committee Members along with their attendance during the financial year 2020-21 are given below:**

Name of Members	No. of Committee meetings held during tenure	No. of Committee meeting attended
Mr. Vinay Uchil (Chairman and Executive Director)	1	1
Dr. Tanuja Pudhierkar (Non-Executive Non-Independent Director)	1	0
Mr. Vikas Jaywant (Non-Executive Independent Director)*	0	0
Mr. Nikunj Mishra (Non-Executive Independent Director)	1	1
Mr. Madan Pendse (Non-Executive Independent Director)**	1	1

\* The CSR Committee was reconstituted on 30th July, 2020. Mr. Vikas Jaywant became member of the Committee on 30th July, .

\*\*Mr. Madan Pendse cease to be member of the Committee w.e.f 30th July, 2020.

### Terms of Reference

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
- To recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- To monitor the Corporate Social Responsibility Policy of the company from time to time.
- To formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
  - the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
  - the manner of execution of such projects or programmes as specified in subrule (1) of rule 4 of the Companies (CSR) Rules, 2014;
  - the modalities of utilisation of funds and implementation schedules for the projects or programmes ; monitoring and reporting mechanism for the projects or programmes; and details of need and impact assessment, if any, for the projects undertaken by the company.
- The Board of every company shall –(a) After taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the CSR Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any.(b) Ensure that the activities as are included in the CSR Policy of the company are undertaken by the company.The Board shall ensure that the CSR activities are undertaken by the company itself or through eligible entities.

## CORPORATE GOVERNANCE REPORT

### v Risk Management Committee

Pursuant to the SEBI (LODR) (2ND Amendment) Regulations, 2021, Regulation 21 and Part D of Schedule II. of the SEBI (LODR) Regulations, 2015, the Company has constituted Risk Management Committee at its Board Meeting held on 7th June, 2021. Risk Management Committee shall comprise of Board members to identify various risks that the Company is exposing to and frame, implement and monitor the risk management plan for the Company.

The objective of the Risk Management policy is to ensure that the Board, its Audit Committee and its executive management should collectively identify the risks impacting the Company's business and document their process of risk identification, risk minimization, risk optimization as a part of a risk management policy or strategy.

The Risk Management Policy of the Company is available on [www.marineelectricals.com](http://www.marineelectricals.com)

#### Composition:

Mr. Vinay Uchil (Chairman and Executive Director)	- Chairman
Ms. Archana Venkata Rajagopalan (Non-Executive Independent Director)	- Member
Ms. Namita Sethia (Chief Financial Officer)	- Member

#### Meetings & Attendance:

Name of Members	No. of Committee meetings held during tenure*	No. of Committee meeting attended*
Mr. Vinay Uchil (Chairman and Executive Director)	0	0
Ms. Archana Venkata Rajagopalan (Non-Executive Independent Director)	0	0
Ms. Namita Sethia (Chief Financial Officer)	0	0

\*The Risk Management Committee was formed on 7th June, 2021

#### Terms of Reference:

- (1) To formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors

## CORPORATE GOVERNANCE REPORT

### IV. Details of Remuneration, Sitting fees, Commission and professional fee paid to Directors during the financial year 2020-21 are given below:

Sr. No.	Name of Director	Sitting Fees (Rs. in Lakhs)	Annual Remuneration/ Commission* (Rs. in Lakhs)	Professional fees (Rs. in Lakhs)	Employee Stock Option Scheme (ESOP)
	<b>Executive Director</b>				
1	Mr. Vinay K Uchil	-	44.25*	-	-
2	Mr. Venkatesh K Uchil	-	44.25*	-	-
	<b>Non-Executive Director</b>				
3	Mr. Madan Pendse	1.55	-	-	-
4	Mr. Nikunj Mishra	1.55	-	-	-
5	Mr. Vikas Jaywant	0.95	-	-	-
6	Mr. Mohan Rao	0.95	-	-	-
7	Ms. Archana Venkata Rajagopalan*	-	-	-	-
8	Dr. Tanuja Pudhierkar	-	-	-	-
9	Mr. Shailendra Shukla	-	-	-	-

#### Notes:

The remuneration approved by the shareholders in its Meeting held on 2nd August, 2018 was Rs. 48,00,000 p.a.

\*Mr. Vinay Uchil was paid total remuneration of Rs. 44.25 lakhs in FY 2020-21 (salary deduction due to Covid 19 pandemic)

\*Mr. Venkatesh Uchil was paid total remuneration of Rs. 44.25 lakhs in FY 2020-21 (salary deduction due to Covid 19 pandemic)

#### Pecuniary relationship or transactions with Non-Executive Directors:

Dr. Tanuja Pudhierkar, Non Executive Non Independent Director of the Company is related to Mr. Vinay Uchil and Mr. Venkatesh Uchil. However, there were no pecuniary relationship or transaction with Non Executive Director during FY 2020-21.

#### Guaranteed Portion of Remuneration:

Executive Directors and employees are receiving guaranteed portion of their total package on a monthly basis. The total package includes in it guaranteed benefits such as employer's contribution to retirement funds i.e. provident fund and/or pension & gratuity and/or medical aid funds and/or group life insurance fund contribution etc. as applicable.

#### Variable Portion of Remuneration:

Incentive bonus to reward employees for exceptional performance above the accepted standard and is variable. These rewards are based on individual, departmental or Company' performance relative to predefined targets. Performance is measured over a 12 months period. Vehicle allowance and telephone expenses are flexible remuneration options available to the employees.

#### Remuneration of Executive Directors :

For deciding remuneration of the Executive Directors, the Committee considers the performance of the Company, the current trends in the industry, their experience, past performance and other relevant factors. The Committee regularly keep track of the market funds in terms of compensation levels and practices in relevant industries.

The Company may pay remuneration by way of salary, remuneration and/or commission (variable components) to its Executive Directors. Annual increments may be decided by the Committee within salary scale approved by the members.

#### Remuneration of Non-Executive Directors :

The Non-Executive Directors are paid remuneration by way of sitting fees. The Company pays a sitting fee per meeting of the Board and the Committee (as may be decided from time to time) to the Non-Executive Directors for attending the meetings within the limit prescribed under the Act.

An Independent Director may receive remuneration by way fees provided under sub-section (5) of Section 197 of the Act, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members of the Company. The terms & conditions of appointment of Independent Directors are also available on the website of the Company at [www.marineelectricals.com](http://www.marineelectricals.com).

## CORPORATE GOVERNANCE REPORT

### V. General Body Meetings

#### (i) Annual General Meetings (AGM):

Location, date and time of the Annual General Meeting held during the last 3 years.

Financial Year	Date	Time	Location	Special Resolutions Passed
2019-20	28 <sup>th</sup> September 2020	11:30 am	Through Video conferencing	None
2018-19	16 <sup>th</sup> September 2019	11:30 am	B/1, Udyog Sadan No.3, Midc, Andheri (E), Mumbai Mh - 400093	1. Approval Of Loan, Investments, Guarantee Or Security Under Section 185 Of The Companies Act, 2013 2. To approve continuation of payment of remuneration to Executive Directors who are Promoters in excess of threshold limits as per SEBI (LODR) (Amendment) Regulations, 2018.
2017-18	31 <sup>st</sup> August, 2018	11:00 am	B/1, Udyog Sadan No.3, Midc, Andheri (E), Mumbai Mh - 400093	None

#### (ii) Extra-Ordinary General Meetings held during last three years

No Extra- Ordinary General Meeting was held during the financial year 2017-18 & 2019-20.

5 (five) Extra- Ordinary General Meeting were held in the Financial year 2018-19.

#### (iii) Postal Ballot

##### Details of resolutions passed through postal ballot during Financial Year 2020-21 and details of the voting pattern:

- The Company had passed a special resolution through postal ballot notice dated 30th July, 2020 namely: Migration of Listing/ Trading of Equity Shares of The Company from SME Platform (Emerge) of National Stock Exchange Of India Limited (Nse) to Main Board of NSE. The Board of Directors on 30th July, 2020 had appointed Ms. Akansha Rath (FCS: 9288 COP: 10134), Proprietor of Akansha Rath & Associates as the scrutinizer to scrutinize the E-voting/Postal Ballot process in a fair and transparent manner.

The postal ballot results were declared on 21st September, 2020.

The details of voting pattern of the Special Resolution passed through Postal Ballot

##### MIGRATION OF LISTING/ TRADING OF EQUITY SHARES OF THE COMPANY FROM SME PLATFORM (EMERGE) OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE) TO MAIN BOARD OF NSE: SPECIAL RESOLUTION

Mode of Voting	No. of Votes polled (2)	% of Votes casted on outstanding Shares (3) = $[(2)/(1)] * 100$	No of Votes in Favour (4)	No of Votes Against (5)	% of Votes in Favour 6=4/2* 100	% of Votes Against 7=5/2* 100 Votes in Against	No of Votes invalid votes
E-voting	11,26,400	17.34	11,26,400	0	100.00	0.00	0
Postal Ballot	NA	NA	NA	NA	NA	NA	NA
Total	11,26,400	17.34	11,26,400	0	100.00	0.00	0

## CORPORATE GOVERNANCE REPORT

2. The Company had passed a ordinary resolutions through postal ballot notice dated 31st December, 2020 namely: a) Sub-Division of equity shares of the Company.

- b) Alteration of the Capital Clause in the Memorandum of Association of the Company Consequent to the Sub-Division of the Equity Shares of the Company

The Board of Directors on 31<sup>st</sup> December, 2020 had appointed Ms. Akansha Rathi (FCS: 9288 COP: 10134), Proprietor of Akansha Rathi & Associates as the scrutinizer to scrutinize the E-voting/Postal Ballot process in a fair and transparent manner.

The postal ballot results were declared on 05<sup>th</sup> February, 2021.

The details of voting pattern of the Ordinary Resolutions passed through Postal Ballot -

### A) SUB-DIVISION OF EQUITY SHARES OF THE COMPANY.: ORDINARY RESOLUTION

Mode of Voting	No. of Votes polled (2)	% of Votes casted on outstanding Shares (3) = $[(2)/(1)] * 100$	No of Votes in Favour (4)	No of Votes Against (5)	% of Votes in Favour 6=4/2* 100	% of Votes Against 7=5/2* 100 Votes in Against	No of Votes invalid votes
E-voting	1,89,02,250	77.05	1,89,02,250	0	77.05	0.00	0
Postal Ballot	400	0.00	400	NA	0.00	NA	NA
<b>Total</b>	<b>1,89,02,650</b>	<b>77.05</b>	<b>1,89,02,650</b>	<b>0</b>	<b>77.05</b>	<b>0.00</b>	<b>0</b>

### B) THE CAPITAL CLAUSE IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY CONSEQUENT TO THE SUB-DIVISION OF THE EQUITY SHARES OF THE COMPANY- ORDINARY RESOLUTION

Mode of Voting	No. of Votes polled (2)	% of Votes casted on outstanding Shares (3) = $[(2)/(1)] * 100$	No of Votes in Favour (4)	No of Votes Against (5)	% of Votes in Favour 6=4/2* 100	% of Votes Against 7=5/2* 100 Votes in Against	No of Votes invalid votes
E-voting	1,89,02,250	77.05	1,89,02,250	0	77.05	0.00	0
Postal Ballot	400	0.00	400	NA	0.00	NA	NA
<b>Total</b>	<b>1,89,02,650</b>	<b>77.05</b>	<b>1,89,02,650</b>	<b>0</b>	<b>77.05</b>	<b>0.00</b>	<b>0</b>

#### Procedure for Postal Ballot :

The Procedure for Postal Ballot /electronic voting (e-voting) for aforesaid special resolution is mentioned in the said postal ballot notice

## VI. Means of Communication

During the year, un-audited quarterly and audited annual financial results of the Company were submitted to the stock exchanges soon after the approval at Board meeting And were published in leading newspapers viz. The Free Press Journal in all edition of English language and The Navshakti in Marathi language. These were also promptly put on the Company 's website at [www.marineelectricals.com](http://www.marineelectricals.com). All other relevant news and information are also displayed on the Company's website.

In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide circular no. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 02/2021 dated 13th January, 2021 (the 'MCA Circulars'), provided certain relaxations for companies, including conducting Annual General Meeting (AGM) through Video Conferencing (VC) or through other audio-visual means (OAVM) ('electronic mode'). Said MCA Circulars has also dispensed with the printing and dispatch of annual reports to shareholders.

## CORPORATE GOVERNANCE REPORT

In line with the above MCA Circulars, SEBI vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 dispensed with the requirement of Regulation 36 (1)(b) and (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations') for listed entities, who conduct their AGMs, inter alia, during the calendar year 2021, which otherwise prescribes that a listed entity shall send a hard copy of the statement containing salient features of all the documents, as prescribed in Section 136 of the Act to the shareholders who have not registered their email addresses and hard copies of full annual reports to those shareholders, who request for the same, respectively

Accordingly, this year, in view of second wave of Covid- 19 pandemic and rapid spread in covid cases and also to support the "Green Initiative in Corporate Governance", an initiative taken by the MCA, the Company has decided to send soft copies of Annual Report 2020-21 (including AGM Notice) to those shareholders whose email IDs are registered with the Depository Participants and / or with the Company's Registrars and Transfer Agents. In terms of above MCA Circulars and in view of the current extraordinary circumstances due to second wave of Covid- 19 pandemic requiring social distancing, the Company is taking measures to allow Members to vote through the mechanism of e-voting or other electronic mode in accordance with the provisions of the Act and rules made thereunder, without holding AGM that requires physical presence of Members at a common venue.

### VII. General Shareholder Information

#### 1. Annual General Meeting

Date : 28 September, 2021

Time : 11:30 am

Venue : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

#### 2. Financial Calendar

Financial Year of the Company April 01, 2021 to March 31, 2022

##### Results for the Quarter ending (Tentative):

June, 2021 on or before 12<sup>th</sup> August, 2021

September 30, 2021 on or before 14<sup>th</sup> November, 2021

December 31, 2021 on or before 14<sup>th</sup> February, 2022

March 31, 2022 on or before 15<sup>th</sup> May, 2022

##### Date of Book Closure:

22<sup>nd</sup> September, 2021 to 28<sup>th</sup> September, 2021

#### 3. Dividend Payment Date:

Dividend, if declared, shall be paid/credited within 30 days of such declaration

#### 4. Unclaimed Dividends

Not applicable to the Company

#### 5. Listing of Equity Shares on the Stock Exchange

##### National Stock Exchange of India Limited

Exchange Plaza, Bandra- Kurla Complex, Bandra (East), Mumbai - 400 051

#### 6. Listing Fees as applicable have been paid

#### 7. Stock code/Symbol

(a) Stock Exchange	Stock Code
National Stock Exchange of India Ltd.	MARINE
(b) Demat ISIN Number in NSDL & CDSL for Equity Shares	INE01JE01028



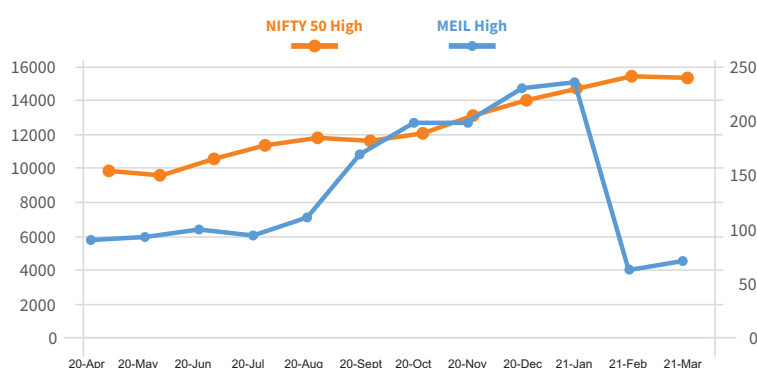
## CORPORATE GOVERNANCE REPORT

### 7. Stock Market Data:

Month	National Stock Exchange (NSE)		
	High (Rs.)	Low (Rs.)	Total number of shares traded
April-2020	90.90	86.10	1,78,000
May-2020	92.75	86.00	2,16,000
June-2020	99.50	90.00	2,14,000
July-2020	94.60	86.60	5,98,000
Aug-2020	110.50	80.00	34,66,000
Sep-2020	169.00	109.10	14,82,000
Oct-2020	198.00	160.00	8,98,000
Nov-2020	199.00	164.80	7,90,000
Dec-2020	230.00	190.00	26,28,000
Jan-2021	235.00	208.40	16,72,175
Feb-2021	63.00	48.50	63,01,899
Mar-2021	71.50	59.70	75,37,420

Note : - The Company subdivided its share from face value of Rs. 10/- each (Rupees Ten each) into 5 (five) Equity Shares having face value of Rs. 2/- each with effect from 22nd February, 2021.

### 9. Performance of Marine Electricals (India) Limited share price



### 10. Registrar and Transfer Agents:

Shareholders correspondence should be addressed to the Registrar and Transfer Agents of the Company at the following Address:  
 Big Share Services Private Limited  
 1st Floor, Bharat Tin Works Building,  
 Opp. Vasant Oasis, Makwana Road, Marol,  
 Andheri E, Mumbai – 400 059.

### 11. Share Transfer System:

100% equity shares of the Company are in dematerialized form. Transfers of these shares are done through the depositories with no involvement of the Company. A Certificate is obtained every six months from a Practicing Company Secretary with regard to, inter alia, effecting transfer, sub-division, consolidation, renewal, exchange of equity shares within fifteen days of their lodgment. The certificate is also filed with National Stock Exchange of India Limited where the equity shares of the Company are listed.

## CORPORATE GOVERNANCE REPORT

### 12. Distribution of Shareholding as on March 31, 2021

Range	No. of shareholders	% of total shareholders	No. of Shares held	% of Shareholding
<b>1 to 500</b>	3,342	87.0086	2,47,047	0.2014
<b>501 to 1000</b>	131	3.4106	1,10,887	0.0904
<b>1001 to 2000</b>	67	1.7443	1,02,248	0.0834
<b>2001 to 3000</b>	37	0.9633	96,551	0.0787
<b>3001 to 4000</b>	14	0.3645	51,025	0.0416
<b>4001 to 5000</b>	33	0.8592	1,57,627	0.1285
<b>5001 to 10000</b>	78	2.0307	6,94,044	0.5658
<b>10001 and above</b>	139	3.6188	12,12,05,821	98.8102
<b>Total</b>	3841	100.0000	122665250	100.000

### 13. Shareholding Pattern as on March 31, 2021

Category	No. of shares held	% of shareholding
<b>Promoter Holding</b>		
Total promoter & promoter group holdings	90181250	73.5182
<b>Non Promoter Holding</b>		
<b>Institutions</b>		
Foreign Portfolio Investor	-	-
Financial Institutions/ Banks	-	-
Mutual Funds	-	-
Alternate Investment Funds	1396038	1.138
<b>Central/State Government</b>		
Central Government	-	-
<b>Non-Institutions</b>		
Foreign Bodies Cooperates	-	-
Other Bodies Corporate	8776954	14.89
Public	18269041	7.15
Non Resident Indians	29486	0.024
Clearing Member	943771	0.769
HUF	3068710	2.501
<b>Grand Total</b>	<b>122665250</b>	<b>100</b>

## CORPORATE GOVERNANCE REPORT

### 14. Dematerialization of shares and liquidity

As of March 31, 2021, 122661250 shares representing 99.99% of the paid up equity capital of the Company have been dematerialized with the following depositories:

Description	ISIN No.	Depositories
Fully Paid	INE01JE01028	National Securities Depository Ltd.(NSDL) Trade World, A Wing, 4 <sup>th</sup> Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400 013
		Central Depository Services (India) Ltd.(CDSL) Marathon Futurex, 25th Floor, NM Joshi Marg, Lower Parel (East), Mumbai- 400 013

The equity shares of the Company are regularly traded on NSE.

### 15. Outstanding GDRs/ADRs/Warrants or any convertible Instruments

As of date the Company has not issued these types of securities

### 16. Reconciliation of Share Capital Audit Report

A qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit confirms that the issued/ paid up capital is in agreement with the total number of dematerialized shares held with NSDL and CDSL.

### 17. Registered Office & Plant Location

B/1, Udyog Sadan No.3, Midc, Andheri (E), Mumbai Mh 400093

#### Goa Plant

Plot No. 17,18, N-51, N-52,N-54, N-55,N-56,N-57,N-59,N-60 Verna Industrial Estate, Goa

### 18. Address for correspondence

Shareholders should address correspondence to the Company's Registrars and Transfer Agents at the address mentioned below. Shareholders could also contact the Registered Office of the Company at the address mentioned below.

### 19. Registrar & Transfer Agents:

Big Share Services Private Limited

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri E, Mumbai – 400 059.

Board No : 022 - 62638200, 022 - 62638291 | Fax No: +91 22 62638299

Email id:-investor@bigshareonline.com | Website: www.bigshareonline.com

#### Registered Office:

Marine Electricals (India) Limited

Address:B/1, Udyog Sadan No.3, MIDC, Andheri (E), Mumbai - 400093

Tel No:02240334300 | Email: [cs@marineelectricals.com](mailto:cs@marineelectricals.com) | Web: [www.marineelectricals.com](http://www.marineelectricals.com)

#### (i) Credit Rating

During the year under review the Company has obtain credit rating on 7th January, 2021

Sr. No	Total Bank Loan Facilities	Rating
1	Fund-based Term Loan	[ICRA]BBB- (Stable) Assigned
2	Fund-based Cash Credit	[ICRA]BBB- (Stable) Reaffirmed; Outlook revised from Negative to Stable
3	Fund-based – EPC/EBD/PCFC (Sublimit of Cash Credit)	[ICRA]A3; Reaffirmed
4	Non-fund Based – Bank Guarantee	[ICRA]A3; Reaffirmed
5	Non-fund Based – Letter of Credit	[ICRA]A3; Reaffirmed
6	Unallocated limited	[ICRA]BBB- (Stable)/[ICRA]A3 Reaffirmed; Outlook revised from Negative to Stable

## CORPORATE GOVERNANCE REPORT

### VIII. Other Disclosures

#### (i) Related Party Transactions

The Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in nature. All Related Party Transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. Your Directors draw attention of the members to note no. 43 in Standalone & 42 in consolidated financial statement which sets out related party disclosures and they are not in conflict with the interest of the Company at large. The Company has adopted a policy for Related Party Transactions which is available on the Company's website at [www.marineelectricals.com](http://www.marineelectricals.com)

(ii) The Company has complied with the requisite regulations relating to capital markets. No Penalties/ strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital market during the last three years.

#### (iii) Whistle Blower Policy

The Company has adopted Whistle Blower Policy and has established the necessary vigil mechanism for Directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been also put on the website of the Company [i.e. www.marineelectricals.com](http://www.marineelectricals.com)

#### (iv) Details of Compliance with mandatory requirements and adoption of non- mandatory requirements

The Company has complied with the applicable mandatory requirements of the SEBI Listing Regulations (LODR). The Company has also adopted following non-mandatory requirements of SEBI Listing Regulations (LODR).

##### Adoption of Non- Mandatory Requirements

- i. As the quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
- ii. The Company's financial statement for the financial year 2020- 21 does not contain any audit qualification.
- iii. The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and directly interacts to the Audit Committee.

#### (v) Disclosure of Accounting Treatment

The Company has followed the treatment laid down in the Indian Accounting Standards (Ind AS) prescribed by the Institute of Chartered Accountants of India, in the preparation of financial statements. No deviation is made in following the same.

#### (vi) Code of Conduct

The Code of Conduct has been put on the Company's website. The members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended March 31, 2021. The Report contains declaration to this effect signed by Mr. Venkatesh Uchil.

#### (vii) Subsidiary Companies

The Company is having total 4 (Four) subsidiaries including step down subsidiaries. The policy for determining Material Subsidiaries of the Company is available on the website of the Company i.e. [www.marineelectricals.com](http://www.marineelectricals.com). The Company does not have any associate company & joint venture. All requirements with regard to subsidiary company have been complied with.

#### (viii) Material Subsidiary policy

The Company has framed policy for determining "Material subsidiaries" to ensure that Board of Directors has overall supervision of functioning of subsidiaries of the Company and to provide the governance framework for such subsidiaries, pursuant to SEBI Listing Regulations and amendments thereto. The policy is available on the website of the Company at [www.marineelectricals.com](http://www.marineelectricals.com).

## CORPORATE GOVERNANCE REPORT

### (ix) Certificate from practicing Company Secretary's

Certificate from practicing Company Secretary's under Regulation 34(3) of SEBI Listing Regulations Akansha Rathi & Associates, Practicing Company Secretaries, Mumbai have verified the compliance of the Corporate Governance norms by the Company. Certificate issued by them in this regard is annexed hereto. The Company has also availed a certificate from them that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/ Ministry of Corporate Affairs or any other Statutory Authority. The said Certificate is also annexed to the Board Report as Annexure A

### (x) Where the Board had not accepted recommendation(s) of any Committee

During the year under review, all the recommendations made by all the Committees, which are mandatorily required, have been duly accepted by the Board of Directors.

### (xi) Details of total fees paid to Statutory Auditors

Details of total fees paid to the Statutory Auditor relating to all services availed by the Company and its subsidiaries, on consolidated basis, are given in Note 38 to the Standalone Financial Statements and Note 38 to the consolidated Financial Statements.

### (xii) Prevention of Sexual Harassment at Workplace Policy :

The Company has devised a sound Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act 2013 with the proper composition of members..

The policy is available on the website of the Company at [www.marineelectricals.com](http://www.marineelectricals.com).

Details of Complaints:

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year
0	0	0

### (xii) Foreign Exchange Risk

The Company is having adequate risk assessment and minimization system in place. The Company has foreign exchange risk as it deals in foreign currencies by importing and exporting of goods

### (xiii) Certificate under Regulation 17(8)

The Certificate pursuant to the Regulation 17(8) of the SEBI Listing Regulations (LODR), certifying that the Financial Statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs is annexed to this report.

### (xvi) Dividend Distribution Policy

Pursuant to the SEBI (LODR) (2ND Amendment) Regulations, 2021, The Company has adopted Dividend Distribution Policy. The Policy is available at [www.marineelectricals.com](http://www.marineelectricals.com).

### (xvii) Disclosures with respect to demat suspense account/ unclaimed suspense account: Not Applicable

## IX Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed.:

Company has complied with all the provisions of the Act, Rules, Regulations, Guidelines, Standards during the financial year 2020-21 except with the provision of Regulation 17(1)(a) of SEBI (LODR), 2015 i.e. for appointment of One Woman Independent Director on the Board for the period 02/12/2020 to 22/02/2021. The Company got migrated on 2nd December, 2020 from SME platform to the Main Board of National Stock Exchange (NSE), at the time of migration, the Company was falling under the top 1000 Companies as per the Market Capitalization of the Company as on 31st March, 2020. Post migration, Regulation 17 (1) of SEBI (LODR) Regulations, 2015 became applicable to the company. The Company has complied with Regulation 17(1) and has appointed Ms. Archana Venkata Rajagopalan as Independent woman Director with effect from 23rd February, 2021.

## CORPORATE GOVERNANCE REPORT

### X. DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF LODR

The status of compliance with discretionary recommendations of Regulation 27 of the LODR with the Stock Exchange is provided below:

#### a) Shareholders Rights:

The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company's website.

#### b) The Board of Directors:

The present Chairman is an Executive Director. All Independent Directors significantly contribute to the deliberations of the Board and provide valuable inputs in directing the operation of the Company. The Board carefully evaluates the qualifications and experience of every Independent Director at the time of the appointment, and also involves the Independent Directors in various Business Committees, to enable them to contribute to the Company.

#### c) Audit qualifications:

During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices, and has ensured a track record of unqualified financial statements.

#### d) Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee.

#### e) Code for Prohibition of Insider Trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has adopted a "Code of Conduct for Prevention of Insider Trading". The said Code of Conduct has been revised in accordance with the amended Securities and Exchange Board of India (Insider Trading) Regulations, 2015. The Company Secretary is the "Compliance Officer". The Code of Conduct is applicable to all Directors and designated persons as defined in the Code of Conduct.

# CORPORATE GOVERNANCE REPORT

## ANNEXURE TO CORPORATE GOVERNANCE REPORT

To  
The Shareholders,  
Affirmation of Compliance with Code of Conduct

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that the Board of Directors of the Company has received affirmation on compliance with the Code of Conduct from all the Directors and the Senior Management Personnel of the Company, as applicable to them, for the financial year ended 31st March, 2021.

**For Marine Electricals (India) Limited**

**Sd/-**

**Venkatesh Uchil**  
**Managing Director**  
**DIN:- 01282671**

**Date: 7<sup>th</sup> June, 2021**

**Place: Mumbai**



# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The Members of  
Marine Electricals (India) Limited

We have examined the compliance of conditions of corporate governance by **Marine Electricals (India) Limited (“the Company”)**, for the year ended 31st March, 2021, as specified Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”).

### **Management’s Responsibility:**

The Company’s management also takes full responsibility of the Compliance of the conditions of Corporate Governance stipulated in the Regulations.

### **Auditors’ Responsibility:**

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

We conducted our engagement in accordance with the “Guidance Note on Corporate Governance Certificate” issued by the Institute of Company Secretaries of India. Our responsibility is to certify based on the work done.

### **Conclusion:**

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except that the Company had not appointed an Independent Woman Director during the period from 02/12/2020 till 22/02/2021.

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

### **Restrictions on use:**

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose

**FOR AKANSHA RATHI & ASSOCIATES**  
**COMPANY SECRETARIES**  
**AKANSHA RATHI**  
**PROPRIETOR**  
**F.C.S. No. 9288**  
**UDIN: F009288C000424450**

**Date: 07<sup>th</sup> June, 2021**

# BUSINESS RESPONSIBILITY REPORT

## BUSINESS RESPONSIBILITY REPORT

### Pursuant to Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Marine Electricals (India) Limited ("Company") believes that responsible business conduct is based on the principle of business being accountable towards its stakeholders in its drive for sustainable development in the arena of environmental protection, workplace safety, social responsibility and governance. With this intent, Company has during the year 2020-21 adopted Quality, Environment, Occupational, Health and Safety Policy and Sustainability policy, in accordance with the Global Standards and Reporting Initiative's framework, with the object to incorporate ethical, environmental and social considerations into business activities thereby mitigating material risks, exploring areas of opportunity and improving overall performance. More details are included in Management Discussion & Analysis (MDA) Report forming part of Annual Report.

Company's Business Responsibility Report 2020-21 follows the National Guidelines on Responsible Business Conduct (NGRBC) as formulated by Ministry of Corporate Affairs (MCA) and includes Company's responses to questions on our practices and performance on key principles defined by Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations"), covering topics across environment, governance, social responsibility and stakeholder relationships. This Business Responsibility Report is a testament to our accountability towards creating enduring value for all stakeholders in a responsible manner. In line with Listing Regulations and MCA NGRBC, the report summarizes our efforts to conduct business with responsibility.

#### SECTION A: GENERAL INFORMATION OF THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L31907MH2007PLC176443			
2	Name of the Company	Marine Electricals (India) Limited			
3	Registered Address	B/1, Udyog Sadan No. 3, MIDC, Andheri (East), Mumbai - 400093			
4	Website	www.marineelectricals.com			
5	E-mail id	cs@marineelectricals.com			
6	Financial year reported	2020-21			
7	Sector(s) that the Company is engaged in (industrial activity code-wise) As per National Industrial Classification Ministry of Statistics and Programme Implementation	<table><tr><td>Manufacture of control panels</td><td>2710</td></tr></table>		Manufacture of control panels	2710
Manufacture of control panels	2710				
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	LT Panels MV Panels Service - Automation			
9	Total number of locations where business activity is undertaken by the Company				
	a) Number of International Locations (Provide details of major 5)	UAE, Italy, Sri Lanka, Ghana, Bangladesh, Singapore			
	b) Number of National Locations	The Company has its manufacturing Unit and corporate office located at Andheri (East), Mumbai, Maharashtra.  It has service centre offices at Goa, Pune, Vishakhapatnam, Delhi, Kochi, Paradeep, Kolkata, Chennai, Port Blair.			
10	Markets served by the Company Local/State/National/International	Company serves customers in both national and international locations			

# BUSINESS RESPONSIBILITY REPORT

## SECTION B : FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital	245330500
2	Total Turnover	Standalone - 19,987.37 Consolidated - 25,128.66
3	Total profit after taxes (INR)	Standalone - 782.85 Consolidated - 1,353.19
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year, an amount of Rs. 21,40,000 /- was spent on CSR activities. This represents 2.46 of average net profit for three financial year immediately preceding the financial year 2020-21.
5	List of activities in which expenditure in 4 above has been incurred	Promoting Health & Medical Care, Promotion of Education and Contribution for Social Cause

## SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company /Companies?	Yes, the Company has 4 subsidiaries which includes 2 Indian Subsidiaries and 2 Foreign subsidiaries as mentioned below; A. Indian Subsidiaries: 1.Eltech Engineers Madras Pvt Ltd 2.Evigo Charging Consultants Pvt Ltd B. Foreign Subsidiaries: 1.MEL Powers FZC 2.STISRL
2	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	The Company encourages its subsidiaries to carry out Business Responsibility initiatives. The subsidiary companies share several features of our best practices in workplace sustainability
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Less than 30%. The Company makes efforts to encourage other entities such as its suppliers, clients etc. to adhere to the Company's BR policies to the extent possible.

## SECTION D : BUSINESS RESPONSIBILITY INFORMATION

### 1. Details of Director/Directors responsible for BR

#### a) Details of the Director/Directors responsible for implementation of the BR policy/policies

Designation

Mr. Vinay Uchil, Chairman & Executive Director and Mr. Venkatesh Uchil, Managing Director of the Company are being authorized to carry out the BR policy/policies.

**DIN :** 01276871

**Name :** Mr. Vinay Krishna Uchil

**Designation :** Chairman & Executive Director

**DIN :** 01282671

**Name :** Mr. Venkatesh Uchil

**Designation :** Managing Director

#### b) Details of the BR head:

**DIN :** 01282671

**Name :** Mr. Venkatesh Uchil

**Designation :** Managing Director

**Telephone Number :** 02240334300

**E-mail ID :** info@marineelectricals.com

# BUSINESS RESPONSIBILITY REPORT

## Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3: Businesses should promote the wellbeing of all employees.

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5: Businesses should respect and promote human rights.

P6: Businesses should respect, protect and make efforts to restore the environment.

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8: Businesses should support inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

## A) Details of Compliance (Reply in Y/N)

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	The policies are broadly based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs, Government of India.								
4	Has the policy being approved by the Board? if yes, has it been signed by MD/owner/CEO/ appropriate Board Director	Yes								
5	Does the Company have a specified committee of the Board/Director/ Official to oversee the implantation of the policy?	Yes								
6	Indicate the link for the policy to be viewed online?	All the statutorily required policies are available in Public domain at <a href="http://www.marineelectricals.com">www.marineelectricals.com</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been communicated to key internal stakeholders. The Communication is an ongoing process to cover all the key internal and external stakeholders								
8	Does the Company have in-house structure to implement the policy/policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Yes, Stakeholder Relationship Committee reviews and addresses stakeholder's grievance								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	No. However, working of the policies is monitored by the functional heads. The Company is working on developing and improving its system for evaluating the implementation of the policies.								

## BUSINESS RESPONSIBILITY REPORT

**B) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick upto 2 options):**

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	<b>Not Applicable</b>								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### C) Governance related to BR:

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	The Board reviews the performance annually
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company publishes BR report annually. It is available on the website of the Company at <a href="http://www.marineelectricals.com/">www.marineelectricals.com/</a> annual report.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	<p>Good Corporate Governance is critical for business success and to achieve this the Company has articulated business principles and adopted various policies which address ethics, transparency and accountability of employee and Director's.</p> <p>The Code of Conduct applies to the Directors and the Senior Management and all employees of the Company.</p> <p>Insider Trading Code is applicable to designated persons and their relatives of the Company.</p> <p>Related Party Transaction Policy is framed intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties at arm's length.</p> <p>A Whistle Blower Policy/Vigil Mechanism is also in place, which provide opportunity to all stakeholders to report any concerns/ issues/ incidents about unethical behaviour, actual or suspected fraud or violation of the Code and Policies.</p> <p>The Company' Subsidiary has its own policies which are also aligned with the policies of the Company.</p>
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the year the Company has not received any complaints from the shareholders.

## BUSINESS RESPONSIBILITY REPORT

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

1)	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	All products manufactured by the Company are safe and contribute to the sustainability throughout their lifecycle. To name a few of them are LT Panels, MV Panels & Panel Automation service.
2)	For each such product, provide the following details in respect of resource used (energy, water, raw material etc.) per unit of product (optional): a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	All the material used in the manufacture of panels are environment friendly. Also for the Painting process, we have an effluent treatment plant to ensure that the chemicals are not discharged into the environment, but the water is recycled and used back in the process. a) Not measureable at the company's end as the actual benefit can only be measured at customer's end in actual applications. However, selection of equipment indicates better efficiency of our products. b) Not measureable at Company's end.
3)	Does the Company have procedures in place for sustainable sourcing (including transportation)? a) If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.	Yes, procurement practices by the Company are focused on protection of environment, and cost effective procurement seeking resource efficiency, improving the quality of products and ultimately optimizing the cost.
4)	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company makes specific efforts to improve employability of the local community. Further, it also ensures that it engages small businesses around its plant in variety of productive employment. The Company's long term association with the small vendors/suppliers has helped such vendors to grow along with the Company.
5)	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Yes, the Company has in place a mechanism for recycling products and waste. The waste generation of the Company is less than 5% and further 100% of the waste is being reused. The Company recycles its waste as below: i) Plastics waste is recycled ii) Empty raw material bags are reused for in-process packing, reprocessed and reused iii) Water consumption is monitored iv) Water from the process and waste is recycled and used back into the process, toilets and garden.

**Principle 3: Businesses should promote the wellbeing of all employees**

1)	Please indicate the Total number of employees.	387
2)	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis	450
3)	Please indicate the Number of permanent women employees.	28
4)	Please indicate the Number of permanent employees with disabilities.	0

## BUSINESS RESPONSIBILITY REPORT

5)	Do you have an employee association that is recognized by management.	No			
6)	What percentage of your permanent employees is members of this recognized employee association.	NA			
7)	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year	The Company has not received any complaints relating to child labour, forced labour, involuntary labour, sexual harassment.			
		No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
		I)	Child labour / Forced labour/ Involuntary labour	Nil	NA
		ii)	Sexual harassment	Nil	NA
		iii)	Discriminatory employment	Nil	NA
8)	What percentage of your under mentioned employees were given safety & skill up gradation training in the last year? a) Permanent Employees b) Permanent Women Employees c) Casual / Temporary / Contractual Employees d) Employees with Disabilities	100% employees undergo the required safety trainings on an ongoing basis.			

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1)	Has the Company mapped its internal and external stakeholders? Yes/No.	Yes, The Company has identified its stakeholders and takes steps to engage with them through various formal and informal processes. The major stakeholders have been identified and classified as: Employees, Customers, Shareholders, investors, depositors, communities, Business partners, Contractors, Vendors, Government Bodies, Lenders, Insurance Companies, Suppliers and Contract workers.
2)	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes, the Company ensures that all stakeholder concerns, including the disadvantaged and vulnerable, are well incorporated into the Company's strategic thinking and decision making. The Company takes all practical steps to ensure that all communications with stakeholders is clear, transparent, timely and complete, and respects their right to be informed, so that everyone can make decisions and act with full knowledge. While the management has the accountability for stakeholder, the Company believes that every employee in the Company also has a responsibility towards ensuring satisfactory stakeholder relationships.
3)	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	The Company made conscious efforts to engage with stakeholders, identify their needs/concerns and address them.



## BUSINESS RESPONSIBILITY REPORT

### Principle 5: Businesses should respect and promote human rights

1)	Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others.	Yes, The Company has identified its stakeholders and takes steps to engage with them through various formal and informal processes. The major stakeholders have been identified and classified as: Employees, Customers, Shareholders, investors, depositors, communities, Business partners, Contractors, Vendors, Government Bodies, Lenders, Insurance Companies, Suppliers and Contract workers.
2)	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management.	No complaint received with regard to human rights violation in the financial year 2020-21.

### Principle 6: Business should respect, protect, and make efforts to restore the environment.

1)	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	Yes. The Sustainability Policy and Quality, Environment, Occupational, Health and Safety Policy relating to respecting, protecting and restoring the Environment covers the Company, its subsidiaries, associates, vendors contractors and partners.
2)	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	The Company has addressed environment and climate issues with clear goals and targets. Following are the objectives of the Company to address environmental issues are: <ul style="list-style-type: none"> <li>• Efficient &amp; optimum utilization of available resources</li> <li>• Minimization of waste</li> <li>• Maximization of waste materials' utilization</li> </ul>
3)	Does the Company identify and assess potential environmental risks? Y/N	Yes. The Company identifies and assesses potential environmental risks periodically across its plant operations and projects. Company has constantly been investing in latest and best technology to reduce emissions as per Environment norms.
4)	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	The Company does not have any projects related to Clean Development Mechanism.
5)	Has the company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes, the Company has taken various initiatives <ol style="list-style-type: none"> <li>1. For the packing of panels, we reduce the consumption of wood by using only for mounting and not for entire panel packing.</li> <li>2. All lights used in the unit are of LED for reduced power consumption &amp; better energy efficiency.</li> <li>3. The Company fully supports the Ministry of Corporate Affairs' initiative to minimize the use of paper for 'all official communication'. In line with this, the Company sends all notices and documents, including the Annual Report, to shareholders who have registered for the same, by e-mail. This has led to a significant reduction in paper consumption annually.</li> </ol>
6)	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes. The emissions/waste generated by the Company is within the permissible limits for the financial year 2020-21.
7)	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	There are no show cause/ legal notices received from CPCB/GPCB which are pending as at end of the Financial Year 2020-21.

## BUSINESS RESPONSIBILITY REPORT

### Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1)	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Verna Industrial Estate Association
2)	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	The Company is active member in various industry bodies and associations (either directly or through its subsidiary) and actively takes part in the discussion relating to policy development and advocates policies which promotes social and economic growth. The Company engages with industry bodies and association to influence public and regulatory policy in a responsible manner.  Only the authorized representative of the company makes interaction with these bodies with honesty and integrity and in compliance with the applicable law.

### Principle 8: Businesses should support inclusive growth and equitable development.

1)	Does the Company have specified program/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. The Company has a CSR policy in place and it has carried out activities in Educational/ Vocational Training, Health & Medical Care and other sectors.
2)	Are the program/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization.	The Company's CSR activities are carried out through implementing agencies.
3)	Have you done any impact assessment of your initiative?	The Company will carry out impact assessment at later stage.
4)	What is your Company's direct contribution to community development projects. Amount in INR and the details of the project undertaken.	The Company has spent 2.04 million during the financial year in health care, education & other sectors. For more details kindly refer the Report on CSR activities forming part of Annual Report.
5)	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.	The Company has contributed its funds to institutions furthering the benefit to the needy section of the society and the same has been acknowledged by them. The Company has also contributed to various covid-19 relief/care activities.

### Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1)	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	No complaints were pending as on the end of financial year.
2)	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. Remarks (additional information).	The Company follows all legal statutes with respect to product labeling and displaying of product information, wherever required.
3)	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so	There are no cases in relation to unfair trade practices, irresponsible advertising and/or violation of any laws during the financial year 2020-21.
4)	Did your Company carry out any consumer survey/consumer satisfaction trends	No

## RESPONDING TO THE PANDEMIC CRISIS AND NEED OF THE NATION

The havoc caused by the outbreak of second wave of COVID-19 pandemic has triggered a major socio-economic crisis and posed challenges from many fronts because of new variants and uncertainty. At Marine Electricals (India) Limited, we yet again demonstrated our commitment by displaying resilience and responding with agility to the welfare of all our stakeholders and the nation at large.

### Safety and health of employees and stakeholders:

Safety of our people is of paramount importance to us. For the team members whose work could be conducted remotely, work from home (WFH) facilities were made available during pandemic. Our team members have adapted to the new normal and WFH situation well and worked productively and effectively. For employees who had to be on-site, stringent social distancing, masks, hygiene and disinfection protocols based on guidance from health authorities were adopted.

### Health & Hygiene:

Hygiene and disinfection protocols based on guidance from health authorities were adopted. Some of these safety measures included:

- Checking body temperatures and other symptoms of COVID- 19
- Screening of every person entering the factory and corporate office
- Disinfecting all vehicles coming into and leaving the factory & colony premises
- Distribution of mask, sanitizers
- Organising and carrying out awareness campaigns/ programmes / public outreach campaigns on covid-19

### Covid-19 Care facilities:

Marine Electricals (India) Limited has always focussed on improving health care including preventive health care especially during these difficult time. Some of the notable actions to address on-ground challenges included:

- Supply of Electrical Panels to Mumbai Metro Rail Corporation Limited for the construction of Covid- 19 hospital, Kandrapada site.
- Donating medical equipment, beds pillows etc. to Covid -19 Care Center at Calangute Residency Hotel, Calangute, Goa.

### Covid - 19 Vaccination Drive:

Marine Electricals (India) Limited teamed up with health authorities to facilitate vaccinations drive for all employees and other stakeholders, directly and indirectly associated with the Company.



# INDEPENDENT AUDITOR'S REPORT

as at 31 March 2021

To the Members of

**Marine Electricals (India) Limited**

## **Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying standalone financial statements of Marine Electricals (India) Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, the standalone statement of profit and loss including other comprehensive income, the standalone statement of changes in equity and the standalone cash flow statement for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Emphasis of Matter**

Without qualifying our opinion on account of this matter, we draw attention to following matters included in Notes to the financial statements:

1. Note 5(3) included in notes to the financial statements regarding the fact that the Company has not obtained valuation report from an independent registered valuer to determine the fair value of its investment property as at the reporting dates. Accordingly, fair value disclosure requirement as required under Ind AS 40 – Investment Property is not complied with by the Company.
2. Note 54 included in notes to the financial statements regarding the fact that the Company during financial year 2017-18 paid to a supplier in China an advance of USD 8,00,000 carried at Rs 584.48 lakhs as at 31 March 2021, for procurement of solar PV modules. The Company has initiated arbitration proceedings against the supplier by appointing an independent arbitration professional. Pending recovery of the advance paid or procurement of material against the said advance, the Company believes that this advance is recoverable and it continues to carry the said advance as unsecured and considered good.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

## INDEPENDENT AUDITOR'S REPORT

as at 31 March 2021

Sr. No.	Key Audit Matters	Auditor's response
1	<p><b>Revenue recognition accuracy, measurement, presentation and disclosure</b></p> <p>Revenue is measured based on transaction price, which is the consideration. As disclosed in Note 3.9 to the standalone financial statements, revenue from contract with customers is recognized when the Company satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Control is defined as the ability to direct the use of and obtain substantially all of the economic benefits from an asset.</p> <p>At the inception of the contract, the Company identifies the goods or services promised in the contract and assess which of the promised goods or services shall be identified as separate performance obligations. Promised goods or services give rise to separate performance obligations if they are capable of being distinct.</p>	<p>Our audit procedures included following:</p> <ul style="list-style-type: none"> <li>• Considering the appropriateness of the management's accounting policies regarding revenue recognition;</li> <li>• Obtained an understanding of management's process over revenue recognition and evaluated design of internal controls around revenue recognition;</li> <li>• Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing;</li> </ul>
2	<p><b>First time adoption of Ind AS framework</b></p> <p>As disclosed in Note 51 to the accompanying standalone financial statements, the Company has adopted the Indian Accounting Standards notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('Ind AS') with effect from 1 April 2020 (1 April 2019, being the transition date) and prepared the first set of standalone financial statements under Ind AS framework in the current year.</p> <p>For periods up to and including the year ended 31 March 2020, the Company has prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or Previous GAAP).</p> <p>This change in the financial reporting framework required an end-to-end evaluation of the potential impact on each component of the financial statement which involved significant efforts required by the management. This process also required the management to apply significant judgements to identify and elect appropriate accounting policies suitable for various transactions and balances relating to operations of the Company including electing of available options for transition of balances as at transition date from the Previous GAAP to Ind AS.</p>	<p>Our procedures in respect of the first- time adoption of Ind AS financial reporting framework included, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of management's processes and controls around adoption of Ind AS. We sought explanations from the management for areas involving complex judgements or interpretations to assess its appropriateness.</li> <li>• Reviewed the implementation of exemptions availed and options chosen by the Company in accordance with the requirements of Ind AS 101, First Time Adoption of Indian Accounting Standards (Ind AS 101).</li> <li>• Evaluated the accounting policies adopted by the Company on transition to Ind AS and assessed its appropriateness basis our understanding of the entity and its operations and the requirements of relevant accounting standards under the Ind AS framework.</li> <li>• Evaluated whether the presentation and disclosures in the financial statements are in accordance with the requirements of the applicable standards and regulatory requirements</li> <li>• Evaluated the appropriateness and adequacy of disclosures with respect to the reconciliations prepared and presented by the management in the financial statements in accordance with Ind AS 101.</li> </ul>



## INDEPENDENT AUDITOR'S REPORT

as at 31 March 2021

Sr. No.	Key Audit Matters	Auditor's response
	<p>Further, the first time preparation of the Ind AS standalone financial statements involved preparation and presentation of additional notes and disclosures as required by the Ind AS framework as compared to the previous GAAP in addition to Note 51 to the standalone financial statements setting forth the reconciliation of balances from previous GAAP to Ind AS as at the transition date, and the impact of restatement on the results of the comparative period due to such transition.</p> <p>The areas where there was a significant impact on account of first- time adoption of Ind AS; involved the following standards amongst others:</p> <ul style="list-style-type: none"> <li>a) Ind AS 109, Financial Instruments</li> <li>b) Ind AS 116, Leases</li> <li>c) Ind AS 115, Revenue from Contracts with customers</li> </ul> <p>Considering the significance of the above transition with respect to the financial statements, the complexities and efforts involved, this matter has been determined as a key audit matter for the current year audit.</p>	

### Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The accompanying standalone financial statements have been approved by the Board of Directors of the Company. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. 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 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 financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

# INDEPENDENT AUDITOR'S REPORT

as at 31 March 2021

## Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.



# INDEPENDENT AUDITOR'S REPORT

as at 31 March 2021

## Other Matter

The Company had prepared separate sets of statutory standalone financial statements for the years ended 31 March 2019 and 31 March 2020 in accordance with {Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended)} on which we issued auditor's reports to the members of the Company dated 23 May 2019 and 30 July 2020 respectively. These standalone financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

## 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 Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the standalone financial statements dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Ind AS prescribed under Section 133 of the Act;
  - (e) on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
  - (g) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us;
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 49 to the standalone financial statements;
    - ii. the Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021.

**For Saini Pati Shah & Co LLP,**

(formerly known as S G J & Co.)

Chartered Accountants

Firm's Registration No: 137904W/W100622

**Som Nath Saini**

Partner

**Mumbai, June 07, 2021**

Membership No: 093079

UDIN:20093079AAAABG6306

# INDEPENDENT AUDITOR'S REPORT

as at 31 March 2021

## Annexure A to the Independent Auditors' Report – 31 March 2021

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and we are informed that no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in the standalone financial statements, are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. We are informed that the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any 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 ('the Act'). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained to us, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for the business activities carried out by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income-tax, Duty of customs, Provident fund, Employees' State Insurance, Profession tax, Goods and Services tax, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities though there has been significant delays in various instances. As explained to us, the Company did not have any dues on account of wealth tax, sales-tax / value added tax, duty of excise and investor education and protection fund.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Duty of customs, Provident fund, Employees' State Insurance, Profession tax, Goods and Services tax, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income-tax, Duty of customs, Duty of excise, Sales tax, Service tax, Value added tax and Goods and Services tax as at 31 March 2021, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

# INDEPENDENT AUDITOR'S REPORT

as at 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount demanded (Rs in Lakhs)	Amount Paid under protest (Rs in Lakhs)
The Income tax act 1961	Income tax and interest	Assessing Officer	A.Y. 2013-14 to A.Y. 2015-16	13.95	-
The Income tax act 1961	Income tax and interest	Assessing Officer	A.Y. 2016-17	17.89	-
Sales Tax Act and VAT laws	Sales tax and interest	Assessing commercial tax Officer	F.Y. 2009-10	43.46	-
Sales Tax Act and VAT laws	Sales tax and interest	Assessing commercial tax Officer	F.Y. 2016-17	27.66	-
The Custom Act, 1962	Custom duty and penalty	Custom, Excise and Service Tax Appellate Tribunal	13.08.2014 to 30.10.2018	132.62	65.00

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans to banks and financial institutions. The Company did not have any outstanding dues to government and debenture holders during the year.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by applicable Ind AS.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

**For Saini Pati Shah & Co LLP,**

(formerly known as S G J & Co.)

Chartered Accountants

Firm's Registration No: 137904W/W100622

**Som Nath Saini**

Partner

**Mumbai, June 07, 2021**

Membership No: 093079

UDIN:20093079AAAABG6306

# INDEPENDENT AUDITOR'S REPORT

as at 31 March 2021

## Annexure B to the Independent Auditors' Report – 31 March 2021

### Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (2)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Marine Electricals (India) Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements 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 ("the Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 with respect to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with respect to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with respect to standalone financial statements included obtaining an understanding of internal financial controls with respect to standalone financial statements, 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 auditors' judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statements.

#### Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial

## INDEPENDENT AUDITOR'S REPORT

as at 31 March 2021

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

### **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For Saini Pati Shah & Co LLP,**

(formerly known as S G J & Co.)

Chartered Accountants

Firm's Registration No: 137904W/W100622

**Som Nath Saini**

Partner

**Mumbai, June 07, 2021**

Membership No: 093079

UDIN:20093079AAAABG6306

# STANDALONE BALANCE SHEET

as at 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	2,626.37	2,924.19	1,960.02
Right-to-use asset	44	676.46	983.95	750.87
Capital work in progress	4(i)	-	-	1,443.07
Investment property	5	572.52	640.25	715.99
Other intangible assets	6	66.04	50.69	27.33
Financial assets				
Investments	7	1,113.49	1,052.25	991.07
Loans	8	312.57	276.44	247.19
Other financial assets	9	314.99	484.98	27.21
Deferred tax assets (net)	10	24.15	83.71	-
Other non-current assets	11	36.09	34.16	23.87
Non-current tax assets (net)	12	128.47	127.22	115.58
<b>Total non-current assets</b>		<b>5,871.15</b>	<b>6,657.84</b>	<b>6,302.20</b>
<b>Current assets</b>				
Inventories	13	5,858.80	5,582.33	3,236.52
Financial assets				
Trade receivables	14	12,705.03	12,145.43	13,595.69
Cash and cash equivalents	15	89.40	468.20	300.55
Bank balances other than cash and cash equivalents above	16	916.60	690.17	1,123.16
Loans	17	343.53	748.43	722.06
Other financial assets	18	12.99	9.02	54.74
Other current assets	19	3,965.53	3,129.27	2,648.66
<b>Total current assets</b>		<b>23,891.88</b>	<b>22,772.85</b>	<b>21,681.38</b>
<b>Total assets</b>		<b>29,763.03</b>	<b>29,430.69</b>	<b>27,983.58</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	20	2,453.31	2,453.31	2,453.31
Other equity	21	10,934.28	10,106.20	9,611.33
<b>Total equity</b>		<b>13,387.59</b>	<b>12,559.51</b>	<b>12,064.64</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	22	850.02	801.23	1,041.60
Lease liabilities	44	132.04	380.01	279.00
Other financial liabilities	23	-	-	18.13
Provisions	24	229.12	229.96	194.26
Deferred tax liabilities (net)	10	-	-	31.83
<b>Total non-current liabilities</b>		<b>1,211.18</b>	<b>1,411.20</b>	<b>1,564.82</b>

## STANDALONE BALANCE SHEET

as at 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	25	3014.94	2166.00	2821.74
Lease liabilities	44	248.06	250.28	109.35
Trade payables:	26			
- Micro and small enterprises		50.42	74.31	-
- Other than micro and small enterprises		8,970.85	11,113.06	9,460.22
Other financial liabilities	27	813.97	722.39	615.37
Other current liabilities	28	1,844.39	932.71	1,223.40
Provisions	29	24.24	17.39	8.98
Current tax liabilities (net)	30	197.39	183.84	115.06
<b>Total current liabilities</b>		<b>15,164.26</b>	<b>15,459.98</b>	<b>14,354.12</b>
<b>Total liabilities</b>		<b>16,375.44</b>	<b>16,871.18</b>	<b>15,918.94</b>
<b>Total equity and liabilities</b>		<b>29,763.03</b>	<b>29,430.69</b>	<b>27,983.58</b>

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

### For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

#### Som Nath Saini

Partner

Membership No: 093079

#### Venkatesh Uchil

Managing Director

DIN: 01282671

#### Namita Sethia

Chief Financial Officer

### For and on behalf of the Board of Directors of Marine Electricals (India) Limited

#### Vinay Uchil

Chairman and Executive Director

DIN: 01276871

#### Mitali Ambre

Company Secretary and Compliance Officer

Place : Mumbai,

Date : 07 June 2021

Place : Mumbai,

Date : 07 June 2021

Place : Mumbai,

Date : 07 June 2021



# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	for the year ended 31 March 2021	for the year ended 31 March 2020
<b>Revenue</b>			
Revenue from operations	31	19,987.37	20,592.22
Other income	32	358.94	654.38
<b>Total income</b>		<b>20,346.31</b>	<b>21,246.60</b>
<b>Expenses</b>			
Cost of materials consumed	33	14,435.76	16,759.33
Changes in inventories of finished goods and work-in-progress	34	(198.92)	(1,726.84)
Employee benefits expense	35	1,764.01	2,017.25
Finance costs	36	772.56	877.74
Depreciation and amortization expense	37	764.36	827.54
Other expenses	38	1,722.72	1,890.83
<b>Total expenses</b>		<b>19,260.49</b>	<b>20,645.85</b>
<b>Profit before tax</b>		<b>1,085.82</b>	<b>600.75</b>
<b>Income Tax expense / (credit):</b>	39		
- Current tax		249.00	240.00
- Deferred tax charge / (credit)		53.97	(113.93)
		<b>302.97</b>	<b>126.07</b>
<b>Profit after tax</b>		<b>782.85</b>	<b>474.68</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement of defined benefit plans		22.21	(6.36)
Income tax relating to items that will not be reclassified to profit or loss		(5.59)	1.60
<b>Total other comprehensive income for the year, net of income tax</b>		<b>16.62</b>	<b>(4.76)</b>
<b>Total comprehensive income for the year</b>		<b>799.47</b>	<b>469.92</b>
<b>Earning per share ("EPS")</b>	40		
- Basic and diluted earning per equity share of face value of Rs 2 each		0.64	0.39

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

## For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

### Som Nath Saini

Partner

Membership No: 093079

### Venkatesh Uchil

Managing Director

DIN: 01282671

### Namita Sethia

Chief Financial Officer

Place : Mumbai,

Date : 07 June 2021

Place : Mumbai,

Date : 07 June 2021

## For and on behalf of the Board of Directors of Marine Electricals (India) Limited

### Vinay Uchil

Chairman and Executive Director

DIN: 01276871

### Mitali Ambre

Company Secretary and Compliance Officer

Place : Mumbai,

Date : 07 June 2021

# STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

## A. Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Outstanding as at the beginning of the year	2,453.31	2,453.31	2,453.31
Issued during the year	-	-	-
<b>Outstanding as at the end of the year</b>	<b>2,453.31</b>	<b>2,453.31</b>	<b>2,453.31</b>

## B) Other equity

Particulars	Securities premium	General reserve	Retained earnings	Other component of equity	Total
<b>Balance as at 1 April 2019 - Previous GAAP</b>	3,983.54	708.10	5,268.13	-	9,959.77
<b>Ind AS transition impact:</b>					
Ind AS 115 - "Revenue from contracts with customers"	-	-	43.59	-	43.59
Ind AS 116 - "Leases"	-	-	(66.43)	-	(66.43)
Financial assets measured at amortised cost	-	-	(156.36)	-	(156.36)
Financial liabilities measured at amortised cost	-	-	(109.38)	-	(109.38)
Fair value of financial guarantee transferred to other component of equity	-	-	-	131.71	131.71
Fair value of guarantee considered as part of Investment in subsidiary	-	-	6.78	-	6.78
Others	-	-	(242.68)	-	(242.68)
Deferred tax on above Ind AS impact	-	-	59.55	(15.22)	44.33
<b>Balance as at 1 April 2019 - Restated under Ind AS</b>	<b>3,983.54</b>	<b>708.10</b>	<b>4,803.20</b>	<b>116.49</b>	<b>9,611.33</b>
Profit for the year	-	-	474.68	-	474.68
Other comprehensive income for the year	-	-	(4.76)	-	(4.76)
Fair value of financial guarantee transferred to other component of equity	-	-	-	24.95	24.95
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>469.92</b>	<b>24.95</b>	<b>494.87</b>
<b>Balance as at 31 March 2020</b>	<b>3,983.54</b>	<b>708.10</b>	<b>5,273.12</b>	<b>141.44</b>	<b>10,106.20</b>
Profit for the year	-	-	782.85	-	782.85
Other comprehensive income for the year	-	-	16.62	-	16.62
Fair value of financial guarantee transferred to other component of equity	-	-	-	28.61	28.61
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>799.47</b>	<b>28.61</b>	<b>828.08</b>
<b>Balance as at 31 March 2021</b>	<b>3,983.54</b>	<b>708.10</b>	<b>6,072.59</b>	<b>170.05</b>	<b>10,934.28</b>

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

### For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

**Som Nath Saini**

Partner

Membership No: 093079

**Venkatesh Uchil**

Managing Director

DIN: 01282671

**Namita Sethia**

Chief Financial Officer

Place : Mumbai,

Date : 07 June 2021

### For and on behalf of the Board of Directors of Marine Electricals (India) Limited

**Vinay Uchil**

Chairman and Executive Director

DIN: 01276871

**Mitali Ambre**

Company Secretary and Compliance Officer

Place : Mumbai,

Date : 07 June 2021

# STANDALONE CASH FLOW STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Cash flows from operating activities</b>		
Profit before tax	1085.82	600.75
<i>Adjustments:</i>		
Depreciation and amortization	764.36	827.54
Sundry balances written off	51.73	-
Bad debts written off	38.76	124.40
Finance costs	772.56	877.74
Sundry balances written back	(3.67)	(2.98)
Allowance for expected credit loss written back	(20.56)	(13.76)
Share of loss / (profit) in a partnership firm (net) / jointly controlled entity (net)	(39.51)	(62.02)
Loss / (profit) on sale of property, plant and equipment (net)	-	17.77
Interest income on financial instruments at amortised cost	(31.10)	(25.60)
Finance guarantee income	(0.23)	(0.57)
<b>Operating cash flows before working capital changes</b>	<b>2,618.16</b>	<b>2,343.27</b>
<b>Working capital movements :</b>		
(Increase) / Decrease in inventories	(276.47)	(2,345.81)
(Increase) / Decrease in trade receivables	(577.80)	1,339.62
(Increase) / Decrease in bank balances other than cash and cash equivalents	(226.43)	432.99
(Increase) / Decrease in loans	346.85	(96.05)
(Increase) / Decrease in other financial assets	166.02	(412.05)
(Increase) / Decrease in other assets	(845.40)	(490.89)
Increase / (Decrease) in trade payables	(2,162.44)	1,730.12
Increase / (Decrease) in other financial liabilities	(34.56)	72.43
Increase / (Decrease) in other liabilities	911.68	(290.69)
Increase / (Decrease) in provisions	22.63	39.35
<b>Cash generated from operations</b>	<b>(57.76)</b>	<b>2,322.29</b>
Income taxes paid, net	(231.09)	(184.44)
<b>Net cash flows generated from / (used in) operating activities (A)</b>	<b>(288.85)</b>	<b>2,137.85</b>
<b>Cash flows from investing activities</b>		
Purchase of property plant and equipment, investment property and intangible assets (including movement in capital advances, creditors for property, plant and equipment and capital work in progress)	(137.10)	(84.66)
Proceeds from sale of property, plant and equipment	-	52.14
Acquisition of equity interest in subsidiary	(2.84)	-
Acquisition of compulsorily convertible preference shares	(18.66)	-
Net capital (infused in) / withdrawn from jointly controlled entity	-	1.40
<b>Net cash flows generated from / (used in) investing activities (B)</b>	<b>(158.60)</b>	<b>(31.12)</b>
<b>Cash flows from financing activities</b>		
Proceeds from / (repayment of) non current borrowings (net)	236.70	(228.45)
Proceeds from / (repayment of) current borrowings (net)	848.94	(655.74)
Finance costs paid	(766.80)	(833.92)
Movement in lease liability (net of finance cost)	(250.19)	(220.97)
<b>Net cash flows generated from / (used in) financing activities (C)</b>	<b>68.65</b>	<b>(1,939.08)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(378.80)</b>	<b>167.65</b>
Cash and cash equivalents at the beginning of the year	468.20	300.55
<b>Cash and cash equivalents at the end of the year</b>	<b>89.40</b>	<b>468.20</b>

## STANDALONE CASH FLOW STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Notes to cash flow statement:</b>		
1. Component of cash and cash equivalents:		
Cash on hand	7.78	7.06
Balances with banks		
- in current accounts	28.84	141.93
- in EEFC accounts	52.78	9.66
- in cash credit accounts	-	309.55
<b>Total cash and cash equivalents</b>	<b>89.40</b>	<b>468.20</b>

2. The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Statement of Cash Flows u/s 133 of Companies Act, 2013 ('Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules 2015 and the relevant provisions of the Act.

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

### For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

#### Som Nath Saini

Partner

Membership No: 093079

#### Venkatesh Uchil

Managing Director

DIN: 01282671

#### Namita Sethia

Chief Financial Officer

Place : Mumbai,

Date : 07 June 2021

Place : Mumbai,

Date : 07 June 2021

### For and on behalf of the Board of Directors of Marine Electricals (India) Limited

#### Vinay Uchil

Chairman and Executive Director

DIN: 01276871

#### Mitali Ambre

Company Secretary and Compliance Officer

Place : Mumbai,

Date : 07 June 2021

# NOTICE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

## 1. Corporate Information

The Company was incorporated as a private limited company with the name "Marine Electricals (India) Private Limited" on 4 December 2007 under the Companies Act, 1956 by converting a partnership firm with the name "Marine Electricals". On 1 August 2018, the Company was converted into a public limited company and the name got changed to "Marine Electricals (India) Limited". The Company got listed on Small and Medium Enterprises ("SME") platform named EMERGE of National Stock Exchange of India ("NSE") on 11th October 2018 and got migrated to NSE main board with effect from 02 December 2020.

The Company is engaged in manufacturing and sale of all types of marine and industrial electrical & electronic components like switch-gears, control-gears etc. and is also engaged in renewable energy sector specifically solar. It also provides services like designing, fabricating etc. for all types of electrical & electronic installations in India and abroad and undertake annual maintenance contracts.

## 2. Statement of compliance and basis of preparation and presentation

### 2.1 Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules as amended from time to time and notified under section 133 of the Companies Act, 2013 ("the Act") and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act.

For all periods up to and including the year ended 31 March 2020, the Company prepared its standalone financial statements in accordance with the generally accepted accounting principles in India ("Indian GAAP") under the historical cost convention as a going concern and on accrual basis, unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules as amended from time to time, collectively referred as "Previous GAAP".

These are the first standalone financial statements of the Company prepared in accordance with Ind AS. Accordingly, Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. Refer note 51 for an explanation of how the transition from Previous GAAP to Ind AS has affected the previously reported financial position, total equity, total comprehensive income and cash flow of the Company.

These standalone financial statements for the year ended 31 March 2021 were authorised and approved for issue by the Company's Board of Directors at its meeting held on 07 June 2021.

### 2.2 Basis of preparation and measurement

These financial statements have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period (refer accounting policy regarding financial instruments, refer note 3.11).

#### Fair value measurement

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

## NOTICE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

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

Level 1- Quoted (Unadjusted) marked prices in the 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.

### 2.3 Current Versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

### 2.4 Critical accounting judgements and use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. The actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.

Accounting estimates and judgements are used in various line items in the financial statements for e.g.:

#### **Property, plant and equipment**

The management engages internal technical team to assess the remaining useful lives and residual value of property, plant and equipment annually in order to determine the amount of depreciation to be recorded during any reporting period. The management believes that the assigned useful lives and residual value are reasonable.

#### **Income taxes**

The management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets / liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

#### **Contingencies**

The management's judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

#### **Expected credit losses on financial assets:**

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

## NOTICE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

### **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

### **Effective Interest Rate (EIR) Method:**

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other income/expense that are integral parts of the instrument.

### **Fair value measurements and valuation processes:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation technique that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## **3. Significant Accounting Policies**

### **3.1 Functional and presentation currency**

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

### **3.2 Property, plant and equipment**

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably. All other repair and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognised as at April 1, 2019 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation on property, plant and equipment is provided on written down value method over the useful lives of assets as prescribed under Schedule II to the Companies Act, 2013. Based on past experience and internal technical evaluation, the management believes that these useful lives represent the appropriate period of usage and therefore, considered to be appropriate for charging depreciation.



## NOTICE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

Depreciation on addition (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which assets is ready for use (disposed of).

The estimated useful lives of the property, plant and equipment considered by the Company are as follows:

Tangible Assets	Estimated useful life (in Years)
Buildings	30
Plant and machinery	15
Plant and machinery – Drilling Rig	30
Computers	3
Furniture and fixtures	10
Vehicles	8
Office equipment	3-5

Leasehold improvements are amortised over the lower of estimated useful life as per Schedule II or intended lease period.

Assets residual values, depreciation method and useful lives are reviewed at the end of financial year considering the physical condition of the assets or whenever there are indicators for review and adjusts residual life prospectively.

### Derecognition

An item of property, plant and equipment and any significant component initially recognised 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 / significant component (calculated as the difference between the net disposal proceeds and the carrying amount of the asset / significant component) is recognised in statement of profit and loss, when the asset is derecognised.

### 3.3 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably. All other repair and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Depreciation on investment property is provided on the written down value method over their estimated useful lives. However, where the management's estimate of the remaining useful life of the assets on a review subsequent to the time of acquisition is different, then depreciation is provided over the remaining useful life based on the revised useful life.

### 3.4 Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets, other than license, are amortised on a written down value method in accordance with the useful life prescribed in Schedule II to the Act.

The estimated useful lives of the intangible assets considered by the Company are as follows:

Intangible Assets	Estimated useful life (in Years)
Software	3

## NOTICE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

License are amortised on a straight-line basis over a period of five years.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the statement of profit and loss.

### 3.5 Assets held for sale

Non-current assets, or disposal groups are classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to the statement of profit and loss. The same applies to gains and losses on subsequent remeasurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the accounting policies. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

### 3.6 Foreign currency translation

#### Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

#### Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

### 3.7 Taxes

Tax expense comprises of current and deferred tax.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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License are amortised on a straight-line basis over a period of five years.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. Minimum Alternative Tax ("MAT") credit is recognised as deferred tax asset based on evidence that the Company will pay normal income tax during the specified period. Significant judgments are involved in determining the future taxable income and future book profits, including amount of MAT credit available for set-off.

### 3.8 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods, including freight, octroi and other levies.

Cost is determined under the weighted average cost method and includes all costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work in progress further includes direct labour and an appropriate share of production overheads as applicable.

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

Due allowances are made for defective, obsolete and slow-moving inventory, wherever necessary, based on management estimates and past experiences of the Company.

### 3.9 Revenue recognition

Revenue from contract with customers is recognized when the Company satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Control is defined as the ability to direct the use of and obtain substantially all of the economic benefits from an asset. Revenue excludes taxes collected from customers.

Revenue is measured based on the transaction price, which is the expected consideration to be received, to the extent that it is highly probable that there will not be a significant reversal of revenue in future periods. If the consideration in a contract includes a variable amount, at the inception of the contract, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer.

At the inception of the contract, the Company identifies the goods or services promised in the contract and assess which of the promised goods or services shall be identified as separate performance obligations. Promised goods or services give rise to separate performance obligations if they are capable of being distinct.

Revenue from the delivery of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual terms agreed in the customer contract. Revenue from support services is recognized on rendering of services in accordance with the contractual agreement with the customers.

## NOTICE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

### **Contract balances:**

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Contract asset, which is presented as unbilled revenue, is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Contract liabilities include, and are presented as 'Revenue received in advance' and 'Advances from customers'.

### **3.10 Other income**

#### **Interest income**

Interest income is recognized as it accrues in the statement of profit and loss using effective interest rate method.

#### **Duty drawback**

Duty drawback is recognized basis entitlement upon exports made. Provision is made for duty drawback entitlement pending to be received towards end of the year on exports made during the year.

#### **Net gain loss on fair value change**

The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL on net basis. However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the statement of profit and loss.

### **3.11 Financial instruments:**

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

#### **i. Financial assets**

##### **Initial recognition and measurement**

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

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified as:

- Debt instruments assets at amortised cost
- Equity instrument measured at fair value through profit or loss (FVTPL)

When assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit and loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

##### **Debt instruments at amortised cost**

A debt instrument is measured at amortised cost (net of any write down for impairment) if both the following conditions are met:

- the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes), and
- 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.

## NOTICE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

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 and loss. The losses arising from impairment are recognised statement of profit and loss. This category generally applies to trade and other receivables.

### **Financial assets at fair value through OCI (FVTOCI)**

A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through profit and loss under fair value option.

- The financial asset is held both to collect contractual cash flows and to sell.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### **Financial assets at fair value through profit and loss (FVTPL)**

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

All investments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss

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

### **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 has not made any such election. This classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, 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.

Equity investment in subsidiary are measured at cost.

### **Derecognition**

When the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, 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.

## NOTICE TO THE STANDALONE FINANCIAL STATEMENT

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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 bases that reflect the rights and obligations that the Company has retained.

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

### **Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

## **ii. Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortised cost, as appropriate.

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

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

### **Subsequent measurement**

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

#### **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and 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.

#### **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 and loss.

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

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

## **iv. Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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### 3.12 Impairment of non-financial assets

Non-financial assets including Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the standalone statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the standalone statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

### 3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash in hand and short-term investments 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.

### 3.14 Provisions, contingent liabilities and contingent assets

Provision

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

#### Provision for warranty

Product warranty costs are accrued in the year of sale of products, based on past experiences. The Company periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary.

#### Contingent liabilities and contingent assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements

Contingent assets are not recognized in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.



## NOTICE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

### 3.15 Government grants

Grants from the government are recognised where there is reasonable assurance that the grant will be received and the Company will comply with required conditions. Export incentive under duty drawback are accrued when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

### 3.16 Borrowing costs

‘Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

### 3.17 Employee benefits

#### Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salary, wages, short-term compensated absences, performance incentives, etc. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period of rendering of service by the employee.

#### Long-term employee benefits:

##### (i) Defined contribution plans:

The Company's contribution to provident fund, superannuation fund, employee state insurance scheme and labour welfare fund are considered as defined contribution plans. The Company's contribution paid / payable under the plans are recognised as an expense in the standalone statement of profit and loss during the period in which the employee renders the related service.

##### (ii) Defined benefits plan:

Post-employment benefit:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The present value of the obligation under such defined benefit plan is determined based on independent actuarial valuation at the balance sheet date using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the standalone statement of profit and loss.

Other long-term employment benefit:

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive encashment on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

## NOTICE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

### 3.18 Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. The Company has applied Ind AS 116 'Leases' (Ind AS 116) with a date of initial application of 1 April 2019 using modified retrospective approach, under which the cumulative effect of initial application is recognized as at 1 April 2019.

At inception of contract, the Company assesses whether the Contract is, or contains, a lease. 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. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

#### As a lessee:

From April 1, 2019, leases are recognised as a Right-of-Use (RoU) asset at cost with a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets in accordance with Ind AS 116 'Leases'.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs etc. Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

#### As a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income on such operating leases are recognised in the statement of profit and loss on an accrual basis in accordance with the lease agreement. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### 3.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

### 3.20 Earnings per share

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

## NOTICE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

### **3.21 Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

### **3.22 Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

### **3.23 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company.

# NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

## 4 Property, plant and equipment

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Leasehold land	Freehold land	Buildings	Plant and machinery (including drilling rig)	Computers	Furniture and fixtures	Leasehold improvements	Vehicles	Office equipments	Total
<b>Gross block:</b>										
Net block as at 01 April 2019 - Previous GAAP	382.35	24.54	1,148.90	1,362.95	12.39	51.05	17.48	49.36	9.34	3,058.36
Ind AS transition impact:										
- Reclassification to investment property	-	-	(715.99)	-	-	-	-	-	-	(715.99)
- Ind AS 116 impact	(382.35)	-	-	-	-	-	-	-	-	(382.35)
<b>As at 01 April 2019 - Restated under Ind AS</b>	-	24.54	432.91	1,362.95	12.39	51.05	17.48	49.36	9.34	1,960.02
Additions	-	-	1,351.95	100.23	10.75	0.43	-	3.88	1.11	1,468.35
Disposals	-	-	-	(91.99)	-	-	-	(5.44)	-	(97.43)
<b>As at 31 March 2020</b>	-	24.54	1,784.86	1,371.19	23.14	51.48	17.48	47.80	10.45	3,330.94
Additions	-	-	13.96	-	9.96	7.56	-	7.69	25.87	65.04
Disposals	-	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2021</b>	-	24.54	1,798.82	1,371.19	33.10	59.04	17.48	55.49	36.32	3,395.98
<b>Accumulated depreciation:</b>										
Charge for the year	-	-	171.70	215.53	10.11	13.46	4.52	15.97	2.98	434.27
Disposals	-	-	-	(22.86)	-	-	-	(4.66)	-	(27.52)
<b>As at 31 March 2020</b>	-	-	171.70	192.67	10.11	13.46	4.52	11.31	2.98	406.75
Charge for the year	-	-	155.68	170.31	8.03	10.09	3.35	12.63	2.77	362.86
Disposals	-	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2021</b>	-	-	327.38	362.98	18.14	23.55	7.87	23.94	5.75	769.61
<b>Net block:</b>										
<b>As at 01 April 2019</b>	-	24.54	432.91	1,362.95	12.39	51.05	17.48	49.36	9.34	1,960.02
<b>As at 31 March 2020</b>	-	24.54	1,613.16	1,176.52	13.03	38.02	12.96	36.49	7.47	2,924.19
<b>As at 31 March 2021</b>	-	24.54	1,471.44	1,008.21	14.96	35.49	9.61	31.55	30.57	2,626.37

### Notes:

- For Property, plant and equipment existing as on 1 April 2019, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost.
- Refer note 22 and 25 for information on property, plant and equipment pledged as security by the Company.
- Refer note 50 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

### 4(i) Capital work-in-progress:

Particulars	Amount
<b>As at 01 April 2019</b>	1,443.07
Addition during the year	-
Capitalised during the year	(1,443.07)
<b>As at 31 March 2020</b>	-
Addition during the year	-
Capitalised during the year	-
<b>As at 31 March 2021</b>	-

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 5 Investment property

Particulars	Buildings
<b>Gross block:</b>	
Net block as at 01 April 2019 - Previous GAAP	-
<i>Ind AS transition impact:</i>	
- Reclassification from property, plant and equipment	715.99
<b>As at 01 April 2019 - Restated under Ind AS</b>	<b>715.99</b>
Additions	-
Disposals	-
<b>As at 31 March 2020</b>	<b>715.99</b>
Additions	-
Disposals	-
<b>As at 31 March 2021</b>	<b>715.99</b>
<b>Accumulated depreciation :</b>	
Charge for the year	75.74
Disposals	-
<b>As at 31 March 2020</b>	<b>75.74</b>
Charge for the year	67.73
Disposals	-
<b>As at 31 March 2021</b>	<b>143.47</b>
<b>Net block:</b>	
<b>As at 01 April 2019</b>	<b>715.99</b>
<b>As at 31 March 2020</b>	<b>640.25</b>
<b>As at 31 March 2021</b>	<b>572.52</b>

#### Notes

- For investment property existing as on 1 April 2019, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost.
- Investment property comprise of a commercial building that is leased to third party. Subsequent renewal of license agreement are negotiated with the tenant and average renewal period ranges between three and five years.
- The Company has not obtained valuation report from an independent registered valuer to determine the fair value of its investment property as at the reporting dates. Accordingly, fair value disclosure as required under Ind AS 40 - Investment Property is not provided.
- Refer note 22 and 25 for information on investment property pledged as security by the Company.

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 6 Other intangible assets

Particulars	License	Softwares	Total
<b>Gross block:</b>			
Net block as at 01 April 2019 - Previous GAAP	-	27.33	27.33
Ind AS transition impact:	-	-	-
<b>As at 01 April 2019 - Restated under Ind AS</b>	<b>-</b>	<b>27.33</b>	<b>27.33</b>
Additions	33.75	11.28	45.03
Disposals	-	-	-
<b>As at 31 March 2020</b>	<b>33.75</b>	<b>38.61</b>	<b>72.36</b>
Additions	33.75	6.60	40.35
Disposals	-	-	-
<b>As at 31 March 2021</b>	<b>67.50</b>	<b>45.21</b>	<b>112.71</b>
<b>Accumulated depreciation :</b>			
Charge for the year	3.10	18.57	21.67
Disposals	-	-	-
<b>As at 31 March 2020</b>	<b>3.10</b>	<b>18.57</b>	<b>21.67</b>
Charge for the year	11.51	13.49	25.00
Disposals	-	-	-
<b>As at 31 March 2021</b>	<b>14.61</b>	<b>32.06</b>	<b>46.67</b>
<b>Net block:</b>			
<b>As at 01 April 2019</b>	<b>-</b>	<b>27.33</b>	<b>27.33</b>
<b>As at 31 March 2020</b>	<b>30.65</b>	<b>20.04</b>	<b>50.69</b>
<b>As at 31 March 2021</b>	<b>52.89</b>	<b>13.15</b>	<b>66.04</b>

#### Note

For intangible assets existing as on 1 April 2019, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost.

### 7 Investments (Non-current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Measured at cost</b>			
<b>(i) Investment in equity instruments of subsidiaries (unquoted):</b>			
(a) 210,000 (31 March 2020: 210,000, 01 April 2019: 210,000) Equity shares of Rs 10 each in Eltech Engineers Madras Private Limited	2.10	2.10	2.10
(b) 90 (31 March 2020: 90, 01 April 2019: 90) Equity shares of AED 1500 each in MEL Power Systems FZC	19.38	19.38	19.38
(c) 28,462 (31 March 2020: Nil, 01 April 2019: Nil) Equity shares of Rs 10 each in Evigo Charging Consultants Private Limited	2.84	-	-
<b>(ii) Investment in preference instruments of subsidiary (unquoted):</b>			
1,866 (31 March 2020: Nil, 01 April 2019: Nil) compulsorily convertible preference shares of Rs 1,000 each in Evigo Charging Consultants Private Limited	18.66	-	-
<b>(iii) Investment in partnership firm:</b>			
Capital in Narhari Engineering Works	1,067.75	1,027.88	965.38
<b>(iv) Investment in jointly controlled entity :</b>			
Capital in Automatic Electronic Controls Manufacturing Co. (a partnership firm)	2.76	2.89	4.21
	<b>1,113.49</b>	<b>1,052.25</b>	<b>991.07</b>
Aggregate amount of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate amount of unquoted investments	1,113.49	1,052.25	991.07
Aggregate amount of impairment in value of investment	-	-	-

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### Notes:

1 Investment in subsidiaries are stated at cost using the principles of Ind AS 27 'Separate Financial Statements'.

### 2 Details of investments in partnership firms

Name of Partner	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	% Share	Capital	% Share	Capital	% Share	Capital
<b>Narhari Engineering Works</b>						
Marine Electricals (India) Limited	80%	1,067.75	80%	1,027.88	80%	965.38
Mr. Vinay Uchil	10%	54.33	10%	49.37	10%	41.63
Mr. Venkatesh Uchil	10%	54.33	10%	49.37	10%	41.63
		<b>1,176.41</b>		<b>1,126.62</b>		<b>1,048.64</b>
<b>Automatic Electronic Controls Manufacturing Co.</b>						
Marine Electricals (India) Limited	50%	2.76	50%	2.89	50%	4.21
KDU Enterprises Private Limited	50%	4.16	50%	4.29	50%	5.70
		<b>6.92</b>		<b>7.18</b>		<b>9.91</b>

### 8 Loans (Non-current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Unsecured, considered good :</b>			
Lease deposits:			
- related parties (Refer note 43)	307.85	271.93	242.92
- others	4.72	4.51	4.27
	<b>312.57</b>	<b>276.44</b>	<b>247.19</b>
<b>Loans can be categorised as follows:</b>			
(a) Loans receivables considered good - secured	-	-	-
(b) Loans receivables considered good - unsecured	312.57	276.44	247.19
(c) Loans receivables which have significant increase in credit risk	-	-	-
(d) Loans receivables - credit impaired	-	-	-
	<b>312.57</b>	<b>276.44</b>	<b>247.19</b>

### 9 Other financial assets (Non-current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Security deposits	16.97	15.50	18.36
Margin money deposits*	298.02	469.48	8.85
	<b>314.99</b>	<b>484.98</b>	<b>27.21</b>

\* The deposits are pledged against bank guarantees issued and for cash credit / letter of credit facilities.



## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 10 Deferred tax assets / liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Deferred tax assets:</b>			
Provision allowed under tax on payment basis	82.61	81.14	71.02
Share issue expenses allowable u/s 35D of the Income-tax Act, 1961	20.08	30.13	55.77
Measurement of financial assets and liabilities at amortised cost, net	20.32	24.14	36.87
Ind AS 116 - "Leases"	38.31	31.95	22.69
Ind AS 115 - "Revenue from contracts with customers"	(30.66)	31.45	(15.23)
Others	2.64	8.32	-
<b>Total deferred tax asset (A)</b>	<b>133.30</b>	<b>207.13</b>	<b>171.12</b>
<b>Deferred tax liabilities</b>			
Accelerated depreciation for tax purpose	109.15	123.42	202.95
<b>Total deferred tax liability (B)</b>	<b>109.15</b>	<b>123.42</b>	<b>202.95</b>
<b>Net Deferred tax Assets / (liabilities) (A-B)</b>	<b>24.15</b>	<b>83.71</b>	<b>(31.83)</b>

### 11 Other non-current assets

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Prepaid expenses	36.04	26.91	16.62
Capital advances	0.05	7.25	7.25
	<b>36.09</b>	<b>34.16</b>	<b>23.87</b>

### 12 Non-current assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advance tax and tax deducted at source (net of provision for tax)	128.47	127.22	115.58
	<b>128.47</b>	<b>127.22</b>	<b>115.58</b>

### 13 Inventories

(valued at lower of cost and net realisable value, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Raw materials	2,120.41	2,042.86	1,423.89
Work in progress	3,738.39	3,539.47	1,812.63
	<b>5,858.80</b>	<b>5,582.33</b>	<b>3,236.52</b>

Refer note 22 and 25 for details of inventories pledged against borrowings by the Company.

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 14 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Trade receivables	12,808.46	12,291.98	13,773.15
Less: Allowance for expected credit loss	(103.42)	(146.55)	(177.46)
	<b>12,705.03</b>	<b>12,145.43</b>	<b>13,595.69</b>

Refer note 43 for details about related party trade receivables and refer note 22 and 25 for details of trade receivables pledged against borrowings by the Company.

#### Receivables can be categorised as follows:

(a) Trade receivables considered good - secured	-	-	-
(b) Trade receivables considered good - unsecured	12,808.46	12,291.98	13,773.15
(c) Trade receivables which have significant increase in credit risk	-	-	-
(d) Trade receivables - credit impaired	-	-	-
	<b>12,808.46</b>	<b>12,291.98</b>	<b>13,773.15</b>
Less: Allowance for expected credit loss	(103.42)	(146.55)	(177.46)
	<b>12,705.03</b>	<b>12,145.43</b>	<b>13,595.69</b>

### 15 Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Cash on hand	7.78	7.06	6.57
Balances with banks:			
- in current accounts	28.84	141.93	158.94
- in EEFC account	52.78	9.66	67.05
- in cash credit accounts {(Refer note 25 (c))}	-	309.55	67.99
	<b>89.40</b>	<b>468.20</b>	<b>300.55</b>

### 16 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Margin money deposits*	916.60	690.17	1,123.16
	<b>916.60</b>	<b>690.17</b>	<b>1,123.16</b>

\* The deposits are pledged against bank guarantees issued and for cash credit / letter of credit facilities.

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 17 Loans (Current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Unsecured, considered good :</b>			
Lease deposits:	7.74	7.74	8.30
Loans:			
- related parties (Refer note 43)	62.87	58.25	53.75
- others	197.50	550.50	531.47
Staff loans and advances	67.24	123.03	118.51
Other receivables	8.18	8.91	10.03
Loans receivables - credit impaired	23.66	23.66	23.66
Less: Allowance for expected credit loss	(23.66)	(23.66)	(23.66)
	<b>343.53</b>	<b>748.43</b>	<b>722.06</b>
<b>Loans can be categorised as follows:</b>			
(a) Loans receivables considered good - secured	-	-	-
(b) Loans receivables considered good - unsecured	343.53	748.43	722.06
(c) Loans receivables which have significant increase in credit risk	-	-	-
(d) Loans receivables - credit impaired	23.66	23.66	23.66
	<b>367.19</b>	<b>772.09</b>	<b>745.71</b>
Less: Allowance for expected credit loss	(23.66)	(23.66)	(23.66)
	<b>343.53</b>	<b>748.43</b>	<b>722.06</b>

### 18 Other financial assets (Current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Unsecured, considered good :</b>			
Security deposits	12.99	9.02	54.74
<b>Unsecured, considered doubtful :</b>			
Other receivables	4.84	4.84	4.84
Less: Allowance for expected credit loss	(4.84)	(4.84)	(4.84)
	<b>12.99</b>	<b>9.02</b>	<b>54.74</b>

### 19 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Balances with government authorities	608.86	207.77	13.94
Contract assets	183.48	-	43.59
Advances to suppliers			
- related parties (Refer note 43)	746.31	715.67	671.95
- others	2,198.97	2,035.84	1,790.36
Interest accrued on deposits	81.60	46.05	31.96
Prepaid expenses	146.30	123.94	96.86
	<b>3,965.53</b>	<b>3,129.27</b>	<b>2,648.66</b>

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 20 Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Authorised :</b>			
15,00,00,000 (31 March 2020: 3,00,00,000, 01 April 2019: 2,50,00,000)	3,000.00	3,000.00	2,500.00
equity shares of Rs. 2 each (31 March 2020: Rs 10 April 2019: Rs 10 each)			
	<b>3,000.00</b>	<b>3,000.00</b>	<b>2,500.00</b>
<b>Issued, subscribed and paid-up capital :</b>			
12,26,65,250 (31 March 2020: 2,45,33,050, 01 April 2019: 2,45,33,050)	2,453.31	2,453.31	2,453.31
equity shares of Rs. 2 each (31 March 2020: Rs 10 April 2019: Rs 10 each), fully paid-up			
	<b>2,453.31</b>	<b>2,453.31</b>	<b>2,453.31</b>

#### a) Reconciliation of the number of shares:

Particulars	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Outstanding as at the beginning of the year	24,533,050	2,453.31	24,533,050	2,453.31	24,533,050	2,453.31
Equity shares arising on sub division of face value from Rs 10/- to Rs 2/- per share #	98,132,200	-	-	-	-	-
Outstanding as at the end of the year	<b>122,665,250</b>	<b>2,453.31</b>	<b>24,533,050</b>	<b>2,453.31</b>	<b>24,533,050</b>	<b>2,453.31</b>

# The equity shares of the Company, during the current year, have been sub-divided from existing face value of Rs 10 per equity share to face value of Rs 2 per equity share based on approval by the shareholders through postal ballot resolution on 04 February 2021.

#### b) Rights, preference and restrictions attached to the equity shares:

The Company has single class of equity shares having a par value of Rs. 2 each. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of 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.

#### c) List of shareholders holding more than 5% shares of a class of shares :

	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	No. of Share	% of holding	No. of Share	% of holding	No. of Share	% of holding
KDU Enterprises Private Limited	63,406,875	51.69%	12,681,375	51.69%	12,681,375	51.69%
Mr. Venkatesh K. Uchil	26,772,375	21.83%	5,354,475	21.83%	5,354,475	21.83%

d) The Company has neither allotted any fully paid-up equity share by way of bonus shares, or in pursuant to contract without payment being received in cash nor has bought back any class of equity shares during the period of five year immediately preceding the balance sheet date.

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 21 Other equity

Particulars	As at	As at	As at
	31 March 2021	31 March 2020	1 April 2019
Securities premium	3,983.54	3,983.54	3,983.54
General reserve	708.10	708.10	708.10
Retained earnings	6,072.59	5,273.12	4,803.20
Other component of equity	170.05	141.44	116.49
	<b>10,934.28</b>	<b>10,106.20</b>	<b>9,611.33</b>

#### Nature and purpose of reserves:

**Securities premium:** Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provision of the Companies Act, 2013.

**General reserve:** General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer of one component of equity to another.

**Retained earnings:** Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders. Further, it also includes the impact of remeasurements of the defined benefit obligations, net of tax.

**Other component of equity:** Other component of equity represents fair value of financial guarantee.

### 22 Borrowings (Non-current)

Particulars	As at		As at		As at	
	31 March 2021		31 March 2020		1 April 2019	
	Non current	Current	Non current	Current	Non current	Current
<b>Secured:</b>						
<b>Term loans:</b>						
<b>(a) From banks:</b>						
(i) Vehicle loan {refer note (a) to (c)}	5.26	5.84	7.05	4.49	9.00	5.56
(ii) Other term loan {refer note (d) to (g)}	844.76	505.21	778.69	266.93	1,028.20	316.07
<b>(b) From others:</b>						
Vehicle loan {refer note (h) and (i)}	-	-	-	4.57	4.40	9.85
<b>Unsecured:</b>						
<b>Term loans:</b>						
(a) From banks {refer note (j)}	-	14.40	13.34	35.54	-	-
(b) From others {refer note (k)}	-	3.14	2.15	31.86	-	-
	<b>850.02</b>	<b>528.59</b>	<b>801.23</b>	<b>343.39</b>	<b>1,041.60</b>	<b>331.48</b>

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

- (a) Indian rupee vehicle loans from ICICI Bank Limited outstanding of Rs 4.08 lakhs as at 31 March 2021 (31 March 2020: Rs 5.32 lakhs; 1 April 2019: Rs 5.36 Lakhs) secured against hypothecation of vehicles is repayable in 60 monthly installments. The loans carry interest ranging from 9.00% p.a. to 9.75% p.a. (31 March 2020: 9.00% p.a. to 9.75% p.a.; 1 April 2019: 9.00% p.a. to 11.26% p.a.)
- (b) Indian rupee vehicle loan from Yes Bank Limited outstanding of Rs 2.97 lakhs as at 31 March 2021 (31 March 2020: Rs 6.22 lakhs; 1 April 2019: Rs 9.20 Lakhs) secured against hypothecation of the vehicle is repayable in 37 monthly installments. The loan carries an interest of 9.50% p.a. (31 March 2020: 9.50% p.a.; 1 April 2019: 9.50% p.a.)
- (c) Indian rupee vehicle loan from Axis Bank Limited outstanding of Rs 4.05 lakhs as at 31 March 2021 (31 March 2020: Nil; 1 April 2019: Nil) secured against hypothecation of the vehicle is repayable in 36 monthly installments. The loan carries an interest of 8.76% p.a. (31 March 2020: Nil; 1 April 2019: Nil).
- (d) Foreign Currency Non-Resident (Bank) "FCNR(B)" term loan from ICICI Bank Limited outstanding of Rs Nil as at 31 March 2021 (31 March 2020: Rs Nil; 1 April 2019: USD 15,945 equivalent to Rs 11.13 Lakhs) is primarily secured by equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company. The loan is collaterally secured by equitable mortgage of commercial property at C1 and C2, Udyog Sadan 3, MIDC, Andheri East, Mumbai which is owned by KDU Enterprises Private Limited, the Holding Company and also subservient hypothecation charge on current assets i.e. entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movable including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank. The loan is repayable in 30 monthly installments. The loan carries an interest of Nil (31 March 2020: Nil; 1 April 2019: LIBOR 3M + 4.05%). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

The tenure of the loan had completed and the loan has been repaid back by the Company during the year ended 31 March 2020.

Indian rupee term loan from ICICI Bank Limited outstanding of Rs Nil as at 31 March 2021 (31 March 2020: Rs 20.46 Lakhs; 1 April 2019: Rs 100.91 Lakhs) is primarily secured by charge on all of the Company's fixed assets (Plant and Machinery) funded by the loan. The loan is collaterally secured by equitable mortgage of commercial property at C1 and C2, Udyog Sadan 3, MIDC, Andheri East, Mumbai which is owned by KDU Enterprises Limited, the Holding Company, (after providing 1.5 times cover to the primary collateral of FCNR(B) term loan mentioned above) equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company and also subservient hypothecation charge on current assets i.e. entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movable including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank. The loan is repayable in 13 quarterly installments. The loan carries an interest of Nil (31 March 2020: I-MCLR 1 Year + Spread of 1.90% p.a.; 1 April 2019: I-MCLR 1 Year + Spread of 1.90% p.a.). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

The tenure of the loan had completed and the loan is repaid back by the Company during the current year.

- (e) Indian rupee term loan from Kotak Mahindra Bank Limited outstanding of Rs 901.23 Lakhs as at 31 March 2021 (31 March 2020: Rs 1,025.16 Lakhs; 1 April 2019: Rs 1,232.23 Lakhs) is primarily secured by equitable mortgage of industrial property at plot no. 54, 57, 55 and 56, Verna Industrial Estate, Phase IV, Salcete, Goa. The loan is repayable in 60 monthly installments. The loan carries an interest of K-MCLR 6M + Spread of 1.15% p.a. (31 March 2020: K-MCLR 6M + Spread of 1.15% p.a.; 1 April 2019: K-MCLR 6M + Spread of 1.15% p.a.). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.
- (f) Indian rupee term loan from Kotak Mahindra Bank Limited under Guaranteed Emergency Credit Line (GECL) under ECLGS scheme outstanding of Rs 216.68 Lakhs as at 31 March 2021 (31 March 2020: Rs Nil; 1 April 2019: Rs Nil) is secured by equitable mortgage of industrial property at plot no. 54, 57, 55 and 56, Verna Industrial Estate, Phase IV, Salcete, Goa. The loan is repayable in 48 monthly installments including moratorium of 12 months. The loan carries an interest of 8.00% p.a. (31 March 2020: Nil; 1 April 2019: Nil). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(g) Indian rupee term loan from State Bank of India outstanding of Rs 232.06 Lakhs as at 31 March 2021 (31 March 2020: Rs Nil; 1 April 2019: Rs Nil) is primarily secured by hypothecation charge over inventory, book debts and other movable current assets, present & future at Mumbai and both the Goa plants. The loan is collaterally secured by:

(i) Commercial Building bearing Survey Number: A2, B1, B2, Ground Floor, situated at Unit No. A-2, B-1, B-2, Ground Floor, Udyog Sadan No. 3, Industrial Computer & Software Premises Co-op. Society Ltd., Near Seepz Bus Stop, Central Road, Seepz, Andheri East, Mumbai, 400093;

(ii) P & M at (a) B-1, Udyog Sadan- 3 Andheri and (b) 5-17/18 Goa;

(iii) Factory Land & Buildings bearing Survey Number: 30, situated at Plot No. 17 & 18, bearing Survey No. 30, Verna Industrial Estate, Phase I, Village Nagoa, District Salcete, South Goa, Village Nagoa, District Salcete, Goa, 403722;

(iv) Residential Building bearing Survey Number : 502A and 502B, situated at 502/A and 502/B, Fifth Floor, Heritage, Hiranandani gardens, CTS Nos. 20(pt), 21(pt), 22(pt) and 30(pt), Powai, Mumbai, 400076;

(v) Commercial Building bearing Survey Number: D-1 & B-3, situated at Unit No. D-1 & B-3, Ground Floor, Udyog Sadan No. 3, Industrial Computer & Software Premises Co-op. Society Ltd., Near Seepz Bus Stop, Central Road, Seepz, Andheri East, Mumbai, 400093;

The loan is repayable in 24 monthly installments including moratorium of 6 months. The loan carries an interest of 1 year MCLR with annual reset (31 March 2020: Nil; 1 April 2019: Nil). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company and Philins Industrial Corporation.

(h) Indian rupee vehicle loan from Kotak Mahindra Prime Limited outstanding of Rs Nil as at 31 March 2021 (31 March 2020: Rs 3.23 Lakhs; 1 April 2019: Rs 10.40 Lakhs) secured against hypothecation of the vehicle is repayable in 36 monthly installments. The loan carries an interest of Nil (31 March 2020: 8.50% p.a.; 1 April 2019: 8.50% p.a.).

The tenure of the loan had completed and the loan has been repaid back by the Company during the current year.

(i) Indian rupee vehicle loan from Volkswagen Finance Private Limited outstanding of Rs Nil as at 31 March 2021 (31 March 2020: Rs 1.34 Lakhs; 1 April 2019: Rs. 3.85 Lakhs) secured against hypothecation of the vehicle is repayable in 36 monthly installments. The loan carries an interest of Nil (31 March 2020: 8.75% p.a.; 1 April 2019: 8.50% p.a.).

The tenure of the loan had completed and the loan has been repaid back by the Company during the current year.

(j) Indian rupee term loan from ICICI Bank Limited outstanding Rs 14.40 Lakhs as at 31 March 2021 (31 March 2020: Rs 48.88 Lakhs; 1 April 2019: Rs. Nil). The loan is unsecured and is repayable in 15 monthly installments. The loan carries an interest of 16.50% p.a. (31 March 2020: 16.50% p.a.; 1 April 2019: Nil).

(k) Indian rupee term loan from Tata Capital Financial Services Limited outstanding Rs 3.14 Lakhs as at 31 March 2021 (31 March 2020: Rs 34.01 Lakhs; 1 April 2019: Nil). The loan is unsecured and is repayable in 12 monthly installments. The loan carries an interest of 16.50% p.a. (31 March 2020: 16.50% p.a.; 1 April 2019: Nil).

### Net Debt Reconciliation

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current borrowings	3,014.94	2,166.00	2,821.74
Non-current borrowings*	1,378.61	1,144.62	1,373.08
Lease liabilities	380.10	630.29	388.35
	<b>4,773.65</b>	<b>3,940.91</b>	<b>4,583.17</b>

\* Non-current borrowings includes current maturities of long-term borrowings included under other current financial liabilities.



## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Current borrowings	Non-Current borrowings	Lease liabilities	Total
<b>Balance as at 1 April 2019</b>	<b>2,821.74</b>	<b>1,373.08</b>	<b>388.35</b>	<b>4,583.17</b>
Cash flows (net)	(675.74)	(244.62)	(290.64)	(1,211.00)
Interest expense	351.11	126.29	69.67	547.07
Interest paid	(331.11)	(127.41)	-	(458.52)
<b>Other non-cash movements:</b>				
Effective interest rate adjustment	-	17.29	-	17.29
Acquisitions-Leases	-	-	462.91	462.91
<b>Balance as at 31 March 2020</b>	<b>2,166.00</b>	<b>1,144.62</b>	<b>630.29</b>	<b>3,940.91</b>
Cash flows (net)	868.94	217.29	(303.21)	783.03
Interest expense	310.66	132.80	53.02	496.48
Interest paid	(330.66)	(132.94)	-	(463.61)
<b>Other non-cash movements:</b>				
Effective interest rate adjustment	-	16.83	-	16.83
Acquisitions-Leases	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>3,014.94</b>	<b>1,378.61</b>	<b>380.10</b>	<b>4,773.65</b>

### 23 Other financial liabilities (Non-current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Lease deposits	-	-	18.13
	<b>-</b>	<b>-</b>	<b>18.13</b>

### 24 Provisions (Non-current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Provision for employees benefits			
Gratuity (refer note 42)	182.76	176.29	152.21
Compensated absences (refer note 42)	46.36	53.67	42.05
	<b>229.12</b>	<b>229.96</b>	<b>194.26</b>

### 25 Borrowing (Current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Secured</b>			
Cash credits from banks(refer note (a) to (c))	3,014.94	2,166.00	2,821.74
	<b>3,014.94</b>	<b>2,166.00</b>	<b>2,821.74</b>

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### Notes:

- (a) Cash credit facility from Axis Bank Limited outstanding of Rs. 248.11 Lakhs as at 31 March 2021 (31 March 2020: Rs 48.45 Lakhs; 1 April 2019: Rs. 48.74 Lakhs) carrying interest of 3 month MCLR + 2 bps (31 March 2020: 3 month MCLR + 2 bps; 1 April 2019: 3 month MCLR + 2 bps) is repayable on demand. These are secured by hypothecation of entire current assets including stock, raw material, semi-finished goods, consumable stores, receivables, bills, deposits etc. both present and future of the Company in pari passu with other banks. The facility is collaterally secured by industrial property situated at Plot No. C1, B-71 and C1, B-72, GIDC Industrial Estate, Surat Hazira Road, Ichhpore, Bhatpore, Opp. GAIL Colony, Surat - 394510 and land and building at Plot No. N-51, 52, 59 & 60, Phase IV, Verna Industrial Estate, Salcete, Goa owned by the Company. The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.
- (b) Cash credit facility from State Bank Of India outstanding of Rs 2,696.73 Lakhs as at 31 March 2021 (31 March 2020: Rs 2,117.55 Lakhs; 1 April 2019: Rs 2,773.00 Lakhs) carrying interest of 3.5% above 1 year MCLR (31 March 2020: 3.5% above 1 year MCLR; 1 April 2019: 3% above 1 year MCLR) is repayable on demand. These are secured by 1st pari passu hypothecation charge over inventory, book debts and other movable current assets, present & future at Mumbai and Goa plants. The facility is collaterally secured by:
- i) Equitable / Registered Mortgage of Unit No B-1, Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan-3, Plot no-F-4+5+6, MIDC, Andheri (E), Mumbai owned by the Company;
  - ii) Equitable Mortgage on factory premises at S-17/18, Verna Industrial Estate, Phase-1, Verna Electronic City, Salcete, Goa owned by the Company;
  - iii) Hypothecation of all Plant & Machinery, present and future at Mumbai and Goa plants;
  - iv) Equitable / Registered Mortgage on Unit No A-2, Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan No.3, Central Road, Near Seepz Bus Depot, Andheri (E), Mumbai owned by M/s Philins Industrial Corporation;
  - v) Equitable / Registered Mortgage of Unit No B-2, D-1, B-3 Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan No.3, Central Road, Near Seepz Bus Depot, Andheri (E), Mumbai owned by KDU Enterprises Pvt. Ltd.;
  - vi) Equitable / Registered Mortgage on 502/A and 502/B, Fifth Floor, Heritage, Hiranandani Gardens, CTS Nos. 20(pt), 21(pt), 22(pt) and 30(pt), Powai, Mumbai - 400076 owned by Mr. Venkatesh Uchil.
- The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company and Philins Industrial Corporation.
- (c) Cash credit facility from ICICI Bank Limited outstanding of Rs 70.10 lakhs as at 31 March 2021 (31 March 2020: Rs Nil; 1 April 2019: Rs Nil) carrying interest of I-MCLR 6M + 1.90% p.a. (31 March 2020: I-MCLR 6M + 1.90% p.a.; 1 April 2019: I-MCLR 6M + 1.90% p.a.) is repayable on demand. These are secured by first pari-passu hypothecation on firm's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other moveable, including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank. The facility is collaterally secured by equitable mortgage of commercial property at C1 and C2, Udyog Sadan 3, MIDC, Andheri East, Mumbai which is owned by KDU Enterprises Limited, the Holding Company, (after providing 1.5 times cover to the primary collateral of FCNR(B) term loan mentioned above) equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company and is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

The Company has a debit balance in cash credit account as at 31 March 2020 and 01 April 2019 (refer note 15).

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 26 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Total outstanding dues of micro enterprise and small enterprises (Refer note 41)	50.42	74.31	-
Total outstanding dues of creditors other than micro enterprise and small enterprises	8,970.85	11,113.06	9,460.22
	<b>9,021.27</b>	<b>11,187.37</b>	<b>9,460.22</b>

### 27 Other financial liabilities (Current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current maturities of long-term borrowings	528.59	343.39	331.48
Interest accrued but not due on borrowings	6.14	26.28	7.40
Lease deposits	20.00	20.00	-
Accrued expenses	25.09	53.67	19.70
Employee dues payable	202.56	208.55	164.54
Creditors for purchase of property, plant and equipment	31.59	70.50	84.85
Commissioning expense payable	-	-	7.40
	<b>813.97</b>	<b>722.39</b>	<b>615.37</b>

### 28 Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Contract liabilities	1,006.17	835.48	1,042.80
Statutory dues payable	50.63	95.01	164.39
Deferred lease rentals	-	-	1.66
Rent equilisation reserve	0.00	0.00	12.33
Other payables	787.59	2.22	2.22
	<b>1,844.39</b>	<b>932.71</b>	<b>1,223.40</b>

### 29 Provisions (Current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Provision for employee benefits:</b>			
Gratuity (Refer note 42)	22.38	14.70	5.28
Compensated absences (Refer note 42)	1.86	2.69	3.70
	<b>24.24</b>	<b>17.39</b>	<b>8.98</b>

### 30 Current tax liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2021	As at 1 April 2019
Provision for tax (net of advance tax)	197.39	183.84	115.06
	<b>197.39</b>	<b>183.84</b>	<b>115.06</b>

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 31 Revenue from operation

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue from contract with customers :</b>		
<b>Sale of products:</b>		
- Electricals and electronics	16,452.48	16,926.52
- Solar	1,113.30	1,653.18
	<u>17,565.78</u>	<u>18,579.70</u>
<b>Sale of services :</b>		
- Electricals and electronics	1,714.78	1,771.13
- Solar	672.72	218.84
	<u>2,387.50</u>	<u>1,989.97</u>
<b>Other operating revenues</b>		
Duty drawback	34.09	22.55
	<u><b>19,987.37</b></u>	<u><b>20,592.22</b></u>

#### Disaggregation of revenue:

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

#### **Revenue by geography:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
- Within India	17,400.53	18,913.62
- Outside India #	2,552.75	1,656.05
	<u><b>19,953.28</b></u>	<u><b>20,569.67</b></u>

# including deemed export of Rs 124.42 Lakhs (31 March 2020 : Rs 218.73 Lakhs)

#### **Revenue by time:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Over a period of time	1,786.02	1,872.01
At a point in time	18,167.26	18,697.65
	<u><b>19,953.28</b></u>	<u><b>20,569.67</b></u>

#### **Reconciliation of revenue recognised with contract price:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contract price	19,953.28	20,569.67
<b>Adjustments for:</b>		
Claims and rebates	-	-
	<u><b>19,953.28</b></u>	<u><b>20,569.67</b></u>

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### Trade receivables and contract balances :

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as contract asset.

A receivable is a right to consideration that is unconditional upon passage of time.

The contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the right become unconditional. Contract assets are presented in note 19.

The contract liabilities primarily relate to the advance consideration received from customers. Contract liabilities are presented in note 28.

Trade receivables are presented net off loss allowance in note 14.

### Movement in contract balances :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Movement in contract assets :</b>		
Opening balances as on 1 April	-	43.59
Add: Revenue recognized during the year	183.48	-
Less: Invoiced during the year	-	(43.59)
Closing balance as on 31 March	<b>183.48</b>	-
<b>Movement in contract liabilities :</b>		
Opening balances as on 1 April	835.48	1,042.80
Less: Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	(596.44)	(556.79)
Add: Deferred revenue and advance from customers	767.13	349.47
Closing balance as on 31 March	<b>1,006.17</b>	<b>835.48</b>

### 32. Other Income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income on :		
- financial instruments at amortised cost	31.10	25.60
- term deposits	84.76	112.17
- inter corporate loan	39.86	55.00
- others	0.04	-
Finance guarantee income	0.23	0.57
Exchange gain (net)	4.08	240.28
Share of profits in a partnership firm / jointly controlled entity	39.64	62.02
Discount income	-	0.68
Sundry balances written back	3.67	2.98
Allowance for expected credit loss written back	20.56	13.76
Rental income	92.47	137.16
Sale of scrap	8.23	-
Insurance claim	6.85	4.16
Sales tax refund	27.45	-
	<b>358.94</b>	<b>654.38</b>

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 33. Cost of materials consumed

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventory of materials at the beginning of the year	2,042.86	1,423.89
Add: Purchases	14,513.31	17,378.30
	16,556.17	18,802.19
Less: Inventory of materials at the end of the year	2,120.41	2,042.86
	<b>14,435.76</b>	<b>16,759.33</b>

### 34. Changes in inventories of finished goods and work in progress

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Inventories at the beginning of the year:</b>		
Work in progress	3,539.47	1,812.63
	3,539.47	1,812.63
<b>Inventories at the end of the year:</b>		
Work in progress	3,738.39	3,539.47
	3,738.39	3,539.47
	<b>(198.92)</b>	<b>(1,726.84)</b>

### 35. Employee benefits expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and allowances	1,597.30	1,777.26
Contribution to provident and other funds (Refer note 42)	75.86	98.28
Gratuity (Refer note 42)	46.48	53.80
Compensated absences (Refer note 42)	2.93	17.35
Staff welfare	41.44	70.56
	<b>1,764.01</b>	<b>2,017.25</b>

### 36. Finance cost

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on:		
- financial instruments at amortised cost	19.55	21.41
- borrowings from banks and others	443.46	477.40
- statutory payments	21.56	8.34
- lease liabilities	53.02	69.67
Bank charges	208.16	247.36
Corporate guarantee fees	25.90	24.94
Other financial charges	0.91	28.62
	<b>772.56</b>	<b>877.74</b>

### 37. Depreciation and amortization expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment	362.86	434.27
Depreciation on right-to use asset	308.77	295.86
Depreciation on investment property	67.73	75.74
Amortization on intangible assets	25.00	21.67
	<b>764.36</b>	<b>827.54</b>

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 38. Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent	27.17	26.98
Power and fuel	63.74	86.45
Repair and maintenance		
- plant and machinery	36.83	24.45
- buildings	1.35	1.36
Vehicle running expense	13.73	19.90
Rates and taxes	41.88	10.72
Insurance	25.77	22.99
Liquidation damages	150.26	114.07
Inspection charges	86.33	55.35
Technical know-how expenses	-	20.00
Commissioning expenses	175.31	198.44
Clearing and forwarding charges	280.85	228.11
Traveling and conveyance	100.79	243.87
Postage and communication	30.51	31.96
Legal and professional fees	429.06	385.51
Payment to auditors (Refer note below)	19.03	13.05
Contribution towards Corporate Social Responsibility (Refer note 48)	21.40	4.20
Director sitting fees	5.00	3.60
Share of losses in a jointly controlled entity	0.13	-
Housekeeping and security charges	49.51	62.86
Printing and stationery	23.84	27.32
Sales promotion and advertisement expenses	14.70	140.24
Sundry balances written off	51.73	-
Bad debts written off	38.76	124.40
Loss on sale of property, plant and equipment (net)	-	17.77
Miscellaneous expenses	35.04	27.23
	<b>1,722.72</b>	<b>1,890.83</b>

#### Note

#### Payment to auditors comprise

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
To statutory auditor:		
- for audit	16.25	11.75
- for limited review	2.50	1.25
- for certification	0.15	-
- for reimbursement of expenses	0.13	0.05
	<b>19.03</b>	<b>13.05</b>



## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 39. Income tax

The major components of income tax expense for the year ended 31 March 2021 and 31 March 2020 are:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Statement of profit and loss section</b>		
<b>Current income tax:</b>		
Current income tax charge	249.00	240.00
<b>Deferred tax charge/(credit):</b>		
Relating to origination and reversal of temporary differences	53.97	(113.93)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>302.97</b>	<b>126.07</b>
<b>Other comprehensive income section</b>		
Income tax relating to items that will not be reclassified to profit or loss	(5.59)	1.60
	<b>308.56</b>	<b>124.47</b>

### Reconciliation of tax expense and the accounting profit

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Accounting profit before tax</b>	1,085.82	600.75
<b>Computed tax expense:</b>	273.28	151.20
At statutory income tax rate of 25.168% (31 March 2020: 25.168%)		
Adjustments for:		
Amounts which are non-deductible in calculating taxable income	17.79	2.77
Expenses deductible for tax purpose	(10.04)	(17.42)
Income which is exempt for tax purpose	(10.80)	(16.33)
Effect of change in tax rate	-	21.31
Others	38.33	(17.06)
<b>At the effective income tax rate</b>	<b>308.56</b>	<b>124.47</b>
<b>Income tax expense reported in statement of profit and loss</b>	<b>308.56</b>	<b>124.47</b>

### Deferred tax relates to the following

Particulars	Balance sheet			Statement of profit and loss	
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019	For the year ended 31 March 2021	For the year ended 31 March 2020
Provision allowed under tax on payment basis	82.61	81.14	71.02	1.47	10.12
Share issue expenses allowable u/s 35D of the Income-tax Act, 1961	20.08	30.13	55.77	(10.05)	(25.66)
Measurement of financial assets and liabilities at amortised cost, net	20.32	24.14	36.87	(3.82)	(12.73)
Ind AS 116 - "Leases"	38.31	31.95	22.69	6.36	9.26
Ind AS 115 - "Revenue from contracts with customers"	(30.66)	31.45	(15.23)	(62.11)	46.68
Others	2.64	8.32	-	(5.68)	8.32
Accelerated depreciation for tax purpose	(109.15)	(123.42)	(202.95)	14.27	79.53
<b>Net deferred tax expense / (income)</b>				<b>(59.56)</b>	<b>115.53</b>
<b>Net deferred tax assets / (liabilities)</b>	<b>24.15</b>	<b>83.71</b>	<b>(31.83)</b>		

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### Reflected in the balance sheet as follows

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Deferred tax liabilities	(109.15)	(123.42)	(202.95)
Deferred tax assets	133.30	207.13	171.12
<b>Deferred tax assets / (liabilities), net</b>	<b>24.15</b>	<b>83.71</b>	<b>(31.83)</b>

### Reconciliation of deferred tax (liabilities) / assets, net

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance as on April 1	83.71	(31.83)
Tax (income) / expense during the year recognised in statement of profit and loss	53.97	(113.93)
Tax (income) / expense during the year recognised in other comprehensive income	5.59	(1.60)
<b>Closing balance</b>	<b>24.15</b>	<b>83.71</b>

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 relate to income taxes levied by the same tax authority.

### 40. Earnings per share

The following table set forth the computation of basic and dilutive earnings per share:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net profit for the year attributable to equity shareholders	782.85	474.68
Weighted average number of shares	122,665,250	122,665,250
Earnings per equity share* [Face value of Rs. 2 each] (Rupees)	0.64	0.39

\* Basic and diluted earnings per share during the current year are same as the Company has no potentially dilutive equity shares outstanding as at the year end.

### Reconciliation of shares used in computing earnings per share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
No. of equity shares at the beginning of the year*	122,665,250	122,665,250
Add: Shares issued during the year	-	-
Less: Shares bought back during the year	-	-
No. of equity shares at the end of the year	<b>122,665,250</b>	<b>122,665,250</b>
Weighted average number of equity shares of Rs. 2 each used for calculation of basic and diluted earnings per share	122,665,250	122,665,250

\* The equity shares of the Company, during the current year, have been sub-divided from existing face value of Rs 10 per equity share to face value of Rs 2 per equity share based on approval by the shareholders through postal ballot resolution on 04 February 2021. Accordingly, basic and diluted earnings per equity share for previous year have been computed on the basis of new number of equity shares.

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 41. Dues to micro, small and medium enterprises

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 1 April 2019
Principal amount remaining unpaid	50.42	74.31	-
Interest accrued and due thereon remaining unpaid	-	-	-
Interest paid by the Company in terms of section 16 of MSMED Act 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-	-
Interest due and payables for the period of delay in making payment (which has been paid but beyond the appointed day during the year), but without adding the interest specified under MSMED Act, 2006.	-	-	-
Interest accrued and remaining unpaid as at the end of the year	-	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-	-

There are no amounts of interest paid during the year for payments made beyond the appointed day. Also, there is no amount of interest accrued and remaining unpaid as at period end for principal amount outstanding beyond the appointed day.

### 42. Employee benefits

The Company contributes to the following post-employment plans:

#### (i) Defined contribution plans:

The Company makes contributions, determined as a specified percentage of employees salaries, in respect of qualifying employees towards provident fund, employees state insurance scheme and labour welfare scheme, which are defined contribution plans. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to provident and other funds for the year aggregated to Rs. 75.86 lakhs (31 March 2020: Rs 98.28 lakhs).

#### (ii) Defined benefit plans:

The Company operates an unfunded post-employment defined benefit plan that provides for gratuity benefit. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive gratuity at 15 days salary (salary last drawn) for each completed years of service at the time of retirement / exit.

The Company determines the gratuity liability based on the actuarial valuation using Projected Unit Credit Method by an Independent firm of Actuaries that is registered with The Institute of Actuaries of India.

The following table summarizes the position of obligation relating to gratuity plan:

#### Reconciliation of Defined Benefit Obligation (DBO)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Present value of DBO at start of the year</b>	190.10	157.50
Current service cost	35.76	38.93
Interest cost	12.55	11.97
Benefits paid	(11.06)	(24.66)
<i>Re-measurements</i>		
Actuarial loss / (gain) from changes in financial assumptions	(7.39)	20.37
Actuarial loss / (gain) from experience over the past year	(14.82)	(14.01)
<b>Present value of DBO at end of the year</b>	<b>205.14</b>	<b>190.10</b>

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

<b>Net Liability / (Asset) recognised in the Balance Sheet</b>		
<b>Particulars</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Present value of DBO	205.14	190.10
Fair value of Plan Assets	-	-
<b>Liability / (Assets) recognised in the Balance Sheet</b>	<b>205.14</b>	<b>190.10</b>

<b>Expense recognised in statement of profit and loss</b>		
<b>Particulars</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Current service cost	35.76	38.93
Net interest on net defined benefit liability / (asset)	12.55	11.97
<b>Total</b>	<b>48.31</b>	<b>50.90</b>

<b>Income / (Loss) recognised in other comprehensive income</b>		
<b>Particulars</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Actuarial (loss) / gain from changes in financial assumptions	7.39	(20.37)
Actuarial (loss) / gain from experience over the past year	14.82	14.01
<b>Income / (Loss)</b>	<b>22.21</b>	<b>(6.36)</b>

<b>Actuarial assumptions</b>		
<b>Particulars</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Salary growth rate	8% p. a.	8% p. a.
Discount rate	6.9% p. a.	6.6% p. a.
Interest rate on Net DBO	6.6% p. a.	7.6% p. a.
Withdrawal rate	2% p. a.	2% p. a.
Mortality rates	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Weighted average duration of the obligation	12 years	13 years

<b>Experience adjustments</b>		
<b>Particulars</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Defined benefit obligation	205.14	190.10
Funded Status [Surplus / (Deficit)]	(205.14)	(190.10)
Exp. Adj. on plan liabilities: (gain) / loss	(14.82)	(14.01)
Exp. Adj. on plan assets: gain / (loss)	NA	NA

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

<b>Particulars</b>	<b>For the year ended 31 March 2021</b>	
	<b>Increases 1%</b>	<b>Decreases 1%</b>
Salary growth rate	DBO increases by Rs 25.78 lakhs	DBO decreases by Rs 21.85 lakhs
Discount rate	DBO decreases by Rs 21.87 lakhs	DBO increases by Rs 26.34 lakhs
Withdrawal rate	DBO decreases by Rs 2.90 lakhs	DBO increases by Rs 3.23 lakhs
Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.04 lakhs	NA
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 0.11 lakhs	NA

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2020	
	Increases 1%	Decreases 1%
Salary growth rate	DBO increases by Rs 25.60 lakhs	DBO decreases by Rs. 21.55 lakhs
Discount rate	DBO decreases by Rs 21.63 lakhs	DBO increases by Rs 26.24 lakhs
Withdrawal rate	DBO decreases by Rs 3.61 lakhs	DBO increases by Rs 4.05 lakhs
Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.05 lakhs	NA
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 0.14 lakhs	NA

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

### Risk exposures:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

- (A) Salary Increases:** Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- (B) Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- (c) Withdrawals:** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.
- (D) Mortality & disability:** Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

### (iii) Other long-term employee benefits:

#### Compensated absences

The compensated absences cover the company's liability for earned leave. The Company has recognised an amount of Rs. 2.93 lakhs (31 March 2020 - Rs. 17.35 lakhs) as an expense towards compensated absences and included in "Employee benefits expense" in the Statement of Profit and Loss. The Company has determined the liability for compensated absences based on the actuarial valuation using Projected Unit Credit Method.

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 43. Related party disclosures

#### A) Name of related parties

##### (i) Holding Company

KDU Enterprises Private Limited

##### (ii) Other related parties

##### (a) Subsidiary companies / step down subsidiary

Eltech Engineers Madras Private Limited

Evigo Charging Consultants Private Limited (w.e.f. 09 October 2020)

MEL Power Systems FZC

STI S.R.L., a subsidiary company of MEL Power Systems FZC

##### (b) Partnership firm in which Company is partner

Narhari Engineering Works

##### (c) Jointly controlled entity

Automatic Electronic Controls Manufacturing Co.

##### (d) Partnership firms in which directors are partners

DKM Precision Engineers

Philins Industrial Corporation

WIN Marine Consultancy Services

##### (e) Enterprises in which directors have significant influence

KDU Marine Equipment Trading and Maintenance LLC

KDU Worldwide Middle East Marine Services LLC

KDU Worldwide Technical Services FZC

KDU Worldwide Technical Services Ghana Private Limited

KDU Worldwide Technical Services Private Limited, Srilanka

KDU Worldwide Technical Services Nigeria Private Limited

Mcgeoch Marine Electricals Private Limited

Switch N Control Gears Private Limited

Voks Ship Management Private Limited

WIN Marine Engineering Services

##### (f) Key managerial personnel and relatives

Mr. Vinay Uchil, Chairman and Executive Director

Mr. Venkatesh Uchil, Managing Director

Mr. Rohit Shetty, Chief Financial Officer (upto 19 October 2019)

Mr. Aditya Desai, Chief Financial Officer (w.e.f. 14 November 2019 upto 23 June 2020)

Ms. Namita Sethia, Chief Financial Officer (w.e.f. 30 July 2020)

Ms. Vedshri Chaudhari, Company Secretary (upto 24 June 2019)

Ms. Reesha Ratanpal, Company Secretary (w.e.f. 20 July 2019 upto 25 February 2021)

Ms. Mitali Ambre, Company Secretary (w.e.f. 27 February 2021)

Ms. Rashmi Uchil, Wife of Mr. Vinay Uchil

Ms. Reshma Uchil, Wife of Mr. Venkatesh Uchil

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### B) Related party transactions during the year

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>a) Lease rent payment</b>		
KDU Enterprises Private Limited	230.10	230.10
Philins Industrial Corporation	35.40	31.86
Ms. Rashmi Uchil	7.20	7.20
<b>b) Rent income</b>		
DKM Precision Engineers	-	30.09
<b>c) Interest income</b>		
Eltech Engineers Madras Private Limited	5.00	5.00
<b>d) Consultancy fees</b>		
Ms. Rashmi Uchil	7.20	7.20
<b>e) e) Share in profit / (loss) of partnership firm / jointly controlled entity</b>		
Narhari Engineering Works	39.64	61.94
Automatic Electronic Controls Manufacturing Co.	(0.13)	0.08
<b>f) Finance guarantee income</b>		
Narhari Engineering Works	0.23	0.57
<b>g) Purchases</b>		
Eltech Engineers Madras Private Limited	21.56	302.98
KDU Enterprises Private Limited	98.49	251.95
KDU Marine Equipment Trading and Maintenance LLC	7.29	5.78
Mcgeoch Marine Electricals Private Limited	-	9.12
MEL Power Systems FZC	124.55	15.99
Narhari Engineering Works	0.47	-
Philins Industrial Corporation	8.98	7.62
Switch N Control Gears Private Limited	86.72	66.97
STIS.R.L.	38.95	6.98
<b>h) Sales</b>		
Eltech Engineers Madras Private Limited	-	9.26
Mcgeoch Marine Electricals Private Limited	55.08	68.71
MEL Power Systems FZC	603.79	140.84
Narhari Engineering Works	-	10.74
KDU Enterprises Private Limited	114.83	6.43
KDU Marine Equipment Trading and Maintenance LLC	84.26	19.43
Switch N Control Gears Private Limited	21.58	-
<b>i) Sale of property, plant and equipments</b>		
KDU Enterprises Private Limited	-	60.15
<b>j) Advance paid to suppliers and received back</b>		
Evigo Charging Consultant Private Limited	7.15	-
KDU Enterprises Private Limited	-	225.08
Philins Industrial Corporation	-	5.00
STISRL	-	23.24
<b>k) Advance received from customers and repaid back</b>		
Mcgeoch Marine Electricals Private Limited	-	5.15



## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### B) Related party transactions during the year

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>l) Capital infusion</b>		
Automatic Electronic Controls Manufacturing Co.	-	0.10
<b>m) Capital withdrawn</b>		
Automatic Electronic Controls Manufacturing Co.		1.50
<b>n) Investment in equity instruments of subsidiary</b>		
Evigo Charging Consultant Private Limited	2.84	-
<b>o) Investment in preference instruments of subsidiary</b>		
Evigo Charging Consultant Private Limited	18.66	-
<b>p) Salary</b>		
Ms. Reshma Uchil	5.82	4.80
<b>q) Compensation to Key Managerial Personnel (Refer note 2 below)</b>		
<u>Director remuneration:</u>		
Mr. Venkatesh Uchil	44.25	48.00
Mr. Vinay Uchil	44.25	48.00
<u>Salary:</u>		
Mr. Rohit Shetty	-	13.23
Mr. Aditya Desai	12.28	17.39
Ms. Namita Sethia	19.20	-
Ms. Vedshri Chaudhari	-	0.67
Ms. Reesha Ratanpal	3.26	2.54
Ms. Mitali Ambre	0.70	-

#### Note:

1. Amounts of transactions during the year pertaining to statement of profit and loss are gross of taxes, wherever applicable.
2. Excludes provision for gratuity and leave encasement recognised on the basis of actuarial valuation as separate figures are not available.

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

<b>C) Outstanding balances as at year end</b>				
<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>	<b>As at 1 April 2019</b>	
<b>a) Loan receivable</b>				
Eltech Engineers Madras Private Limited	50.00	50.00	50.00	
<b>b) Interest receivable on loan</b>				
Eltech Engineers Madras Private Limited	12.87	8.25	3.75	
<b>c) Trade receivables</b>				
DKM Precision Engineers	43.66	47.16	35.45	
Eltech Engineers Madras Private Limited	-	177.03	171.37	
KDU Enterprises Private Limited	55.11	54.87	14.34	
KDU Marine Equipment Trading and Maintenance LLC	91.30	126.25	170.41	
KDU Worldwide Technical Services FZC	-	-	4.07	
KDU Worldwide Technical Services Ghana Private Limited	50.99	52.38	47.76	
MEL Power Systems FZC	5.96	143.70	98.28	
Mcgeoch Marine Electricals Private Limited	77.01	25.97	-	
Narhari Engineering Works	-	7.77	-	
WIN Marine Engineering Services	-	-	17.96	
<b>d) Advance to suppliers</b>				
DKM Precision Engineers	300.00	300.00	300.00	
Eltech Engineers Madras Private Limited	106.17	90.37	90.37	
Mcgeoch Marine Electricals Private Limited	18.07	19.00	14.00	
Philins Industrial Corporation	23.98	31.03	26.00	
Switch N Control Gears Private Limited	30.12	-	-	
STISRL	267.97	275.27	241.58	
<b>e) Trade payables</b>				
Eltech Engineers Madras Private Limited	0.08	44.47	-	
KDU Enterprises Private Limited	15.80	-	-	
KDU Marine Equipment Trading and Maintenance LLC	10.11	8.94	2.63	
KDU Worldwide Technical Services FZC	15.23	15.34	14.21	
MEL Power Systems FZC	45.42	17.84	0.63	
Narhari Engineering Works	-	-	2.97	
Switch N Control Gears Private Limited	-	0.28	-	
STISRL	45.72	7.80	0.48	
<b>f) Advance from customers</b>				
MEL Power Systems FZC	-	5.18	-	
<b>g) Lease deposits</b>				
KDU Enterprises Private Limited	260.61	229.46	216.92	
Philins Industrial Corporation	40.91	36.78	18.96	
Ms. Rashmi Uchil	6.33	5.69	7.04	
<b>h) Investment in equity instruments of subsidiaries</b>				
Eltech Engineers Madras Private Limited	2.10	2.10	2.10	
MEL Power Systems FZC	19.38	19.38	19.38	
Evigo Charging Consultants Private Limited	2.84	-	-	
<b>i) Investment in preference instruments of subsidiary</b>				
Evigo Charging Consultants Private Limited	18.66	-	-	
<b>j) Investment in capital of partnership firm</b>				
Narhari Engineering Works	1,067.75	1,027.88	965.38	
<b>k) Investment in capital of jointly controlled entity</b>				
Automatic Electronic Controls Manufacturing Co.	2.76	2.89	4.21	
<b>l) Rent payable</b>				
Ms. Rashmi Uchil	-	0.54	-	
KDU Enterprises Private Limited	1.40	-	-	
Philins Industrial Corporation	4.90	-	-	
<b>m) Director remuneration payable</b>				
Mr. Venkatesh Uchil	7.25	11.00	-	
Mr. Vinay Uchil	6.73	10.48	-	

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 44. Leases

#### Change in accounting policy

The Company has applied Ind AS 116 with the date of initial application of 1 April 2019. As a result, the Company has changed its accounting policy for lease contracts as detailed below.

The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 April 2019.

Particulars	As at 1 April 2019
Lease commitments as at 31 March 2019	388.35
Add/(Less): Contracts reassessed as lease contracts	-
Add/(Less): adjustment on account of extension/termination	-
<b>Lease liability as at 01 April 2019</b>	<b>388.35</b>

Right of use assets of Rs. 750.87 lakhs and lease liabilities of Rs. 388.35 lakhs have been recognised as on 1 April 2019. The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows:

Particulars	As at 1 April 2019
Increase in lease liability	(388.35)
Increase in right of use asset due to lease liability on account of applicability of Ind AS 116 - Modified approach	750.87
Reversal of depreciation on leasehold land upto date of transition	21.79
Reclassification of leasehold land from property, plant and equipment to right to use asset	(404.15)
Reclassification of prepaid rent and security deposit to right to use asset	(22.29)
Decrease in prepaid rent on present value of security deposit on account of reclassification	(24.91)
Increase in deferred tax assets	22.90
<b>Opening impact on retained earning as at 01 April 2019</b>	<b>(44.14)</b>

The following is the summary of practical expedients elected on initial application:

- 1) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment
- 2) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- 3) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- 4) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under AS 17.
- 5) The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 11.23% p.a.

#### Carrying value of right of use assets at the end of the reporting period by class

Particulars	Premises	Equipment	Leasehold Land	Total
<b>Balance as of 01 April 2019</b>	206.57	148.34	395.96	750.87
Additions - On account of increase in lease liability	462.91	-	-	462.91
Additions - On account of present value of security deposits	66.03	-	-	66.03
Depreciation	(236.02)	(37.36)	(22.48)	(295.86)
<b>Balance as of 31 March 2020</b>	<b>499.49</b>	<b>110.98</b>	<b>373.48</b>	<b>983.95</b>
Additions - On account of present value of security deposit	1.28	-	-	1.28
Depreciation	(249.09)	(37.26)	(22.42)	(308.77)
<b>Balance as of 31 March 2021</b>	<b>251.68</b>	<b>73.72</b>	<b>351.06</b>	<b>676.46</b>

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### The following is the break-up of lease liability as at reporting date

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current	248.06	250.28	109.35
Non-current	132.04	380.01	279.00
<b>Total</b>	<b>380.10</b>	<b>630.29</b>	<b>388.35</b>

### The following is the movement of lease liability

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the start of the year	630.29	388.35
Additions - On account of increase in lease liability	-	462.91
Reversal - On account of rent as per previous GAAP	(303.21)	(290.64)
Finance cost incurred	53.02	69.67
<b>Balance at the end of the year</b>	<b>380.10</b>	<b>630.29</b>

### Amount recognized in statement of profit and loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on lease liability	53.02	69.67
Depreciation on right-to-use asset	308.77	295.86
Expense relating to short-term leases and low value assets	27.17	26.98
	<b>388.96</b>	<b>392.51</b>

## 45. Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker ("CODM"), in deciding how to allocate resources and assessing performance. The Board of Directors of the Company are identified as the CODM. Based on the nature of products and services, the risk and return profile of individual business and the internal business reporting systems, the Company has identified its reportable segments as under:

- Electricals and Electronics
- Solar

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Segment revenue</b>		
(a) Electricals and Electronics	18,201.35	18,720.20
(b) Solar	1,786.02	1,872.02
<b>Revenue from operations</b>	<b>19,987.37</b>	<b>20,592.22</b>
<b>B. Segment results</b>		
(a) Electricals and Electronics	2,041.16	1,548.05
(b) Solar	(488.17)	(687.75)
<b>Total</b>	<b>1,552.99</b>	<b>860.30</b>
Less: Finance costs	(772.56)	(877.74)
Add: Other unallocable income net of unallocable expenses	305.38	618.19
<b>Profit before tax</b>	<b>1,085.82</b>	<b>600.75</b>

Assets and liabilities used in the Company's business are not identified to any of the reportable segments as these are used interchangeably between segments. The Company believes that it is currently not practicable to provide segmental disclosure relating to total assets and liabilities since a meaningful segregation of the available data could be onerous.

### Information about major Customers

There are no customers contributing in excess of 10% of the total revenue of the Company for the year ended 31 March 2021 and 31 March 2020.

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 46 Financial instruments

The classification of each category of financial instruments and their carrying amounts are as below :

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Financial assets measured at amortized cost:</b>			
Trade receivables^	12,705.03	12,145.43	13,595.69
Cash and cash equivalents^	89.40	468.20	300.55
Bank balances other than cash and cash equivalents above^	916.60	690.17	1,123.16
Loans^	656.11	1,024.87	969.25
Other financial assets^	327.98	494.00	81.95
<b>Total financial assets</b>	<b>14,695.12</b>	<b>14,822.67</b>	<b>16,070.60</b>
<b>Financial liabilities measured at amortized cost :</b>			
Borrowings^	3864.96	2967.23	3863.34
Lease liability^	380.10	630.29	388.35
Trade payables^	9,021.27	11,187.37	9,460.22
Other financial liabilities^*	813.97	722.39	633.51
<b>Total financial liabilities</b>	<b>14,080.30</b>	<b>15,507.28</b>	<b>14,345.42</b>

There are no financial instruments that have been classified as Fair Value through Profit and Loss (FVTPL) and Fair Value through Other Comprehensive Income (FVTOCI).

^ Fair values for these financial instruments have not been disclosed because their carrying amount are a reasonable approximation of their fair values.

\* Other financial liabilities includes current maturities of long term borrowings.

#### Fair value hierarchy

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

#### Financial instruments - risk management

The Company has exposure to the following risks arising from financial instruments: credit risk (refer note (b) below); liquidity risk (refer note (c) below) and market risk (refer note (d) below) :

##### (a) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

##### (b) Credit risk

Credit risk is the risk that a counter party fails to discharge its obligation to the Company. The maximum credit risk comprises the carrying amounts of the financial assets. The Company's exposure to credit risk arises mainly from cash and cash equivalents, other bank balances, trade receivables, investments, loans and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### i) Credit risk management

#### Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A : Low credit risk

B : Moderate credit risk

C : High credit risk

Credit rating	Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
A: Low credit risk	Cash and cash equivalents, other bank balances, trade receivables, investments, loans and other financial assets.	14,695.12	14,822.67	16,070.60

### ii) Credit risk exposure

#### Cash and cash equivalent and other bank balances

Credit risk related to cash and cash equivalents and other bank balances is managed by accepting highly rated banks and diversifying bank deposits and accounts in different banks. Management does not expect any losses from non-performance by these counterparties.

#### Loans and other financial assets measured at amortized cost

Loans and other financial assets measured at amortized cost includes lease deposits, staff advances, loans and other receivables. Credit risk related to these is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensures that amounts are within defined limits. The expected credit loss on these financial instruments is expected to be insignificant.

#### Trade and other receivables

Credit risk arise from possibility that customer may default on its obligation to make timely payments, resulting into financial loss. The maximum exposure to the credit risk is primarily from trade receivables. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and the expected loss rates.

#### Reconciliation of allowance for expected credit loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Opening balance</b>	<b>175.05</b>	<b>205.96</b>
<b>Change in allowance for expected credit loss:</b>		
Changes in allowance for expected credit loss due to bad debts	(22.57)	(17.16)
Allowance for expected credit loss written back	(20.56)	(13.76)
	<b>(43.13)</b>	<b>(30.91)</b>
<b>Closing balance</b>	<b>131.92</b>	<b>175.05</b>

### (c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time. The Company's primary sources of liquidity are cash generated from operations. The cash flows from operating activities are driven primarily by operating results and changes in the working capital requirements.

The Company believe that its liquidity position is adequate to fund the operating and investing needs and to provide with flexibility to respond to further changes in the business environment.

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### Maturities of financial liabilities

Particulars	Carrying amount	Total	On demand	0-12 months	1-5 years	>5 years
<b>As at 31 March 2021</b>						
Borrowings	3,864.96	3,919.96	3,014.94	-	905.02	-
Lease liabilities	380.10	469.05	-	273.99	111.48	83.58
Trade payables	9,021.27	9,021.27	-	9,021.27	-	-
Other financial liabilities	813.97	813.97	20.00	793.97	-	-
<b>Total</b>	<b>14,080.30</b>	<b>14,224.25</b>	<b>3,034.94</b>	<b>10,089.23</b>	<b>1,016.50</b>	<b>83.58</b>
Particulars	Carrying amount	Total	On demand	0-12 months	1-5 years	>5 years
<b>As at 31 March 2020</b>						
Borrowings	2,967.23	3,008.00	2166.00	-	842.00	-
Lease liabilities	630.29	772.26	-	303.21	370.25	98.80
Trade payables	11,187.37	11,187.37	-	11,187.37	-	-
Other financial liabilities	722.39	722.39	20.00	702.39	-	-
<b>Total</b>	<b>15,507.28</b>	<b>15,690.02</b>	<b>2,186.00</b>	<b>12,192.97</b>	<b>1,212.25</b>	<b>98.80</b>
Particulars	Carrying amount	Total	On demand	0-12 months	1-5 years	>5 years
<b>As at 1 April 2019</b>						
Borrowings	3,863.34	3,921.31	2,821.74	-	1,098.64	0.93
Lease liabilities	388.35	524.14	-	144.17	281.17	98.80
Trade payables	9,460.22	9,460.22	-	9,460.22	-	-
Other financial liabilities	633.51	633.51	-	633.51	-	-
<b>Total</b>	<b>14,345.42</b>	<b>14,539.18</b>	<b>2,821.74</b>	<b>10,237.90</b>	<b>1,379.81</b>	<b>99.73</b>

### (d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### i) Foreign currency risk

The transactions of the Company are denominated in both Indian rupees and foreign currencies and accordingly, the Company is exposed to foreign exchange risk in relation to operating activities (when revenue or expense is denominated in a foreign currency) arising from foreign currency transactions.

#### Foreign currency risk exposure



## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### Particulars of unhedged foreign currency exposure :

Particulars		As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
		Amount in Foreign Currency	Amount equivalent in Rs. Lakhs	Amount in Foreign Currency	Amount equivalent in Rs. Lakhs	Amount in Foreign Currency	Amount equivalent in Rs. Lakhs
Foreign currency receivables							
- representing	USD	1,215,401	887.97	1,353,682	1,015.94	1,245,405	742.47
advances	EURO	14,000	11.90	32,689	26.85	19,223	14.84
	NOK*	13,580	1.15	-	-	-	-
- representing trade	USD	736,340	537.97	572,926	429.98	806,482	551.88
receivables	EURO	64,303	54.64	230,306	189.17	105,064	80.16
Foreign currency payable							
- representing trade	AED*	7,378	1.51	15,411	3.25	4,750	0.92
payables	USD	1,246,330	921.16	494,363	375.22	1,783,248	1,247.03
	EURO	440,872	384.00	403,114	339.66	204,041	161.23
	NOK*	-	-	-	-	91,785	7.48
	GBP*	-	-	2,100	1.95	-	-
- representing	USD	125,763	92.95	80,704	61.25	-	-
advances	EURO	-	-	6,216	5.24	-	-
Foreign currency non-resident (Bank) "FCNR (B)" Loan	USD	-	-	-	-	15,945	11.15
Foreign currency notes	EURO	75	0.06	202	0.17	364	0.29
	USD	560	0.41	28	0.02	581	0.41

\* The Company does not expect any change in the exchange rate of AED / NOK / GBP and INR, resulting into any significant impact to the financial numbers.

### Sensitivity to risk

Particulars	Impact of profit - Increase / (decrease)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>USD Sensitivity</b>			
INR/USD - Increase by 5% (31 March 2020 - 5%, 1 April 2019 - 5%)	20.61	50.47	1.83
INR/USD - Decrease by 5% (31 March 2020 - 5%, 1 April 2019 - 5%)	(20.61)	(50.47)	(1.83)
<b>Euro Sensitivity</b>			
INR/EURO - Increase by 5% (31 March 2020 - 5%, 1 April 2019 - 5%)	(15.87)	(6.44)	(3.30)
INR/EURO - Decrease by 5% (31 March 2020 - 5%, 1 April 2019 - 5%)	15.87	6.44	3.30

### ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates primarily relates to borrowings.

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Variable rate borrowings	4,148.23	3,211.62	4,166.01
Fixed rate borrowings	245.32	99.01	28.80
<b>Total borrowings</b>	<b>4,393.55</b>	<b>3,310.63</b>	<b>4,194.81</b>

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. This analyses assumes that all other variables remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Particulars	Profit or loss	
	100 bp increase	100 bp decrease
Variable rate instrument as at 31 March 2021	41.48	(41.48)
Variable rate instrument as at 31 March 2020	32.12	(32.12)
Variable rate instrument as at 1 April 2019	41.66	(41.66)

### 47 Capital management

The funding requirements of the Company are met through a mixture of equity shares and borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through optimisation of debt and equity balance.

The Adjusted net debt to total equity ratio at the end of the reporting period was as follows:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Total borrowings*	4,393.56	3,310.63	4,194.81
Lease liabilities	380.10	630.29	388.35
Less: Cash and cash equivalent and other bank balances	1,006.00	1,158.37	1,423.71
<b>Adjusted net debt</b>	<b>3,767.65</b>	<b>2,782.54</b>	<b>3,159.45</b>
<b>Total equity</b>	<b>13,387.59</b>	<b>12,559.51</b>	<b>12,064.64</b>
<b>Adjusted net debt to total equity ratio</b>	<b>0.28</b>	<b>0.22</b>	<b>0.26</b>

\* includes current maturities of long-term borrowings included under other current financial liabilities.

### 48 Corporate social responsibility ("CSR")

The Company is covered by the provisions of section 135 of the Act. The details of gross amount required to be spent and amount actually spent by the Company is as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Gross amount required to spent	17.35	18.72
Amount spent during the year	21.40	4.20

#### For the year ended 31 March 2021

Particulars	Amount paid	Yet to be paid	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	21.40	-	21.40
<b>Total</b>	<b>21.40</b>	<b>-</b>	<b>21.40</b>

#### For the year ended 31 March 2020

Particulars	Amount paid	Yet to be paid	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	4.20	-	4.20
<b>Total</b>	<b>4.20</b>	<b>-</b>	<b>4.20</b>

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

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### 49 Contingent liabilities

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
a. Guarantees given by Company's bankers			
(i) Bank guarantee against advance and liquidated damages given to customers (net of liabilities accounted for) reduced by an amount of Rs 794.09 lakhs (31 March 2020: Rs 794.09 lakhs, 01 April 2019: Rs 794.09 lakhs) towards the counter bank guarantee received from sub-contractors	2,137.72	1,664.88	2,279.18
(ii) Other bank guarantees provided under contractual / legal obligations reduced by an amount of Rs Nil (31 March 2020: Rs 1,180.45 lakhs, 01 April 2019: Rs 1,180.45 lakhs) towards the counter bank guarantee received from sub-contractors	5,142.60	4,887.81	4,527.12
(iii) Foreign bank guarantees	1,447.85	1,586.97	1,546.10
b. Corporate guarantee given by the Company	215.00	232.94	233.33
c. Letter of credit opened in favour of suppliers	832.10	816.47	147.04
d. Bills discounted with bank	357.67	45.84	261.15
e. Disputed tax liabilities in respect of pending cases before appellate authorities [amount deposited under protest Rs Nil (31 March 2020: Rs 6.26 lakhs, 01 April 2019: Rs 6.26 lakhs)] {refer note (i)}	102.96	121.14	237.69
f. Custom duty [amount deposited under protest Rs 65 lakhs (31 March 2020: Rs Nil, 01 April 2019: Rs Nil)] {Refer note (iii)}	132.62	-	-

#### Notes:

(i) The various disputed tax litigations are as under:

Particulars	Period to which it relates	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>a. Income Tax</b>				
Disallowances / additions made by the income tax department pending before various appellate authorities	AY 13-14 to AY 16-17 (31 March 2020: AY 13-14 to AY 16-17; 1 April 2019: AY 13-14 to AY 16-17)	31.84	31.84	174.75
<b>b. Sales Tax / VAT</b>				
Demands raised by Sales tax / VAT department pending before various appellate authorities	FY 09-10 and FY 16-17 (31 March 2020: FY 09-10 and FY 16-17, 1 April 2019: FY 15-16)	71.12	71.12	62.94
<b>c. Entry Tax</b>				
Demands raised by Goa entry tax department (Refer note (ii) below)	NA (31 March 2020: FY 12-13 to FY 16-17, 1 April 2019: NA)	-	18.18	-
		<b>102.96</b>	<b>121.14</b>	<b>237.69</b>

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the standalone financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(ii) The Company during the year has made entry tax payment of Rs 12.28 lakhs against the said demand. Balance Rs 5.90 lakhs pertaining to penalty has been waived off by the department.

(iii) The Company during the year has received a demand order dated 31.08.2020 from the office of The Commissioner of Customs raising a demand of Rs 120.62 lakhs on the Company u/s 28(8) of the Customs Act, 1962 read with section 5(1) of IGST Act, 2017 with regards to classification under incorrect CTH of copper busbar imported by the Company during the period from

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

13.08.2014 to 30.10.2018. The order also imposes a penalty of Rs 12 lakhs on the Company and interest u/s 28AA of the Customs Act, 1962. The amount disclosed above is exclusive of interest as the same is not currently quantifiable. The Company has filed an appeal against the said order on 23.10.2020. Based on the legal opinion obtained by the Company from an independent firm of advocates, the management believes that the ultimate outcome of the proceedings will not have an adverse effect on the Company's financial position.

(iv) The Supreme court of India had passed a judgement in the month of February 2019 relating to definition of wages under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement. However, the Company is in the process of determining the possible impact and update its provision, if required. The Management does not expect any material impact of the same for financial year 2020-21 based on the present salary structure followed by the Company for its class of employees.

### 50 Capital and other commitments:

Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Property, plant and equipment	624.37	65.25	65.25

\*The Company did not have any long term commitments/contracts for which there were any material foreseeable losses. The Company did not have any long-term derivative contracts as at 31 March 2021.

### 51 First time adoption of Ind AS

As stated in Note 2.1, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended upto and including 31 March 2020, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2021 including the comparative information for the year ended 31 March 2020 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2019. (Transition date)

In preparing its Ind AS balance sheet as at 1 April 2019, and in presenting the comparative information for the year ended 31 March 2020, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP as detailed hereunder and accordingly the impact of such transition on the Company's financial position and financial performance is listed hereunder:

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

#### A. Optional exemptions availed:

Ind AS 101 allows first-time adopters certain optional exemptions from the retrospective application of certain requirements under Ind AS for transition from the previous GAAP. The Company has availed the following:

##### (i) Deemed cost for property, plant and equipment and other intangible assets

In accordance with Ind AS 101, the Company has elected to continue with the carrying value of its property, plant and equipment and other intangible assets recognised as at 1 April 2019 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and other intangible assets as on the date of transition.

##### (ii) Deemed cost for investments in subsidiaries

The Company has elected to continue with the carrying value of all of its investments in subsidiaries recognised as of transition date measured as per the Previous GAAP as its deemed cost as at the date of transition.

#### B. Mandatory exceptions:

In accordance with Ind AS 101, the Company has applied following mandatory exceptions for transition from the previous GAAP:

##### (i) Classification and measurement of financial assets

In accordance with Ind AS 101, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### (ii) Estimates

In accordance with Ind AS 101, the Company's estimates are consistent with those made under previous GAAP and where necessary, appropriate adjustments are made to carrying value as at the date of transition.

As per Ind AS 101, the Company is required to make certain estimates that were not required under previous GAAP, which should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

Further estimates considered in preparation of the financial statements that were not required under the previous GAAP are:

- (i) Fair valuation of financial instruments carried at FVTPL and/or FVOCI;
- (ii) impairment of financial assets based on the expected credit loss model
- (iii) determination of the discounted value for financial instruments carried at amortised cost.

### (i) Reconciliation of balance sheet as at 1 April 2019 (date of transition)

Particulars	Note	Amount as per Previous GAAP*	Ind AS adjustments	Amount as per Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	2,342.37	(382.35)	1,960.02
Right-to-use asset	1 & 2	-	750.87	750.87
Capital work in progress		1,443.07	-	1,443.07
Investment property		715.99	-	715.99
Other intangible assets		27.33	-	27.33
Financial assets				
Investments	1	1,226.96	(235.89)	991.07
Loans	1	272.10	(24.91)	247.19
Other financial assets	2	45.24	(18.03)	27.21
Other non-current assets	1	51.60	(27.73)	23.87
Non-current tax assets (net)		115.58	-	115.58
<b>Total non-current assets</b>		<b>6,240.24</b>	<b>61.96</b>	<b>6,302.20</b>
<b>Current assets</b>				
Inventories		3,236.52	-	3,236.52
Financial assets				
Trade receivables	3	13,722.94	(127.25)	13,595.69
Cash and cash equivalents		300.55	-	300.55
Bank balances other than cash and cash equivalents above		1,123.16	-	1,123.16
Loans	3	745.72	(23.66)	722.06
Other financial assets	3	59.58	(4.84)	54.74
Other current assets	4	2,605.07	43.59	2,648.66
<b>Total current assets</b>		<b>21,793.54</b>	<b>(112.16)</b>	<b>21,681.38</b>
<b>Total assets</b>		<b>28,033.78</b>	<b>(50.20)</b>	<b>27,983.58</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		2,453.31	-	2,453.31
Other equity	1 to 6	9,959.77	(348.44)	9,611.33
<b>Total equity</b>		<b>12,413.08</b>	<b>(348.44)</b>	<b>12,064.64</b>

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	Amount as per Previous GAAP*	Ind AS adjustments	Amount as per Ind AS
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	1	1,099.52	(57.92)	1,041.60
Lease liability	2	-	279.00	279.00
Other financial liabilities	1	20.00	(1.87)	18.13
Provisions		194.26	-	194.26
Deferred tax liabilities (net)	6	76.16	(44.33)	31.83
<b>Total non-current liabilities</b>		<b>1,389.94</b>	<b>174.88</b>	<b>1,564.82</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings		2,821.74	-	2,821.74
Lease liability	2	-	109.35	109.35
Trade payables				
- Micro and small enterprises		-	-	-
- Other than micro and small enterprises		9,460.22	-	9,460.22
Other financial liabilities		615.37	-	615.37
Other current liabilities	1	1,209.39	14.01	1,223.40
Provisions		8.98	-	8.98
Current tax liabilities (net)		115.06	-	115.06
<b>Total current liabilities</b>		<b>14,230.76</b>	<b>123.36</b>	<b>14,354.12</b>
<b>Total liabilities</b>		<b>15,620.70</b>	<b>298.24</b>	<b>15,918.94</b>
<b>Total equity and liabilities</b>		<b>28,033.78</b>	<b>(50.20)</b>	<b>27,983.58</b>

\* The previous year numbers have been regrouped / reclassified to meet the presentation criteria defined under Division II of Schedule III to the Companies Act, 2013.

### (ii) Reconciliation of balance sheet as at 31 March 2020

Particulars	Note	Amount as per Previous GAAP*	Ind AS adjustments	Amount as per Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	3,284.77	(360.58)	2,924.19
Right-to-use asset	1 & 2	-	983.95	983.95
Investment property		640.25	-	640.25
Other intangible assets		50.41	0.28	50.69
Financial assets				
Investments	1	1,290.46	(238.21)	1,052.25
Loans	1	341.78	(65.34)	276.44
Other financial assets	2	503.01	(18.03)	484.98
Deferred tax assets (net)		-	83.71	83.71
Other non-current assets	1	56.31	(22.15)	34.16
Non-current tax assets (net)		127.22	-	127.22
<b>Total non-current assets</b>		<b>6,294.22</b>	<b>363.62</b>	<b>6,657.84</b>

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	Amount as per Previous GAAP*	Ind AS adjustments	Amount as per Ind AS
<b>Current assets</b>				
Inventories		5,582.33	-	5,582.33
Financial assets				
Trade receivables	3	12,258.92	(113.49)	12,145.43
Cash and cash equivalents		468.20	-	468.20
Bank balances other than cash and cash equivalents above		690.17	-	690.17
Loans	3	772.09	(23.66)	748.43
Other financial assets (net)	3	13.86	(4.84)	9.02
Other current assets	1	3,131.52	(2.25)	3,129.27
<b>Total current assets</b>		<b>22,917.09</b>	<b>(144.24)</b>	<b>22,772.85</b>
<b>Total assets</b>		<b>29,211.31</b>	<b>219.38</b>	<b>29,430.69</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		2,453.31	-	2,453.31
Other equity	1 to 6	10,597.58	(491.38)	10,106.20
<b>Total equity</b>		<b>13,050.89</b>	<b>(491.38)</b>	<b>12,559.51</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	1	841.86	(40.63)	801.23
Lease liability	2	-	380.01	380.01
Provisions		229.96	-	229.96
Deferred tax liabilities (net)	6	3.84	(3.84)	-
<b>Total non-current liabilities</b>		<b>1,075.66</b>	<b>335.54</b>	<b>1,411.20</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings		2,166.00	-	2,166.00
Lease liability	2	-	250.28	250.28
Trade payables				
- Micro and small enterprises		74.31	-	74.31
- Other than micro and small enterprises		11,113.06	-	11,113.06
Other financial liabilities	-	722.39	-	722.39
Other current liabilities	4	807.77	124.94	932.71
Provisions		17.39	-	17.39
Current tax liabilities (net)		183.84	-	183.84
<b>Total current liabilities</b>		<b>15,084.76</b>	<b>375.22</b>	<b>15,459.98</b>
<b>Total liabilities</b>		<b>16,160.42</b>	<b>710.77</b>	<b>16,871.18</b>
<b>Total equity and liabilities</b>		<b>29,211.31</b>	<b>219.38</b>	<b>29,430.69</b>

\* The previous year numbers have been regrouped / reclassified to meet the presentation criteria defined under Division II of Schedule III to the Companies Act, 2013.



## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### (iii) Reconciliation of total comprehensive income for the year ended 31 March 2020

Particulars	Note	Amount as per Previous GAAP*	Ind AS adjustments	Amount as per Ind AS
<b>Revenue</b>				
Revenue from operations	4	20,760.77	(168.55)	20,592.22
Other income	1 and 3	603.35	51.03	654.38
<b>Total income</b>		<b>21,364.12</b>	<b>(117.52)</b>	<b>21,246.60</b>
<b>Expenses</b>				
Cost of material consumed		16,759.33	-	16,759.33
Changes in inventories of finished goods and work-in-progress		(1,726.84)	-	(1,726.84)
Employee benefits expense	5	2,023.61	(6.36)	2,017.25
Finance costs	1 and 2	767.29	110.45	877.74
Depreciation and amortisation expense	2	553.73	273.81	827.54
Other expenses	2	2,181.51	(290.68)	1,890.83
<b>Total expenses</b>		<b>20,558.63</b>	<b>87.22</b>	<b>20,645.85</b>
<b>Profit before tax</b>		<b>805.49</b>	<b>(204.74)</b>	<b>600.75</b>
<b>Income tax expense / (credit):</b>				
Current tax		240.00	-	240.00
Deferred tax charge / (credit)	6	(72.32)	(41.61)	(113.93)
		<b>167.68</b>	<b>(41.61)</b>	<b>126.07</b>
<b>Profit after tax</b>		<b>637.81</b>	<b>(163.13)</b>	<b>474.68</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Re-measurement of defined benefit plans	5	-	(6.36)	(6.36)
Income tax relating to items that will not be reclassified to profit or loss	6	-	1.60	1.60
<b>Other comprehensive income / (loss) for the year</b>		<b>-</b>	<b>(4.76)</b>	<b>(4.76)</b>
<b>Total comprehensive income for the year</b>		<b>637.81</b>	<b>(167.89)</b>	<b>469.92</b>

\* The previous year numbers have been regrouped / reclassified to meet the presentation criteria defined under Division II of Schedule III to the Companies Act, 2013.

### (iv) Reconciliation of total equity as at 31 March 2020 and 1 April 2019

Particulars	As At 31 March 2020	As At 1 April 2019
<b>Total equity under Previous GAAP</b>	<b>13,050.89</b>	<b>12,413.08</b>
<b>Adjustments on account of:</b>		
Ind AS 115 - "Revenue from contracts with customers"	(124.96)	43.59
Ind AS 116 - "Leases"	(119.54)	(66.43)
Financial assets measured at amortised cost	(117.00)	(156.36)
Financial liabilities measured at amortised cost	(111.23)	(109.38)
Fair value of financial guarantee transferred to other component of equity	131.71	131.71
Fair value of guarantee considered as part of investment in subsidiary	7.35	6.78
Others	(243.66)	(242.68)
Deferred tax on above Ind AS impact	85.94	44.33
<b>Total adjustments</b>	<b>(491.38)</b>	<b>(348.44)</b>
<b>Total equity as per Ind AS</b>	<b>12,559.51</b>	<b>12,064.64</b>

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(v) Reconciliation of profit			
Particulars	For year ended 31 March 2020		
Profit after tax under Previous GAAP	637.81		
Adjustments on account of:			
Ind AS 115 - "Revenue from contracts with customers"	(168.55)		
Ind AS 116 - "Leases"	(53.11)		
Financial assets measured at amortised cost	39.36		
Financial liabilities measured at amortised cost	(1.85)		
Financial guarantee expense	(24.94)		
Financial guarantee income	0.57		
Re-measurement gains on defined benefit plan	6.36		
Others	(2.58)		
Deferred tax on above Ind AS impact	41.61		
Profit after tax as reported under Ind AS	474.68		
Other comprehensive income/ (loss) (net of tax)	(4.76)		
Total comprehensive income as reported under Ind AS	469.92		
(vi) Reconciliation of cash flows for the year ended 31 March 2020			
Particulars	Amount as per Previous GAAP*	Ind AS adjustments	Amount as per Ind AS
Net cash flows generated from / (used in) operating activities	1,848.66	289.19	2,137.85
Net cash flows generated from / (used in) investing activities	(31.12)	-	(31.12)
Net cash flows generated from / (used in) financing activities	(1,649.89)	(289.19)	(1,939.08)
Net increase / (decrease) in cash and cash equivalents	167.65	-	167.65
Cash and cash equivalents at the beginning of the year	300.55	-	300.55
Cash and cash equivalents at the end of the year	468.20	-	468.20

\* The previous year numbers have been regrouped / reclassified to meet the presentation criteria defined under Division II of Schedule III to the Companies Act, 2013.

### Notes:

#### 1 Measurement of financial assets and financial liabilities at amortised cost

Under Previous GAAP, all financial assets and financial liabilities were carried at cost.

Under Ind AS, certain financial assets and financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. In applying the effective interest method, an entity identifies, fees that are an integral part of the effective interest rate of a financial instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability.

For certain financial assets and liabilities, the fair value of the financial assets liabilities at the date of transition to Ind AS has been considered as the new amortised cost of that financial assets and liabilities at the date of transition to Ind AS.

#### 2 Leases

Under Previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incidental to the ownership of an asset. Operating lease were expensed in the statement of profit and loss. Pursuant to application of Ind AS 116, for operating leases other than those for which the Company has opted for short-term or low value exemption, the Company has recorded a right-to-use asset and lease liability. Right-to-use asset is amortised over the lease term or useful life of the leased assets whichever is lower and lease liability is subsequently measured at amortised cost and interest expense is recognised.

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 3 Recognition of loss allowance for expected credit losses on financial assets measured at amortised cost

Under Previous GAAP, provision for doubtful debts was recognised based on the estimates of the outcome and of the financial effect of contingencies determined by the management of the Company. This judgement was based on consideration of information available up to the date on which the financial statements were approved and included a review of events occurring after the balance sheet date.

Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortised cost. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and the expected loss rates.

### 4 Revenue from contracts with customers

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' which introduces a new five step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer. The Company has adopted Ind AS 115 effective 1 April 2019 applying the standard to all the contracts that are not completed as such date.

### 5 Re-measurement gains on defined benefit plans

Under Ind AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognized in other comprehensive income instead of profit or loss in Previous GAAP.

### 6 Deferred tax

Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet approach for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through profit or loss. For transactions and other events recognised outside profit or loss (either in other comprehensive income or directly in equity), related tax effects are also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

52. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

### 53. Estimation uncertainty relating to the global health pandemic on COVID-19

The Company has evaluated the possible impact of this pandemic on the business operations and the financial position of the Company and based on its assessment, believes that there is no significant impact on the financial statements of the Company, as at and for the year ended 31 March 2021. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

54. The Company during financial year 2017-18 paid to a supplier in China an advance of USD 8,00,000 carried at Rs 584.48 lakhs as at 31 March 2021 (31 March 2020: USD 8,00,000 carried at Rs 600.40 lakhs, 01 April 2019: USD 8,00,000 carried at Rs 559.44 lakhs), for procurement of solar PV modules. The Company has initiated arbitration proceedings against the supplier by appointing an independent arbitration professional. Pending recovery of the advance paid or procurement of material against the said advance, the Company believes that this advance is recoverable and it continues to carry the said advance as unsecured and considered good under "Other current assets".

## NOTE TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 55 Previous year's figures

Previous year's figures have also been regrouped / recasted, wherever necessary, to conform to the current year's presentation.

#### For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

#### Som Nath Saini

Partner

Membership No: 093079

#### Venkatesh Uchil

Managing Director

DIN: 01282671

#### Namita Sethia

Chief Financial Officer

#### For and on behalf of the Board of Directors of Marine Electricals (India) Limited

#### Vinay Uchil

Chairman and Executive Director

DIN: 01276871

#### Mitali Ambre

Company Secretary and Compliance Officer

Place : Mumbai,

Date : 07 June 2021

Place : Mumbai,

Date : 07 June 2021

Place : Mumbai,

Date : 07 June 2021

# INDEPENDENT AUDITORS' REPORT

as at 31 March 2021

To the Members of

## **Marine Electricals (India) Limited**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of Marine Electricals (India) Limited ("the Company" or "the Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity, as listed in Annexure A, which comprise the consolidated balance sheet as at 31 March 2021, the consolidated statement of profit and loss including other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind As") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entity as at 31 March 2021, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' Responsibility for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its jointly controlled entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### **Emphasis of Matter**

Without qualifying our opinion on account of these matters, we draw attention to following matters included in Notes to the financial statements:

1. Note 5(3) included in notes to the consolidated financial statements regarding the fact that the Company has not obtained valuation report from an independent registered valuer to determine the fair value of its investment property as at the reporting dates. Accordingly, fair value disclosure requirement as required under Ind AS 40 – Investment Property is not complied with by the Company.
2. Note 52 included in notes to the financial statements regarding the fact that the Company during financial year 2017-18 paid to a supplier in China an advance of USD 8,00,000 carried at Rs 584.48 lakhs as at 31 March 2021, for procurement of solar PV modules. The Company has initiated arbitration proceedings against the supplier by appointing an independent arbitration professional. Pending recovery of the advance paid or procurement of material against the said advance, the Company believes that this advance is recoverable and it continues to carry the said advance as unsecured and considered good.
3. Note 53 of the consolidated financial statements regarding the fact that a subsidiary company, Eltech Engineers Madras Private Limited ("Eltech") has incurred a loss of Rs 18.74 lakhs for the year ended 31 March 2021. As at 31 March 2021, its accumulated losses were Rs 306.19 lakhs, the current liabilities were Rs 375.31 lakhs and current assets were Rs 28.73 lakhs. Further, its net worth as at 31 March 2021 was negative Rs 276.19 lakhs. These conditions indicate the existence of material uncertainty about Eltech's ability to continue as a going concern. However, the financial statements of Eltech have been prepared on a going concern basis as the Company has committed to provide all financial and other support to enable Eltech to operate as a going concern.

## INDEPENDENT AUDITORS' REPORT

as at 31 March 2021

4. Note 54 of the consolidated financial statements regarding the fact that in case of subsidiary / step down subsidiary incorporated outside India, accounting policy with regards to depreciation on property, plant and equipment (tangible assets) and amortisation of intangible assets is different as compared to the written downvalue method adopted by the Company and other subsidiary incorporated in India. The consequential financial impact of adjustments on account of depreciation that would be required to be made in the consolidated financial statements to ensure conformity with the Group's accounting policy for depreciation is currently not ascertainable.

### Key Audit Matters

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

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

Sr. No.	Key Audit Matters	Auditor's response
1	<p><b>Revenue recognition accuracy, measurement, presentation and disclosure</b></p> <p>Revenue is measured based on transaction price, which is the consideration. As disclosed in Note 3.9 to the consolidated financial statements, revenue from contract with customers is recognized when the Group satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. Control is defined as the ability to direct the use of and obtain substantially all of the economic benefits from an asset.</p> <p>At the inception of the contract, the Group identifies the goods or services promised in the contract and assess which of the promised goods or services shall be identified as separate performance obligations. Promised goods or services give rise to separate performance obligations if they are capable of being distinct.</p>	<p>Our audit procedures included following:</p> <ul style="list-style-type: none"> <li>Considering the appropriateness of the management's accounting policies regarding revenue recognition;</li> <li>Obtained an understanding of management's process over revenue recognition and evaluated design of internal controls around revenue recognition;</li> <li>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing;</li> <li>With regards to subsidiaries and jointly controlled entity included in the consolidated financial statements, we have relied on the respective audited / unaudited separate financial statements made available to us.</li> </ul>
2	<p><b>First time adoption of Ind AS framework</b></p> <p>As disclosed in Note 51 to the accompanying consolidated financial statements, the Group has adopted the Indian Accounting Standards notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('Ind AS') with effect from 1 April 2020 (1 April 2019, being the transition date) and prepared the first set of consolidated financial statements under Ind AS framework in the current year.</p> <p>For periods up to and including the year ended 31 March 2020, the Group has prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or Previous GAAP).</p>	<p>Our procedures in respect of the first- time adoption of Ind AS financial reporting framework included, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>Obtained an understanding of management's processes and controls around adoption of Ind AS. We sought explanations from the management for areas involving complex judgements or interpretations to assess its appropriateness.</li> <li>Reviewed the implementation of exemptions availed and options chosen by the Group in accordance with the requirements of Ind AS 101, First Time Adoption of Indian Accounting Standards (Ind AS 101).</li> <li>Evaluated the accounting policies adopted by the Group on transition to Ind AS and assessed its appropriateness basis our understanding of the</li> </ul>

## INDEPENDENT AUDITORS' REPORT

as at 31 March 2021

Sr. No.	Key Audit Matters	Auditor's response
	<p>This change in the financial reporting framework required an end-to-end evaluation of the potential impact on each component of the financial statement which involved significant efforts required by the management. This process also required the management to apply significant judgements to identify and elect appropriate accounting policies suitable for various transactions and balances relating to operations of the Group including electing of available options for transition of balances as at transition date from the Previous GAAP to Ind AS.</p> <p>Further, the first time preparation of the Ind AS consolidated financial statements involved preparation and presentation of additional notes and disclosures as required by the Ind AS framework as compared to the previous GAAP in addition to Note 51 to the consolidated financial statements setting forth the reconciliation of balances from previous GAAP to Ind AS as at the transition date, and the impact of restatement on the results of the comparative period due to such transition.</p> <p>The areas where there was a significant impact on account of first- time adoption of Ind AS; involved the following standards amongst others:</p> <p>a) Ind AS 109, Financial Instruments</p> <p>b) Ind AS 116, Leases</p> <p>c) Ind AS 115, Revenue from Contracts with customers</p> <p>Considering the significance of the above transition with respect to the financial statements, the complexities and efforts involved, this matter has been determined as a key audit matter for the current year audit.</p>	<p>entity and its operations and the requirements of relevant accounting standards under the Ind AS framework.</p> <ul style="list-style-type: none"> <li>• Evaluated whether the presentation and disclosures in the financial statements are in accordance with the requirements of the applicable standards and regulatory requirements</li> <li>• Evaluated the appropriateness and adequacy of disclosures with respect to the reconciliations prepared and presented by the management in the financial statements in accordance with Ind AS 101.</li> </ul>

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work done / audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The accompanying consolidated financial statements have been approved by the Board of Directors of the Holding Company. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position,



## INDEPENDENT AUDITORS' REPORT

as at 31 March 2021

consolidated financial performance including other comprehensive income, changes in equity and cash flows of the Group, including its jointly controlled entity, in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities; the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the entities included in the Group and its jointly controlled entity are responsible for assessing the ability of the Group and of its jointly controlled entity 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 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 responsible for overseeing the financial reporting process of each entity.

### **Auditors' Responsibility for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## INDEPENDENT AUDITORS' REPORT

as at 31 March 2021

- Obtain sufficient appropriate audit evidence regarding financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for direction, supervision and performance of the audit of the financial information of such entities.

For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) and (b) of the section titled 'Other Matters' in this audit report.

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

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Company and such other subsidiaries included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

### Other Matters

- a. The consolidated annual financial statements include the audited financial statements of two subsidiaries and one step down subsidiary whose financial statements reflect total assets of Rs. 9,936.19 lakhs as at 31 March 2021, total revenue of Rs. 5,463.60 lakhs and total net profit after tax of Rs. 583.04 lakhs respectively, before giving effect to the consolidated adjustments, and net cash inflows of Rs. 189.19 lakhs as considered in the consolidated annual financial statements, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the consolidated annual financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors.

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

- b. The consolidated annual financial statements also include the Group's share of net loss after tax of Rs 0.13 lakhs, before giving effect to the consolidated adjustments, as considered in the consolidated annual financial statements, in respect of the jointly controlled entity. This unaudited financial statement has been furnished to us by the Management and Board of Directors and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management and Board of Directors, this financial statement is not material to the Group.

## INDEPENDENT AUDITORS' REPORT

as at 31 March 2021

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, are not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management and Board of Directors.

- c. The Holding Company had prepared separate sets of statutory consolidated financial statements for the year ended 31 March 2019 and 31 March 2020 in accordance with {Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended)} on which we issued auditor's reports to the shareholders of the Company dated 23 May 2019 and 30 July 2020 respectively. These consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Holding Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of reports of other auditors on separate financial statements and other financial information of such subsidiaries and jointly controlled entity included in the Group, as noted in the 'Other Matters' paragraph, 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 purposes of our audit of the aforesaid consolidated financial statements;
- (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) in our opinion, the aforesaid consolidated financial statements comply with the Ind AS prescribed under Section 133 of the Act;
- (e) on the basis of the written representations received from the directors of the Company as on 31 March 2021 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to the financial statements of the Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

- (g) with respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company incorporated in India, the remuneration paid during the current year by the Company and its subsidiary company incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company and its subsidiary company incorporated in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiaries and jointly controlled entity included in the Group, as noted in the 'Other Matters' paragraph:

- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 47 to the consolidated financial statements;

## INDEPENDENT AUDITORS' REPORT

as at 31 March 2021

- ii the Company and such subsidiaries and jointly controlled entity included in the Group did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses; and
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary company incorporated in India during the year ended 31 March 2021.

**For Saini Pati Shah & Co LLP,**

Chartered Accountants

Firm's Registration No: 137904W/W100622

**Som Nath Saini**

Partner

**Mumbai, June 07, 2021**

Membership No: 093079

UDIN:20093079AAAABG6306

# INDEPENDENT AUDITORS' REPORT

as at 31 March 2021

## Annexure A to the Independent Auditors' Report – 31 March 2021

### Details of entities consolidated

Name	Country on incorporation	% of holding as at 31 March 2021
<b>Subsidiaries / step down subsidiary</b>		
Eltech Engineers Madras Private Limited	India	70%
Narhari Engineering Works (partnership firm)	India	80%
Evigo Charging Consultants Private Limited	India	74%
MEL Power Systems FZC	United Arab Emirates	90%
STI SRL (subsidiary of MEL Power Systems FZC)	Italy	67.50%
<b>Jointly controlled entity</b>		
Automatic Electronic Controls Manufacturing Co. (partnership firm)	India	50%

## Annexure B to the Independent Auditors' Report – 31 March 2021

### Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (1)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Opinion

In conjunction with our audit of the consolidated financial statements of Marine Electricals (India) Limited ("the Company") as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Company and its subsidiary company incorporated in India (the Company and its subsidiary company incorporated in India together referred to as the "Group"), as of that date.

In our opinion, the Company and such subsidiary company incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

# INDEPENDENT AUDITORS' REPORT

as at 31 March 2021

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditors of the relevant subsidiary company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements.

## Meaning of Internal Financial Controls with reference to consolidated financial statements

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

## Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Other Matters

Our aforesaid report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to subsidiary company incorporated in India, is based solely on the report of the auditors of the subsidiary company incorporated in India.

**For Saini Pati Shah & Co LLP,**

Chartered Accountants

Firm's Registration No: 137904W/W100622

**Som Nath Saini**

Partner

**Mumbai, June 07, 2021**

Membership No: 093079

UDIN:20093079AAAABG6306

# CONSOLIDATED BALANCE SHEET

as at 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	3,072.95	3,355.50	2,602.71
Right-to-use asset	43	676.46	983.95	750.87
Capital work in progress	4(i)	-	-	1,443.07
Investment property	5	572.52	640.25	715.99
Other intangible assets	6	528.14	364.47	274.72
Financial assets				
Investments	7	336.62	473.58	344.93
Loans	8	312.57	276.44	247.19
Other financial assets	9	322.82	504.24	45.09
Deferred tax assets (net)	10	29.17	87.92	-
Other non-current assets	11	46.08	44.10	25.23
Non-current tax assets (net)	12	129.41	141.68	130.59
<b>Total non-current assets</b>		<b>6,026.74</b>	<b>6,872.13</b>	<b>6,580.39</b>
<b>Current assets</b>				
Inventories	13	7,920.17	7,476.90	5,040.89
Financial assets				
Trade receivables	14	17,340.18	16,939.08	18,182.47
Cash and cash equivalents	15	426.38	762.74	494.48
Bank balances other than cash and cash equivalents	16	938.84	696.25	1,127.46
Loans	17	833.26	1,242.49	1,221.67
Other financial assets	18	24.33	25.41	72.12
Other current assets	19	4,812.76	4,267.78	2,774.21
<b>Total current assets</b>		<b>32,295.92</b>	<b>31,410.65</b>	<b>28,913.30</b>
<b>Total assets</b>		<b>38,322.66</b>	<b>38,282.78</b>	<b>35,493.69</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	20	2,453.31	2,453.31	2,453.31
Other equity	21	13,845.75	12,550.97	11,709.87
<b>Equity attributable to owners of the Company</b>		<b>16,299.06</b>	<b>15,004.28</b>	<b>14,163.18</b>
Non-controlling interests		700.89	605.62	594.13
<b>Total equity</b>		<b>16,999.95</b>	<b>15,609.90</b>	<b>14,757.31</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	22	861.36	836.74	1,132.59
Lease liabilities	43	132.04	380.01	279.00
Other financial liabilities	23	-	-	18.13
Provisions	24	229.12	229.96	194.26
Deferred tax liabilities (net)	10	-	-	27.98
<b>Total non-current liabilities</b>		<b>1,222.52</b>	<b>1,446.71</b>	<b>1,651.96</b>



## CONSOLIDATED BALANCE SHEET

as at 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	25	4,026.33	3,783.31	4,074.56
Lease liabilities	43	248.06	250.28	109.35
Trade payables:	26			
- Micro and small enterprises		58.11	88.24	-
- Other than micro and small enterprises		12,518.84	14,825.53	12,611.21
Other financial liabilities	27	953.49	909.00	770.98
Other current liabilities	28	2,070.96	1,154.46	1,389.05
Provisions	29	27.03	17.39	8.98
Current tax liabilities (net)	30	197.37	197.96	120.29
<b>Total current liabilities</b>		<b>20,100.19</b>	<b>21,226.17</b>	<b>19,084.42</b>
<b>Total liabilities</b>		<b>21,322.71</b>	<b>22,672.88</b>	<b>20,736.38</b>
<b>Total equity and liabilities</b>		<b>38,322.66</b>	<b>38,282.78</b>	<b>35,493.69</b>

The accompanying notes forms an integral part of these consolidated financial statements

As per our report of even date attached

### For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

#### Som Nath Saini

Partner

Membership No: 093079

#### Venkatesh Uchil

Managing Director

DIN: 01282671

#### Namita Sethia

Chief Financial Officer

Place : Mumbai,

Date : 07 June 2021

Place : Mumbai,

Date : 07 June 2021

### For and on behalf of the Board of Directors of Marine Electricals (India) Limited

#### Vinay Uchil

Chairman and Executive Director

DIN: 01276871

#### Mitali Ambre

Company Secretary and Compliance Officer

Place : Mumbai,

Date : 07 June 2021

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	for the year ended 31 March 2021	for the year ended 31 March 2020
<b>Revenue</b>			
Revenue from operations	31	25,128.66	26,292.52
Other income	32	773.09	606.87
<b>Total income</b>		<b>25,901.75</b>	<b>26,899.39</b>
<b>Expenses</b>			
Cost of materials consumed	33	17,675.88	20,516.75
Changes in inventories of finished goods and work in progress	34	(284.52)	(1,796.22)
Employee benefits expense	35	2,534.42	3,057.92
Finance costs	36	892.76	1,103.88
Depreciation and amortization expense	37	911.62	962.59
Other expenses	38	2,480.12	2,283.10
<b>Total expenses</b>		<b>24,210.28</b>	<b>26,128.02</b>
<b>Profit before share in profit / (loss) of associates &amp; joint ventures and tax</b>		<b>1,691.47</b>	<b>771.37</b>
Share in profit / (loss) of associates and joint ventures		(0.13)	0.08
<b>Profit before tax</b>		<b>1,691.34</b>	<b>771.45</b>
<b>Income tax expense / (credit):</b>			
Current tax		276.91	296.59
Excess / short provision of tax for earlier years		8.09	0.52
Deferred tax charge / (credit)		53.15	(114.29)
		<b>338.15</b>	<b>182.82</b>
<b>Profit after tax</b>		<b>1,353.19</b>	<b>588.63</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement of defined benefit plans		22.21	(6.36)
Income tax relating to items that will not be reclassified to profit or loss		(5.59)	1.60
<b>Items that will be reclassified to profit or loss</b>			
Exchange differences on translation of foreign currency operations		31.36	(293.71)
<b>Other comprehensive income / (loss) for the year</b>		<b>47.98</b>	<b>(298.47)</b>
<b>Total comprehensive income for the year</b>		<b>1,401.17</b>	<b>290.16</b>
<b>Profit attributable to:</b>			
Non-controlling interest		63.47	27.25
Shareholders of the company		1,289.72	561.38
<b>Other comprehensive income attributable to :</b>			
Non-controlling interest		(8.07)	(49.52)
Shareholders of the company		56.05	(248.95)

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	for the year ended 31 March 2021	for the year ended 31 March 2020
<b>Total comprehensive income attributable to :</b>			
Non-controlling interest		55.40	(22.27)
Shareholders of the company		1,345.77	312.43
<b>Earning per share ("EPS")</b>	40		
- Basic and diluted earning per equity share of face value of Rs 2 each		1.05	0.46

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

### For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

#### Som Nath Saini

Partner

Membership No: 093079

#### Venkatesh Uchil

Managing Director

DIN: 01282671

#### Namita Sethia

Chief Financial Officer

### For and on behalf of the Board of Directors of Marine Electricals (India) Limited

#### Vinay Uchil

Chairman and Executive Director

DIN: 01276871

#### Mitali Ambre

Company Secretary and Compliance Officer

Place : Mumbai,

Date : 07 June 2021

Place : Mumbai,

Date : 07 June 2021

Place : Mumbai,

Date : 07 June 2021

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

## A. Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Outstanding as at the beginning of the year	2,453.31	2,453.31	2,453.31
Issued during the year	-	-	-
<b>Outstanding as at the end of the year</b>	<b>2,453.31</b>	<b>2,453.31</b>	<b>2,453.31</b>

## B) Other equity

Particulars	Securities premium	General reserve	Retained earnings	Other comprehensive income	Other component of equity	Capital reserve	Total
<b>Balance as at 1 April 2019 - Previous GAAP</b>	<b>3,983.54</b>	<b>708.10</b>	<b>7,858.89</b>	<b>368.59</b>	<b>-</b>	<b>77.61</b>	<b>12,996.73</b>
<b>Ind-AS transition impact:</b>							
Ind AS 115 - "Revenue from contracts with customers"	-	-	43.59	-	-	-	<b>43.59</b>
Ind AS 116 - "Leases"	-	-	(66.43)	-	-	-	<b>(66.43)</b>
Financial assets measured at amortised cost	-	-	(156.36)	-	-	-	<b>(156.36)</b>
Financial liabilities measured at amortised cost	-	-	(109.38)	-	-	-	<b>(109.38)</b>
Fair value of financial guarantee transferred to other component of equity	-	-	-	-	131.71	-	<b>131.71</b>
Fair value loss of equity instrument in other companies measured at fair value through profit and loss	-	-	(860.43)	(27.66)	-	-	<b>(888.09)</b>
Allocation to non controlling interest	-	-	-	(45.35)	-	-	<b>(45.35)</b>
Others	-	-	(240.88)	-	-	-	<b>(240.88)</b>
Deferred tax on above Ind AS impact	-	-	59.55	-	(15.22)	-	<b>44.33</b>
<b>Balance as at 1 April 2019 - Restated under Ind AS</b>	<b>3,983.54</b>	<b>708.10</b>	<b>6,528.55</b>	<b>295.58</b>	<b>116.49</b>	<b>77.61</b>	<b>11,709.87</b>
Profit for the year	-	-	561.38	-	-	-	561.38
Other comprehensive income for the year	-	-	(4.76)	244.19	-	-	239.43
Fair value of financial guarantee transferred to other component of equity	-	-	-	-	24.95	-	24.95
Others	-	-	15.34	-	-	-	15.34
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>571.96</b>	<b>244.19</b>	<b>24.95</b>	<b>-</b>	<b>841.10</b>
<b>Balance as at 31 March 2020</b>	<b>3,983.54</b>	<b>708.10</b>	<b>7,100.51</b>	<b>539.77</b>	<b>141.44</b>	<b>77.61</b>	<b>12,550.97</b>
Profit for the year	-	-	1,289.72	-	-	-	1,289.72
On account of business combination	-	-	-	-	-	(0.73)	(0.73)
Other comprehensive income for the year	-	-	16.62	(39.43)	-	-	(22.81)
Fair value of financial guarantee transferred to other component of equity	-	-	-	-	28.61	-	28.61
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,306.34</b>	<b>(39.43)</b>	<b>28.61</b>	<b>(0.73)</b>	<b>1,294.78</b>
<b>Balance as at 31 March 2021</b>	<b>3,983.54</b>	<b>708.10</b>	<b>8,406.84</b>	<b>500.34</b>	<b>170.05</b>	<b>76.88</b>	<b>13,845.75</b>

The accompanying notes forms an integral part of these consolidated financial statements

As per our report of even date attached

### For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

**Som Nath Saini**

Partner

Membership No: 093079

**Venkatesh Uchil**

Managing Director

DIN: 01282671

**Namita Sethia**

Chief Financial Officer

### For and on behalf of the Board of Directors of Marine Electricals (India) Limited

**Vinay Uchil**

Chairman and Executive Director

DIN: 01276871

**Mitali Ambre**

Company Secretary and Compliance Officer

Place : Mumbai,  
Date : 07 June 2021

Place : Mumbai,  
Date : 07 June 2021

Place : Mumbai,  
Date : 07 June 2021

## CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Cash flows from operating activities</b>		
Profit before tax for the year	1,691.34	771.45
<i>Adjustments:</i>		
Depreciation and amortization	911.62	962.59
Sundry balances written off	51.73	-
Bad debts written off	504.49	124.40
Provision for bad and doubtful debts	2.33	1.03
Finance costs	892.76	1,103.88
Sundry balances written back	(3.67)	(2.98)
Allowance for expected credit loss written back	(20.56)	(13.76)
Liabilities no longer required written back	(19.25)	-
Loss / (profit) on sale of property, plant and equipment (net)	(9.59)	17.77
Interest income on financial instruments at amortised cost	(31.10)	(25.60)
Gain on sale of investment in other companies by a step down subsidiary	(429.86)	-
Foreign currency translation movement	(21.21)	217.99
<b>Operating cash flows before working capital changes</b>	<b>3,519.02</b>	<b>3,156.77</b>
<b>Working capital movements :</b>		
(Increase) / Decrease in inventories	(443.27)	(2,436.01)
(Increase) / Decrease in trade receivables	(887.36)	1,131.71
(Increase) / Decrease in bank balances other than cash and cash equivalents	(242.58)	431.20
(Increase) / Decrease in loans	351.18	(90.49)
(Increase) / Decrease in other financial assets	182.49	(412.44)
(Increase) / Decrease in other assets	(554.16)	(1,503.94)
Increase / (Decrease) in trade payables	(2,336.82)	2,302.55
Increase / (Decrease) in other financial liabilities	(40.33)	109.09
Increase / (Decrease) in other liabilities	922.01	(231.62)
Increase / (Decrease) in provisions	25.42	39.35
<b>Cash generated from operations</b>	<b>495.61</b>	<b>2,496.17</b>
Income taxes paid, net	(267.72)	(232.13)
<b>Net cash flows generated from / (used in) operating activities (A)</b>	<b>227.89</b>	<b>2,264.04</b>
<b>Cash flows from investing activities</b>		
Purchase of property plant and equipment, investment property and intangible assets (including movement in capital advances, creditors for property, plant and equipment and capital work in progress)	(470.64)	(261.23)
Proceeds from sale of property, plant and equipment	46.13	255.95
Acquisition of equity interest in subsidiary	(2.84)	-
Movement in non-current investments	566.82	(128.65)
<b>Net cash flows generated from / (used in) investing activities (B)</b>	<b>139.47</b>	<b>(133.93)</b>
<b>Cash flows from financing activities</b>		
Proceeds from / (repayment of) non current borrowings (net)	191.04	(287.44)
Proceeds / (repayment of) current borrowings (net)	243.02	(291.25)
Finance costs paid	(887.59)	(1,062.19)
Movement in lease liability (net of finance cost)	(250.19)	(220.97)
<b>Net cash flows generated from / (used in) financing activities ©</b>	<b>(703.72)</b>	<b>(1,861.85)</b>

## CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	(336.36)	268.26
Cash and cash equivalents at the beginning of the year	762.74	494.48
<b>Cash and cash equivalents at the end of the year</b>	<b>426.38</b>	<b>762.74</b>

### Notes to cash flow statement:

1. Component of cash and cash equivalents:

Cash on hand	23.95	13.79
Balances with banks		
- in current accounts	349.65	429.74
- in EEFC accounts	52.78	9.66
- in cash credit accounts	-	309.55
<b>Total cash and cash equivalents</b>	<b>426.38</b>	<b>762.74</b>

2. The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Statement of Cash Flows u/s 133 of Companies Act, 2013 ('Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules 2015 and the relevant provisions of the Act.

The accompanying notes forms an integral part of these consolidated financial statements

As per our report of even date attached

### For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

#### Som Nath Saini

Partner

Membership No: 093079

#### Venkatesh Uchil

Managing Director

DIN: 01282671

#### Namita Sethia

Chief Financial Officer

Place : Mumbai,

Date : 07 June 2021

Place : Mumbai,

Date : 07 June 2021

### For and on behalf of the Board of Directors of Marine Electricals (India) Limited

#### Vinay Uchil

Chairman and Executive Director

DIN: 01276871

#### Mitali Ambre

Company Secretary and Compliance Officer

Place : Mumbai,

Date : 07 June 2021

# NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

## 1. Group Overview

Marine Electricals (India) Limited ("the Company" or "the Holding Company") was incorporated as a private limited company with the name "Marine Electricals (India) Private Limited" on 4 December 2007 under the Companies Act, 1956 by converting a partnership firm with the name "Marine Electricals". On 1 August 2018, the Company was converted into a public limited company and the name got changed to "Marine Electricals (India) Limited". The Company got listed on Small and Medium Enterprises ("SME") platform named EMERGE of National Stock Exchange of India ("NSE") on 11th October 2018 and got migrated to NSE main board with effect from 02 December 2020. The Holding Company along with its subsidiaries collectively referred to as "the Group" in following notes.

The Group is engaged in manufacturing and sale of all types of marine and industrial electrical & electronic components like switch-gears, control-gears etc. and is also engaged in renewable energy sector specifically solar. It also provides services like designing, fabricating etc. for all types of electrical & electronic installations in India and abroad and undertake annual maintenance contracts.

Following are the details of the entities consolidated in these financial statements:

Name of the entities	Country of incorporation	% equity interest		
		31 March 2021	31 March 2020	01 April 2019
<b>Subsidiaries / step down subsidiary</b>				
Eltech Engineers Madras Private Limited	India	70%	70%	70%
Narhari Engineering Works (partnership firm)	India	80%	80%	80%
Evigo Charging Consultants Private Limited	India	74%	-	-
MEL Power Systems FZC	United Arab Emirates	90%	90%	90%
STISRL (subsidiary of MEL Power Systems FZC)	Italy	67.50%	67.50%	67.50%
<b>Jointly controlled entity</b>				
Automatic Electronic Controls Manufacturing Co. (partnership firm)	India	50%	50%	50%

## 2. Statement of compliance and basis of preparation and presentation

### 2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules as amended from time to time and notified under section 133 of the Companies Act, 2013 ("the Act") and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act.

For all periods up to and including the year ended 31 March 2020, the Company prepared its consolidated financial statements in accordance with the generally accepted accounting principles in India ("Indian GAAP") under the historical cost convention as a going concern and on accrual basis, unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules as amended from time to time, collectively referred as "Previous GAAP".

These are the first consolidated financial statements of the Company prepared in accordance with Ind AS. Accordingly, Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. Refer note 51 for an explanation of how the transition from Previous GAAP to Ind AS has affected the previously reported financial position, total equity, total comprehensive income and cash flow of the Company.

These consolidated financial statements for the year ended 31 March 2021 were authorised and approved for issue by the Company's Board of Directors at its meeting held on 07 June 2021.



## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

### 2.2 Basis of preparation and measurement

These financial statements have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period (refer accounting policy regarding financial instruments, refer note 3.11).

#### Fair value measurement

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

Level 1- Quoted (Unadjusted) marked prices in the 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.

### 2.3 Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI') of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.4 Current Versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current non-current classification of assets and liabilities.

### 2.5 Critical accounting judgements and use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. The actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.

Accounting estimates and judgements are used in various line items in the financial statements for e.g.:

#### Property, plant and equipment

The management engages internal technical team to assess the remaining useful lives and residual value of property, plant and equipment annually in order to determine the amount of depreciation to be recorded during any reporting period. The management believes that the assigned useful lives and residual value are reasonable.

#### Income taxes

The management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets / liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

#### Contingencies

The management's judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

#### Expected credit losses on financial assets:

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

### **Effective Interest Rate (EIR) Method:**

The Group recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other income/expense that are integral parts of the instrument.

### **Fair value measurements and valuation processes:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation technique that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## **3. Significant Accounting Policies**

### **3.1 Functional and presentation currency**

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

### **3.2 Property, plant and equipment**

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Group and cost of the item can be measured reliably. All other repair and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

On transition to Ind AS, the Group has elected to continue with the carrying value of its property, plant and equipment recognised as at April 1, 2019 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

For entities other than subsidiaries incorporated outside India i.e. MEL Power Systems FZC and STI SRL, depreciation on property, plant and equipment is provided on written down value method over the useful lives of assets as prescribed under Schedule II to the Companies Act, 2013. Based on past experience and internal technical evaluation, the management believes that these useful lives represent the appropriate period of usage and therefore, considered to be appropriate for charging depreciation. In case of subsidiaries incorporated outside India, depreciation on property, plant and equipment is provided on a straight-line basis over the expected useful life and in case of STI S.R.L. for the first year of entry into operations of the assets, they are reduced by 50% as representative of the effective participation in the production process which can be considered as average at half year.

Depreciation on addition (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which assets is ready for use (disposed of).

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

The estimated useful lives of the property, plant and equipment considered by the Company are as follows:

<b>Tangible Assets</b>	<b>Estimated useful life (in Years)</b>
Buildings	30
Plant and machinery	15
Plant and machinery – Drilling Rig	30
Computers	3
Furniture and fixtures	10
Vehicles	8
Office equipment	3-5

Leasehold improvements are amortised over the lower of estimated useful life as per Schedule II or intended lease period.

Assets residual values, depreciation method and useful lives are reviewed at the end of financial year considering the physical condition of the assets or whenever there are indicators for review and adjusts residual life prospectively.

### **Derecognition**

An item of property, plant and equipment and any significant component initially recognised 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 / significant component (calculated as the difference between the net disposal proceeds and the carrying amount of the asset / significant component) is recognised in statement of profit and loss, when the asset is derecognised.

### **3.3 Investment Property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Group and cost of the item can be measured reliably. All other repair and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Depreciation on investment property is provided on the written down value method over their estimated useful lives. However, where the management's estimate of the remaining useful life of the assets on a review subsequent to the time of acquisition is different, then depreciation is provided over the remaining useful life based on the revised useful life.

### **3.4 Intangible assets**

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

For entities other than subsidiaries incorporated outside India, intangible assets, other than license and intellectual property rights, are amortised on a written down value method in accordance with the useful life prescribed in Schedule II to the Act. In case of subsidiaries incorporated outside India, intangible assets are amortised on a straight-line basis over their estimated useful life.

The estimated useful lives of the intangible assets considered by the Company are as follows:

<b>Intangible Assets</b>	<b>Estimated useful life (in Years)</b>
Software	3

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

License and Intellectual Property Rights are amortised on a straight-line basis over a period of five years.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the statement of profit and loss.

### 3.5 Assets held for sale

Non-current assets, or disposal groups are classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to the statement of profit and loss. The same applies to gains and losses on subsequent remeasurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the accounting policies. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

### 3.6 Foreign currency translation

#### Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

#### Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

### 3.7 Taxes

Tax expense comprises of current and deferred tax.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. Minimum Alternative Tax ("MAT") credit is recognised as deferred tax asset based on evidence that the Group will pay normal income tax during the specified period. Significant judgments are involved in determining the future taxable income and future book profits, including amount of MAT credit available for set-off.

### 3.8 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods, including freight, octroi and other levies.

Cost is determined under the weighted average cost method and includes all costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work in progress further includes direct labour and an appropriate share of production overheads as applicable.

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

Due allowances are made for defective, obsolete and slow-moving inventory, wherever necessary, based on management estimates and past experiences of the Group.

### 3.9 Revenue recognition

Revenue from contract with customers is recognized when the Group satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. Control is defined as the ability to direct the use of and obtain substantially all of the economic benefits from an asset. Revenue excludes taxes collected from customers.

Revenue is measured based on the transaction price, which is the expected consideration to be received, to the extent that it is highly probable that there will not be a significant reversal of revenue in future periods. If the consideration in a contract includes a variable amount, at the inception of the contract, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer.

At the inception of the contract, the Group identifies the goods or services promised in the contract and assess which of the promised goods or services shall be identified as separate performance obligations. Promised goods or services give rise to separate performance obligations if they are capable of being distinct.

Revenue from the delivery of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual terms agreed in the customer contract. Revenue from support services is recognized on rendering of services in accordance with the contractual agreement with the customers.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

### **Contract balances:**

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Contract asset, which is presented as unbilled revenue, is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. Contract liabilities include, and are presented as 'Revenue received in advance' and 'Advances from customers'.

### **3.10 Other income**

#### **Interest income**

Interest income is recognized as it accrues in the statement of profit and loss using effective interest rate method.

#### **Duty drawback**

Duty drawback is recognized basis entitlement upon exports made. Provision is made for duty drawback entitlement pending to be received towards end of the year on exports made during the year.

Net gain loss on fair value change

The Group recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL on net basis. However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the statement of profit and loss.

### **3.11 Financial instruments:**

**liability or equity instrument of another entity.**

#### **i. Financial assets**

##### **Initial recognition and measurement**

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

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified as:

- Debt instruments assets at amortised cost
- Equity instrument measured at fair value through profit or loss (FVTPL)

When assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit and loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

##### **Debt instruments at amortised cost**

A debt instrument is measured at amortised cost (net of any write down for impairment) if both the following conditions are met:

- the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes), and
- 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.



## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

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 and loss. The losses arising from impairment are recognised statement of profit and loss. This category generally applies to trade and other receivables

### **Financial assets at fair value through OCI (FVTOCI)**

A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through profit and loss under fair value option.

- The financial asset is held both to collect contractual cash flows and to sell.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

### **Financial assets at fair value through profit and loss (FVTPL)**

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

All investments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss

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

### **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 Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group has not made any such election. This classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, 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 Group 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

Equity investment in subsidiary are measured at cost.

### **Derecognition**

When the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either
  - (a) the Group has transferred substantially all the risks and rewards of the asset, or
  - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a bases that reflect the rights and obligations that the Group 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 Group could be required to repay.

### **Impairment of financial assets**

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

## **ii. Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortised cost, as appropriate.

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

The Group's financial liabilities include trade payables and other payables.

### **Subsequent measurement**

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

#### **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and 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.

#### **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 and loss.

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

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

## **iv. Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

### 3.12 Impairment of non-financial assets

Non-financial assets including Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the consolidated statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

### 3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash in hand and short-term investments 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 Group's cash management.

### 3.14 Provisions, contingent liabilities and contingent assets

#### Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

#### Provision for warranty

Product warranty costs are accrued in the year of sale of products, based on past experiences. The Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary.

#### Contingent liabilities and contingent assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements

Contingent assets are not recognized in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

### 3.15 Government grants

Grants from the government are recognised where there is reasonable assurance that the grant will be received and the Group will comply with required conditions. Export incentive under duty drawback are accrued when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

### 3.16 Borrowing costs

'Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

### 3.17 Employee benefits

#### Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salary, wages, short-term compensated absences, performance incentives, etc. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period of rendering of service by the employee.

#### Long-term employee benefits:

##### (i) Defined contribution plans:

The Group's contribution to provident fund, superannuation fund, employee state insurance scheme and labour welfare fund are considered as defined contribution plans. The Group's contribution paid / payable under the plans are recognised as an expense in the consolidated statement of profit and loss during the period in which the employee renders the related service.

##### (ii) Defined benefits plan:

###### Post-employment benefit:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The present value of the obligation under such defined benefit plan is determined based on independent actuarial valuation at the balance sheet date using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the consolidated statement of profit and loss.

###### Other long-term employment benefit:

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive encashment on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

### 3.18 Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. The Group has applied Ind AS 116 'Leases' (Ind AS 116) with a date of initial application of 1 April 2019 using modified retrospective approach, under which the cumulative effect of initial application is recognized as at 1 April 2019.

At inception of contract, the Group assesses whether the Contract is, or contains, a lease. 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. At inception or on reassessment of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of their relative consolidated price.

#### As a lessee:

From April 1, 2019, leases are recognised as a Right-of-Use (RoU) asset at cost with a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets in accordance with Ind AS 116 'Leases'.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs etc.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

#### As a lessor:

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income on such operating leases are recognised in the statement of profit and loss on an accrual basis in accordance with the lease agreement. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### 3.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

### 3.20 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

### 3.21 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

### 3.22 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

### 3.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (“CODM”) of the Group.

# NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

## 4 Property, plant and equipment

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Leasehold land	Freehold land	Buildings	Plant and machinery (including drilling rig)	Computers	Furniture and fixtures	Leasehold improvements	Vehicles	Office equipments	Total
<b>Gross block:</b>										
Net block as at 01 April 2019 - Previous GAAP	382.35	197.03	1,366.29	1,535.92	13.45	63.71	17.48	148.08	22.93	3,747.24
<i>Ind AS transition impact:</i>										
- Reclassification to investment property	-	-	(715.99)	-	-	-	-	-	-	(715.99)
- Ind AS 116 impact	(382.35)	-	-	-	-	-	-	-	-	(382.35)
- Depreciation upto the date of transition to Ind AS on revaluation under Previous GAAP	-	-	(17.09)	(29.10)	-	-	-	-	-	(46.19)
<b>As at 01 April 2019 - Restated under Ind AS</b>	<b>-</b>	<b>197.03</b>	<b>633.21</b>	<b>1,506.82</b>	<b>13.45</b>	<b>63.71</b>	<b>17.48</b>	<b>148.08</b>	<b>22.93</b>	<b>2,602.71</b>
Additions	-	-	1,388.66	105.51	11.19	0.52	-	3.88	8.32	1,518.08
Disposals	-	(46.82)	(156.99)	(91.99)	-	-	-	(5.44)	-	(301.24)
Foreign currency translations	-	2.26	6.91	0.03	0.05	0.48	-	0.88	0.88	11.49
<b>As at 31 March 2020</b>	<b>-</b>	<b>152.47</b>	<b>1,871.79</b>	<b>1,520.37</b>	<b>24.69</b>	<b>64.71</b>	<b>17.48</b>	<b>147.40</b>	<b>32.13</b>	<b>3,831.04</b>
Additions	-	-	51.41	17.13	10.53	8.13	-	54.00	32.85	174.05
Disposals	-	-	-	(38.02)	-	-	-	(17.57)	(0.16)	(55.75)
Foreign currency translations	-	0.41	2.31	(0.00)	(0.02)	0.15	-	1.19	0.71	4.75
<b>As at 31 March 2021</b>	<b>-</b>	<b>152.88</b>	<b>1,925.51</b>	<b>1,499.48</b>	<b>35.20</b>	<b>72.99</b>	<b>17.48</b>	<b>185.02</b>	<b>65.53</b>	<b>3,954.09</b>
<b>Accumulated depreciation:</b>										
Charge for the year	-	-	184.52	239.26	10.91	19.40	4.52	34.01	9.58	502.20
Disposals	-	-	-	(22.86)	-	-	-	(4.66)	-	(27.52)
Foreign currency translations	-	-	0.29	0.01	0.02	0.18	-	0.17	0.19	0.86
<b>As at 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>184.81</b>	<b>216.41</b>	<b>10.93</b>	<b>19.58</b>	<b>4.52</b>	<b>29.52</b>	<b>9.77</b>	<b>475.54</b>
Charge for the year	-	-	169.25	190.35	8.61	11.74	3.35	32.42	7.88	423.60
Disposals	-	-	-	(10.37)	-	-	-	(8.71)	(0.13)	(19.21)
Foreign currency translations	-	-	0.49	(0.00)	(0.01)	0.10	-	0.35	0.28	1.21
<b>As at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>354.55</b>	<b>396.39</b>	<b>19.53</b>	<b>31.42</b>	<b>7.87</b>	<b>53.58</b>	<b>17.80</b>	<b>881.14</b>
<b>Net block:</b>										
<b>As at 01 April 2019</b>	<b>-</b>	<b>197.03</b>	<b>633.21</b>	<b>1,506.82</b>	<b>13.45</b>	<b>63.71</b>	<b>17.48</b>	<b>148.08</b>	<b>22.93</b>	<b>2,602.71</b>
<b>As at 31 March 2020</b>	<b>-</b>	<b>152.47</b>	<b>1,686.98</b>	<b>1,303.96</b>	<b>13.76</b>	<b>45.13</b>	<b>12.96</b>	<b>117.88</b>	<b>22.36</b>	<b>3,355.50</b>
<b>As at 31 March 2021</b>	<b>-</b>	<b>152.88</b>	<b>1,570.96</b>	<b>1,103.09</b>	<b>15.67</b>	<b>41.57</b>	<b>9.61</b>	<b>131.44</b>	<b>47.73</b>	<b>3,072.95</b>

### Notes:

- For Property, plant and equipment existing as on 1 April 2019, i.e., its date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed cost.
- Refer note 22 and 25 for information on property, plant and equipment pledged as security by the Group.
- Refer note 48 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

### 4(i) Capital work-in-progress:

Particulars	Amount
<b>As at 01 April 2019</b>	<b>1,443.07</b>
Addition during the year	-
Capitalised during the year	(1,443.07)
<b>As at 31 March 2020</b>	<b>-</b>
Addition during the year	-
Capitalised during the year	-
<b>As at 31 March 2021</b>	<b>-</b>



## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 5 Investment property

Particulars	Buildings
<b>Gross block:</b>	
Net block as at 01 April 2019 - Previous GAAP	-
<i>Ind AS transition impact:</i>	
- Reclassification from property, plant and equipment	715.99
<b>As at 01 April 2019 - Restated under Ind AS</b>	<b>715.99</b>
Additions	-
Disposals	-
<b>As at 31 March 2020</b>	<b>715.99</b>
Additions	-
Disposals	-
<b>As at 31 March 2021</b>	<b>715.99</b>
<b>Accumulated depreciation :</b>	
Charge for the year	75.74
Disposals	-
<b>As at 31 March 2020</b>	<b>75.74</b>
Charge for the year	67.73
Disposals	-
<b>As at 31 March 2021</b>	<b>143.47</b>
<b>Net block:</b>	
<b>As at 01 April 2019</b>	<b>715.99</b>
<b>As at 31 March 2020</b>	<b>640.25</b>
<b>As at 31 March 2021</b>	<b>572.52</b>

#### Notes

- For investment property existing as on 1 April 2019, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost.
- Investment property comprise of a commercial building that is leased to third party. Subsequent renewal of license agreement are negotiated with the tenant and average renewal period ranges between three and five years.
- The Company has not obtained valuation report from an independent registered valuer to determine the fair value of its investment property as at the reporting dates. Accordingly, fair value disclosure as required under Ind AS 40 - Investment Property is not provided.
- Refer note 22 and 25 for information on investment property pledged as security by the Company.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 6 Other intangible assets

Particulars	Goodwill	License	Softwares	Intellectual Property Rights	Other intangible assets of foreign step down subsidiary	Total
<b>Gross block:</b>						
Net block as at 01 April 2019 - Previous GAAP <i>Ind AS transition impact:</i>	250.00	-	27.33	-	247.39	524.72
- Goodwill under Previous GAAP transferred to retained earning on transition to Ind AS	(250.00)	-	-	-	-	(250.00)
<b>As at 01 April 2019 - Restated under Ind AS</b>	<b>-</b>	<b>-</b>	<b>27.33</b>	<b>-</b>	<b>247.39</b>	<b>274.72</b>
Additions	-	33.75	21.28	100.00	8.34	163.37
Disposals	-	-	-	-	-	-
Foreign currency translations	-	-	-	-	16.76	16.76
<b>As at 31 March 2020</b>	<b>-</b>	<b>33.75</b>	<b>48.61</b>	<b>100.00</b>	<b>272.49</b>	<b>454.85</b>
Additions	-	33.75	34.88	-	196.25	264.88
Disposals	-	-	-	-	-	-
Foreign currency translations	-	-	0.39	-	12.72	13.11
<b>As at 31 March 2021</b>	<b>-</b>	<b>67.50</b>	<b>83.88</b>	<b>100.00</b>	<b>481.46</b>	<b>732.84</b>
<b>Accumulated depreciation :</b>						
Charge for the year	-	3.10	19.80	16.71	49.18	88.79
Disposals	-	-	-	-	-	-
Foreign currency translations	-	-	-	-	1.59	1.59
<b>As at 31 March 2020</b>	<b>-</b>	<b>3.10</b>	<b>19.80</b>	<b>16.71</b>	<b>50.77</b>	<b>90.38</b>
Charge for the year	-	11.51	19.75	18.48	61.78	111.52
Disposals	-	-	-	-	-	-
Foreign currency translations	-	-	-	-	2.80	2.80
<b>As at 31 March 2021</b>	<b>-</b>	<b>14.61</b>	<b>39.55</b>	<b>35.19</b>	<b>115.35</b>	<b>204.70</b>
<b>Net block:</b>						
<b>As at 01 April 2019</b>	<b>-</b>	<b>-</b>	<b>27.33</b>	<b>-</b>	<b>247.39</b>	<b>274.72</b>
<b>As at 31 March 2020</b>	<b>-</b>	<b>30.65</b>	<b>28.81</b>	<b>83.29</b>	<b>221.72</b>	<b>364.47</b>
<b>As at 31 March 2021</b>	<b>-</b>	<b>52.89</b>	<b>44.33</b>	<b>64.81</b>	<b>366.11</b>	<b>528.14</b>

#### Note

1. For intangible assets existing as on 1 April 2019, i.e., its date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed cost.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 7 Investments (Non-current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Measured at fair value through Profit &amp; Loss:</b>			
<b>(i) Investments in equity instruments of other companies (unquoted):</b>			
Investment in other companies	333.86	470.69	340.72
<b>Measured at equity accounting</b>			
<b>(i) Investment in jointly controlled entity:</b>			
Capital in Automatic Electronic Controls Manufacturing Co. (a partnership firm)	2.76	2.89	4.21
	<b>336.62</b>	<b>473.58</b>	<b>344.93</b>
Aggregate amount of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate amount of unquoted investments	336.62	473.58	344.93
Aggregate amount of impairment in value of investment	-	-	-

#### Notes:

#### Details of investments in partnership firms

Name of Partner	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	% Share	Capital	% Share	Capital	% Share	Capital
<b>Automatic Electronic Controls Manufacturing Co.</b>						
Marine Electricals (India) Limited	50%	2.76	50%	2.89	50%	4.21
KDU Enterprises Private Limited	50%	4.16	50%	4.29	50%	5.70
		<b>6.92</b>		<b>7.18</b>		<b>9.91</b>

### 8 Loans (Non-current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Lease deposits:			
- related parties (Refer note 42)	307.85	271.93	242.92
- others	4.72	4.51	4.27
	<b>312.57</b>	<b>276.44</b>	<b>247.19</b>
<b>Loans can be categorised as follows:</b>			
(a) Loans receivables considered good - secured	-	-	-
(b) Loans receivables considered good - unsecured	312.57	276.44	247.19
(c) Loans receivables which have significant increase in credit risk	-	-	-
(d) Loans receivables - credit impaired	-	-	-
	<b>312.57</b>	<b>276.44</b>	<b>247.19</b>

### 9 Other financial assets (Non-current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Security deposits	21.81	18.01	20.80
Margin money deposits*	301.01	486.23	24.29
	<b>322.82</b>	<b>504.24</b>	<b>45.09</b>

\* The deposits are pledged against bank guarantees issued and for cash credit / letter of credit facilities.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 10 Deferred tax assets / liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Deferred tax assets:</b>			
Provision allowed under tax on payment basis	82.61	81.14	71.02
Share issue expenses allowable u/s 35D of the Income-tax Act, 1961	20.08	30.13	55.77
Measurement of financial assets and liabilities at amortised cost, net	25.34	28.35	40.72
Ind AS 116 - "Leases"	38.31	31.95	22.69
Ind AS 115 - "Revenue from contracts with customers"	(30.66)	31.45	(15.23)
Others	2.64	8.32	-
<b>Total deferred tax asset (A)</b>	<b>138.32</b>	<b>211.34</b>	<b>174.97</b>
<b>Deferred tax liabilities</b>			
Accelerated depreciation for tax purpose	109.15	123.42	202.95
<b>Total deferred tax liability (B)</b>	<b>109.15</b>	<b>123.42</b>	<b>202.95</b>
<b>Net Deferred tax Assets / (liabilities) (A-B)</b>	<b>29.17</b>	<b>87.92</b>	<b>(27.98)</b>

### 11 Other non-current assets

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Prepaid expenses	37.53	28.35	17.98
Capital advances	8.55	15.75	7.25
	<b>46.08</b>	<b>44.10</b>	<b>25.23</b>

### 12 Non-current assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Advance tax and tax deducted at source (net of provision for tax)	129.41	141.68	130.59
	<b>129.41</b>	<b>141.68</b>	<b>130.59</b>

### 13 Inventories

(valued at lower of cost and net realisable value, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Raw materials	3,178.47	3,044.53	2,453.43
Work in progress	4,720.37	4,367.30	2,517.07
Finished goods	21.33	59.25	63.67
Stores, spares and consumables	-	5.82	6.72
	<b>7,920.17</b>	<b>7,476.90</b>	<b>5,040.89</b>

Refer note 22 and 25 for details of inventories pledged against borrowings by the Company.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 14 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Trade receivables	17,457.97	17,097.67	18,370.94
Less: Allowance for expected credit loss	(117.79)	(158.59)	(188.47)
	<b>17,340.18</b>	<b>16,939.08</b>	<b>18,182.47</b>

Refer note 42 for details about related party trade receivables and refer note 22 and 25 for details of trade receivables pledged against borrowings by the Group.

#### Receivables can be categorised as follows:

(a) Trade receivables considered good - secured	-	-	-
(b) Trade receivables considered good - unsecured	17,457.97	17,097.67	18,370.94
(c) Trade receivables which have significant increase in credit risk	-	-	-
(d) Trade receivables - credit impaired	-	-	-
	<b>17,457.97</b>	<b>17,097.67</b>	<b>18,370.94</b>
Less: Allowance for expected credit loss	(117.79)	(158.59)	(188.47)
	<b>17,340.18</b>	<b>16,939.08</b>	<b>18,182.47</b>

### 15 Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Cash on hand	23.95	13.79	10.11
Balances with banks:			
- in current accounts	349.65	429.74	349.33
- in EEFC account	52.78	9.66	67.05
- in cash credit accounts (Refer note 25 (c))	-	309.55	67.99
	<b>426.38</b>	<b>762.74</b>	<b>494.48</b>

### 16 Bank balances other than cash and cash equivalents above

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Margin money deposits*	938.84	696.25	1,127.46
	<b>938.84</b>	<b>696.25</b>	<b>1,127.46</b>

\* The deposits are pledged against bank guarantees issued and for cash credit / letter of credit facilities.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 17 Loans (Current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Unsecured, considered good :</b>			
Lease deposits:	7.74	7.74	8.30
Loans	747.50	1,100.50	1,081.47
Staff loans and advances	69.84	125.34	121.87
Other receivables	8.18	8.91	10.03
Loans receivables - credit impaired	23.66	23.66	23.66
Less: Allowance for expected credit loss	(23.66)	(23.66)	(23.66)
	<b>833.26</b>	<b>1,242.49</b>	<b>1,221.67</b>
<b>Loans can be categorised as follows:</b>			
((a) Loans receivables considered good - secured	-	-	-
(b) Loans receivables considered good - unsecured	833.26	1,242.49	1,221.67
(c) Loans receivables which have significant increase in credit risk	-	-	-
(d) Loans receivables - credit impaired	23.66	23.66	23.66
	<b>856.92</b>	<b>1,266.15</b>	<b>1,245.33</b>
Less: Allowance for expected credit loss	(23.66)	(23.66)	(23.66)
	<b>833.26</b>	<b>1,242.49</b>	<b>1,221.67</b>

### 18 Other financial assets (Current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Unsecured, considered good :</b>			
Security deposits	24.33	25.41	72.12
<b>Unsecured, considered doubtful :</b>			
Other receivables - credit impaired	4.84	4.84	4.84
Less: Allowance for expected credit loss	(4.84)	(4.84)	(4.84)
	<b>24.33</b>	<b>25.41</b>	<b>72.12</b>

### 19 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Balances with government authorities	650.59	267.50	25.37
Contract assets	183.48	-	43.59
Advances to suppliers			
- related parties (Refer note 42)	372.17	350.03	340.00
- others	2,231.00	2,065.06	1,803.41
Interest accrued on deposits	82.05	46.40	32.23
Prepaid expenses	348.85	455.89	230.26
Other receivables	944.62	1,082.90	299.36
	<b>4,812.76</b>	<b>4,267.78</b>	<b>2,774.21</b>

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 20 Equity share capital

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Authorised :</b>			
15,00,00,000 (31 March 2020: 3,00,00,000, 01 April 2019: 2,50,00,000) equity shares of Rs. 2 each (31 March 2020: Rs 10 each. 01 April 2019: Rs 10each)	3,000.00	3,000.00	2,500.00
	<b>3,000.00</b>	<b>3,000.00</b>	<b>2,500.00</b>
<b>Issued, subscribed and paid-up capital :</b>			
12,26,65,250 (31 March 2020: 2,45,33,050, 01 April 2019: 2,45,33,050) equity shares of Rs. 2 each (31 March 2020: Rs 10 each. 01 April 2019: Rs 10each), fully paid-up	2,453.31	2,453.31	2,453.31
	<b>2,453.31</b>	<b>2,453.31</b>	<b>2,453.31</b>

#### a) Reconciliation of the number of shares:

Particulars	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Outstanding as at the beginning of the year	24,533,050	2,453.31	24,533,050	2,453.31	24,533,050	2,453.31
Equity shares arising on sub-division of face value from Rs 10 to Rs 2 per equity share #	98,132,200	-	-	-	-	-
Outstanding as at the end of the year	<b>122,665,250</b>	<b>2,453.31</b>	<b>24,533,050</b>	<b>2,453.31</b>	<b>24,533,050</b>	<b>2,453.31</b>

# The equity shares of the Company, during the current year, have been sub-divided from existing face value of Rs 10 per equity share to face value of Rs 2 per equity share based on approval by the shareholders through postal ballot resolution on 04 February 2021.

#### b) Rights, preference and restrictions attached to the equity shares:

The Company has single class of equity shares having a par value of Rs. 2 each. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of 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.

#### c) List of shareholders holding more than 5% shares of a class of shares:

	As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
	No. of Share	%of holding	No. of Share	%of holding	No. of Share	%of holding
KDU Enterprises Private Limited	63,406,875	51.69%	12,681,375	51.69%	12,681,375	51.69%
Mr. Venkatesh K. Uchil	26,772,375	21.83%	5,354,475	21.83%	5,354,475	21.83%

d) The Company has neither allotted any fully paid-up equity share by way of bonus shares, or in pursuant to contract without payment being received in cash nor has bought back any class of equity shares during the period of five year immediately preceding the balance sheet date.



## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 21 Other equity

Particulars	As at		As at
	31 March 2021	31 March 2020	1 April 2019
Securities premium	3,983.54	3,983.54	3,983.54
General reserve	708.10	708.10	708.10
Retained earnings	8,406.84	7,100.51	6,528.55
Other comprehensive income	500.34	539.77	295.58
Other component of equity	170.05	141.44	116.49
Capital reserve	76.88	77.61	77.61
	<b>13,845.75</b>	<b>12,550.97</b>	<b>11,709.87</b>

#### Nature and purpose of reserves:

**Securities premium :** Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provision of the Companies Act, 2013

**General reserve :** General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer of one component of equity to another.

**Retained earnings :** Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders. Further, it also includes the impact of remeasurements of the defined benefit obligations, net of tax.

**Other comprehensive income :** Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

**Other component of equity :** Other component of equity represents fair value of financial guarantee.

**Capital reserve :** Capital reserve is created for bargain purchase at the time of acquisitions.

### 22 Borrowings (Non-current)

Particulars	As at		As at		As at	
	31 March 2021		31 March 2020		1 April 2019	
	Non current	Current	Non current	Current	Non current	Current
<b>Secured :</b>						
<b>Term loans :</b>						
<b>(a) From banks :</b>						
(i) Vehicle loan {refer note (a) to (c)}	6.75	22.95	25.64	20.25	43.36	20.07
(ii) Other term loan {refer note (d) to (h)}	844.76	505.21	778.69	266.93	1,028.20	320.03
<b>(b) From others:</b>						
Vehicle loan {refer note (i) and (j)}	-	-	-	8.43	8.26	15.83
<b>Unsecured :</b>						
<b>Term loans :</b>						
(a) From banks {refer note (k)} and (l)	9.85	31.27	30.25	52.48	33.86	14.20
(b) From others {refer note (m) and (n)}	-	3.14	2.15	50.76	18.90	20.32
	<b>861.36</b>	<b>562.57</b>	<b>836.74</b>	<b>398.85</b>	<b>1,132.59</b>	<b>390.45</b>

(a) Indian rupee vehicle loans from ICICI Bank Limited outstanding of Rs 4.08 lakhs as at 31 March 2021 (31 March 2020: Rs 5.32 lakhs; 1 April 2019: Rs 5.36 Lakhs) taken by the Company is secured against hypothecation of vehicles is repayable in 60 monthly installments. The loans carry interest ranging from 9.00% p.a. to 9.75% p.a. (31 March 2020: 9.00% p.a. to 9.75% p.a.; 1 April 2019: 9.00% p.a. to 11.26% p.a.)

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Indian rupee vehicle loan from ICICI Bank Limited outstanding of Rs 18.60 Lakhs as at 31 March 2021 (31 March 2020: Rs 34.35 Lakhs; 1 April 2019: Rs 48.87 Lakhs) taken by Narhari Engineering Works, is secured against hypothecation of vehicle and is repayable in 60 monthly installments. The loan carries an interest of 8.26% p.a. (31 March 2020: 8.26% p.a.; 1 April 2019: 8.26% p.a.).

- (b) Indian rupee vehicle loan from Yes Bank Limited outstanding of Rs 2.97 lakhs as at 31 March 2021 (31 March 2020: Rs 6.22 lakhs; 1 April 2019: Rs 9.20 Lakhs) taken by the Company is secured against hypothecation of the vehicle is repayable in 37 monthly installments. The loan carries an interest of 9.50% p.a. (31 March 2020: 9.50% p.a.; 1 April 2019: 9.50% p.a.).
- (c) Indian rupee vehicle loan from Axis Bank Limited outstanding of Rs 4.05 lakhs as at 31 March 2021 (31 March 2020: Nil; 1 April 2019: Nil) taken by the Company is secured against hypothecation of the vehicle is repayable in 36 monthly installments. The loan carries an interest of 8.76% p.a. (31 March 2020: Nil; 1 April 2019: Nil).
- (d) Foreign Currency Non-Resident (Bank) "FCNR(B)" term loan from ICICI Bank Limited outstanding of Rs Nil as at 31 March 2021 (31 March 2020: Rs Nil; 1 April 2019: USD 15,945 equivalent to Rs 11.13 Lakhs) taken by the Company is primarily secured by equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company. The loan is collaterally secured by equitable mortgage of commercial property at C1 and C2, Udyog Sadan 3, MIDC, Andheri East, Mumbai which is owned by KDU Enterprises Private Limited, the Holding Company and also subservient hypothecation charge on current assets i.e. entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movable including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank. The loan is repayable in 30 monthly installments. The loan carries an interest of Nil (31 March 2020: Nil; 1 April 2019: LIBOR 3M + 4.05%). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

The tenure of the loan had completed and the loan has been repaid back by the Company during the year ended 31 March 2020.

Indian rupee term loan from ICICI Bank Limited outstanding of Rs Nil as at 31 March 2021 (31 March 2020: Rs 20.46 Lakhs; 1 April 2019: Rs 100.91 Lakhs) taken by the Company is primarily secured by charge on all of the Company's fixed assets (Plant and Machinery) funded by the loan. The loan is collaterally secured by equitable mortgage of commercial property at C1 and C2, Udyog Sadan 3, MIDC, Andheri East, Mumbai which is owned by KDU Enterprises Limited, the Holding Company, (after providing 1.5 times cover to the primary collateral of FCNR(B) term loan mentioned above) equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company and also subservient hypothecation charge on current assets i.e. entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movable including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank. The loan is repayable in 13 quarterly installments. The loan carries an interest of Nil (31 March 2020: I-MCLR 1 Year + Spread of 1.90% p.a.; 1 April 2019: I-MCLR 1 Year + Spread of 1.90% p.a.). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

The tenure of the loan had completed and the loan has been repaid back by the Company during the current year.

- (e) Indian rupee term loan from Kotak Mahindra Bank Limited outstanding of Rs 901.23 Lakhs as at 31 March 2021 (31 March 2020: Rs 1,025.16 Lakhs; 1 April 2019: Rs 1,232.23 Lakhs) taken by the Company is primarily secured by equitable mortgage of industrial property at plot no. 54, 57, 55 and 56, Verna Industrial Estate, Phase IV, Salcete, Goa. The loan is repayable in 60 monthly installments. The loan carries an interest of K-MCLR 6M + Spread of 1.15% p.a. (31 March 2020: K-MCLR 6M + Spread of 1.15% p.a.; 1 April 2019: K-MCLR 6M + Spread of 1.15% p.a.). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.
- (f) Indian rupee term loan from Kotak Mahindra Bank Limited under Guaranteed Emergency Credit Line (GECL) under ECLGS scheme outstanding of Rs 216.68 Lakhs as at 31 March 2021 (31 March 2020: Rs Nil; 1 April 2019: Rs Nil) taken by the Company is secured by equitable mortgage of industrial property at plot no. 54, 57, 55 and 56, Verna Industrial Estate, Phase IV, Salcete, Goa. The loan is repayable in 48 monthly installments including moratorium of 12 months. The loan carries an interest of 8.00% p.a. (31 March 2020: Nil; 1 April 2019: Nil). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

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(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

- (g) Indian rupee term loan from State Bank of India outstanding of Rs 232.06 Lakhs as at 31 March 2021 (31 March 2020: Rs Nil; 1 April 2019: Rs Nil) taken by the Company is primarily secured by hypothecation charge over inventory, book debts and other movable current assets, present & future at Mumbai and both the Goa plants. The loan is collaterally secured by:
- (i) Commercial Building bearing Survey Number: A2, B1, B2, Ground Floor, situated at Unit No. A-2, B-1, B-2, Ground Floor, Udyog Sadan No. 3, Industrial Computer & Software Premises Co-op. Society Ltd., Near Seepz Bus Stop, Central Road, Seepz, Andheri East, Mumbai, 400093;
  - (ii) P & M at (a) B-1, Udyog Sadan- 3 Andheri and (b) 5-17/18 Goa;
  - (iii) Factory Land & Buildings bearing Survey Number: 30, situated at Plot No. 17 & 18, bearing Survey No. 30, Verna Industrial Estate, Phase I, Village Nagoa, District Salcete, South Goa, Village Nagoa, District Salcete, Goa, 403722;
  - (iv) Residential Building bearing Survey Number : 502A and 502B, situated at 502/A and 502/B, Fifth Floor, Heritage, Hiranandani gardens, CTS Nos. 20(pt), 21(pt), 22(pt) and 30(pt), Powai, Mumbai, 400076;
  - (v) Commercial Building bearing Survey Number: D-1 & B-3, situated at Unit No. D-1 & B-3, Ground Floor, Udyog Sadan No. 3, Industrial Computer & Software Premises Co-op. Society Ltd., Near Seepz Bus Stop, Central Road, Seepz, Andheri East, Mumbai, 400093;

The loan is repayable in 24 monthly installments including moratorium of 6 months. The loan carries an interest of 1 year MCLR with annual reset (31 March 2020: Nil; 1 April 2019: Nil). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company and Philins Industrial Corporation.

- (h) Indian rupee term loan from DCB Bank Limited outstanding of Rs Nil as at 31 March 2021 (31 March 2020: Rs Nil; 1 April 2019: Rs 3.96 Lakhs) taken by Narhari Engineering Works, is primarily secured by hypothecation of machinery purchased from the term loan disbursed. The loan is collaterally secured by hypothecation of entire Plant & Machinery and registered mortgage of property situated at 3/B, Shri Industrial Estate, Near Dhavale Hospital, Boisar Road, Palghar - 401404. The loan is repayable in 24 monthly installments. The loan carries an interest of Nil (31 March 2020: Nil; 1 April 2019: 3M MCLR + Spread, as applicable). The loan is backed by personal guarantee of Mr. Venketash Uchil and Mr. Vinay Uchil and corporate guarantee of the Company.

The tenure of the loan had completed and the loan has been repaid back during the year ended 31 March 2020.

- (i) Indian rupee vehicle loan from Kotak Mahindra Prime Limited outstanding of Rs Nil as at 31 March 2021 (31 March 2020: Rs 3.23 Lakhs; 1 April 2019: Rs 10.40 Lakhs) taken by the Company is secured against hypothecation of the vehicle is repayable in 36 monthly installments. The loan carries an interest of Nil (31 March 2020: 8.50% p.a.; 1 April 2019: 8.50% p.a).

The tenure of the loan had completed and the loan has been repaid back by the Company during the current year.

Indian rupee vehicle loan from Kotak Mahindra Prime Limited outstanding of Rs Nil as at 31 March 2021 (31 March 2020: Rs 3.86 Lakhs; 1 April 2019: Rs 9.84 Lakhs) taken by Narhari Engineering Works, is secured against hypothecation of vehicle and is repayable in monthly installments for 36 months. The loan carries an interest of Nil (31 March 2020: 8.49% p.a.; 1 April 2019: 8.49% p.a. to 9.97% p.a.).

- (j) Indian rupee vehicle loan from Volkswagen Finance Private Limited outstanding of Rs Nil as at 31 March 2021 (31 March 2020: Rs 1.34 Lakhs; 1 April 2019: Rs. 3.85 Lakhs) taken by the Company is secured against hypothecation of the vehicle is repayable in 36 monthly installments. The loan carries an interest of Nil (31 March 2020: 8.75% p.a.; 1 April 2019: 8.50% p.a).

The tenure of the loan had completed and the loan has been repaid back by the Company during the current year.

- (k) Indian rupee term loan from ICICI Bank Limited outstanding Rs 14.40 Lakhs as at 31 March 2021 (31 March 2020: Rs 48.88 Lakhs; 1 April 2019: Rs. Nil) taken by the Company. The loan is unsecured and is repayable in 15 monthly installments. The loan carries an interest of 16.50% p.a. (31 March 2020: 16.50% p.a.; 1 April 2019: Nil).

- (l) Indian rupee term loan from Deutsche Bank outstanding of Rs 26.72 lakhs as at 31 March 2021 (31 March 2020: Rs 33.86 Lakhs; 1 April 2019: Rs 48.06 Lakhs) taken by Narhari Engineering Works. The loan is repayable in 36 monthly installments. The loan carries an interest of 18.00% p.a. (31 March 2020; 3 month MCLR + 8.80%; 1 April 2019: 3 month MCLR + 8.80%).

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- (m) Indian rupee term loan from Tata Capital Financial Services Limited outstanding Rs 3.14 Lakhs as at 31 March 2021 (31 March 2020: Rs 34.01 Lakhs; 1 April 2019: Nil) taken by the Company. The loan is unsecured and is repayable in 12 monthly installments. The loan carries an interest of 16.50% p.a. (31 March 2020: 16.50% p.a.; 1 April 2019: Nil).

Indian rupee term loan from Tata Capital Financial Services Limited outstanding of Rs Nil as at 31 March 2021 (31 March 2020: Rs 8.52 Lakhs; 1 April 2019: Rs 17.20 Lakhs) taken by Narhari Engineering Works. The loan is unsecured and is repayable in 24 monthly installments. The loan carries an interest of Nil (31 March 2020: 18.00% p.a.; 1 April 2019: 18.00% p.a.).

The tenure of the loan had completed and the loan has been repaid back by the Company during the current year.

- (n) Indian rupee term loan from Aditya Birla Capital outstanding of Rs Nil as at 31 March 2021 (31 March 2020: Rs 10.38 Lakhs; 1 April 2019: Rs 22.02 Lakhs) taken by Narhari Engineering Works. The loan is unsecured and is repayable in 24 monthly installments. The loan carries an interest of Nil (31 March 2020: 20.01% p.a.; 1 April 2019: 20.01% p.a.).

The tenure of the loan had completed and the loan has been repaid back by the Company during the current year.

### Net Debt Reconciliation

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current borrowings	4,026.33	3,783.31	4,074.56
Non-current borrowings*	1,423.93	1,235.60	1,523.04
Lease liabilities	380.10	630.29	388.35
	<b>5,830.36</b>	<b>5,649.20</b>	<b>5,985.95</b>

\* Non-current borrowings includes current maturities of long-term borrowings included under other current financial liabilities.

Particulars	Current borrowings	Non-Current borrowings	Lease liabilities	Total
<b>Balance as at 1 April 2019</b>	<b>4,074.56</b>	<b>1,523.04</b>	<b>388.35</b>	<b>5,985.95</b>
Cash flows (net)	(311.25)	(301.48)	(290.64)	(903.37)
Interest expense	424.11	144.85	69.67	638.63
Interest paid	(404.11)	(148.10)	-	(552.21)
<b>Other non-cash movements:</b>				
Effective interest rate adjustment	-	17.29	-	17.29
Acquisitions-Leases	-	-	462.91	462.91
<b>Balance as at 31 March 2020</b>	<b>3,783.31</b>	<b>1,235.60</b>	<b>630.29</b>	<b>5,649.20</b>
Cash flows (net)	263.02	172.23	(303.21)	132.04
Interest expense	348.82	141.91	53.02	543.75
Interest paid	(368.82)	(142.64)	-	(511.47)
<b>Other non-cash movements:</b>				
Effective interest rate adjustment	-	16.83	-	16.83
Acquisitions-Leases	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>4,026.33</b>	<b>1,423.93</b>	<b>380.10</b>	<b>5,830.36</b>

### 23 Other financial liabilities (Non-current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Lease deposits	-	-	18.13
	<b>-</b>	<b>-</b>	<b>18.13</b>

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 24 Provisions (Non-current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Provision for employees benefits</b>			
Gratuity (refer note 41)	182.76	176.29	152.21
Compensated absences (refer note 41)	46.36	53.67	42.05
	<b>229.12</b>	<b>229.96</b>	<b>194.26</b>

### 25 Borrowing (Current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Secured</b>			
<b>From banks:</b>			
Cash credits / overdraft facilities {refer note (a) to (e)}	3,037.39	2,235.45	2,958.60
Working capital demand loan {refer note (f)}	973.47	1,530.46	1,092.57
Vehicle loan {refer note (g)}	-	-	1.99
<b>Unsecured:</b>			
Loan from others {refer note (h) to (k)}	15.47	17.40	21.40
	<b>4,026.33</b>	<b>3,783.31</b>	<b>4,074.56</b>

#### Notes:

(a) Cash credit facility from Axis Bank Limited outstanding of Rs 248.11 Lakhs as at 31 March 2021 (31 March 2020: Rs 48.45 Lakhs; 1 April 2019: Rs 48.74 Lakhs) taken by the Company carrying interest of 3 month MCLR + 2 bps (31 March 2020: 3 month MCLR + 2 bps; 1 April 2019: 3 month MCLR + 2 bps) is repayable on demand. These are secured by hypothecation of entire current assets including stock, raw material, semi-finished goods, consumable stores, receivables, bills, deposits etc. both present and future of the Company in pari passu with other banks. The facility is collaterally secured by industrial property situated at Plot No. C1, B-71 and C1, B-72, GIDC Industrial Estate, Surat Hazira Road, Ichhpore, Bhatpore, Opp. GAIL Colony, Surat - 394510 and land and building at Plot No. N-51, 52, 59 & 60, Phase IV, Verna Industrial Estate, Salcete, Goa owned by the Company.

The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

(b) Cash credit facility from State Bank of India outstanding of Rs 2,696.73 Lakhs as at 31 March 2021 (31 March 2020: Rs 2,117.55 Lakhs; 1 April 2019: Rs 2,773.00 Lakhs) taken by the Company carrying interest of 3.5% above 1 year MCLR (31 March 2020: 3.5% above 1 year MCLR; 1 April 2019: 3% above 1 year MCLR) is repayable on demand. These are secured by 1st pari passu hypothecation charge over inventory, book debts and other movable current assets, present & future at Mumbai and Goa plants. The facility is collaterally secured by:

- Equitable / Registered Mortgage of Unit No B-1, Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan-3, Plot no-F-4+5+6, MIDC, Andheri (E), Mumbai owned by the Company;
- Equitable Mortgage on factory premises at S-17/18, Verna Industrial Estate, Phase-1, Verna Electronic City, Salcete, Goa owned by the Company;
- Hypothecation of all Plant & Machinery, present and future at Mumbai and Goa plants;
- Equitable / Registered Mortgage on Unit No A-2, Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan No.3, Central Road, Near Seepz Bus Depot, Andheri (E), Mumbai owned by M/s Philins Industrial Corporation;

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for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

v) Equitable / Registered Mortgage of Unit No B-2, D-1, B-3 Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan No.3, Central Road, Near Seepz Bus Depot, Andheri (E), Mumbai owned by KDU Enterprises Pvt. Ltd.;

vi) Equitable / Registered Mortgage on 502/A and 502/B, Fifth Floor, Heritage, Hiranandani Gardens, CTS Nos. 20(pt), 21(pt), 22(pt) and 30(pt), Powai, Mumbai - 400076 owned by Mr. Venkatesh Uchil.

The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company and Philins Industrial Corporation.

(c) Cash credit facility from ICICI Bank Limited outstanding of Rs 70.10 lakhs as at 31 March 2021 (31 March 2020: Rs Nil; 1 April 2019: Rs Nil) taken by the Company carrying interest of I-MCLR 6M + 1.90% p.a. (31 March 2020: I-MCLR 6M + 1.90% p.a.; 1 April 2019: I-MCLR 6M + 1.90% p.a.) is repayable on demand. These are secured by first pari-passu hypothecation on firm's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other moveable, including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank. The facility is collaterally secured by equitable mortgage of commercial property at C1 and C2, Udyog Sadan 3, MIDC, Andheri East, Mumbai which is owned by KDU Enterprises Limited, the Holding Company, (after providing 1.5 times cover to the primary collateral of FCNR(B) term loan mentioned above) equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company and is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

The Company has a debit balance in cash credit account as at 31 March 2020 and 01 April 2019 (refer note 15).

(d) Cash credit facility from DCB Bank Limited outstanding of Rs 22.45 Lakhs as at 31 March 2021 (31 March 2020: Rs 23.22 Lakhs; 1 April 2019: Rs 90.45 Lakhs) taken by Narhari Engineering Works, carrying interest of 3M MCLR + Spread, as applicable (31 March 2020: 3M MCLR + Spread, as applicable; 1 April 2019: 3M MCLR + Spread, as applicable) is repayable on demand. These are secured by hypothecation of stock & book debts & current assets. The loan is collaterally secured by hypothecation of entire Plant & Machinery and registered mortgage of property situated at 3/B, Shri Industrial Estate, Near Dhavale Hospital, Boisar Road, Palghar - 401404.

The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of the Company.

(e) Overdraft facility from Canara Bank outstanding of Rs. Nil as at 31 March 2021 (31 March 2020: Rs 46.23 Lakhs; 1 April 2019: Rs 46.41 Lakhs) taken by Eltech Engineers Madras Private Limited, a subsidiary company, carrying interest of 1Y MCLR + 2.80 spread monthly reset. The loan is primarily secured by hypothecation of stocks and book debts arising out of genuine trade transaction. Age of book debts not older than 90 days for arriving DP.

The loan was backed by personal guarantee of Mr. Vinay Uchil, Mr. Sriram Krishnamurthi, Mr. Venkatesh Uchil and Mr. T. Upendra Rao. The loan facility has been closed during the current year.

(f) Foreign currency working capital demand loan from Axis Bank Limited, Dubai outstanding of AED 4,877,084 equivalent to Rs. 973.47 lakhs as at 31 March 2021 (31 March 2020: AED 7,453,335 equivalent to Rs 1,530.46 Lakhs; 1 April 2019: AED 5,779,700 equivalent to Rs 1,092.57 Lakhs) taken by MEL Power Systems FZC, a subsidiary company, carrying interest of 3M L + 200 bps p.a. is repayable on demand. The loan is secured by

(i) SBLC from Axis Bank Ltd, India with tenure 15 days more than WC tenure;

(ii) Mortgage over immovable property comprising of Land and Building at Plot No. 51, 52, 59 and 60, Phase IV, Verna Electronic city, Salcete, Goa, India - 403722 owned by the Company;

(iii) Hypothecation of stock and assignment of receivables of the borrower on a pari passu basis;

(iv) Undated cheques equivalent to the facility amount and 6 month interest;

The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of the Company.



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(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

- (g) Foreign currency vehicle loan from RAK Bank outstanding of Rs Nil as at 31 March 2021 (31 March 2020: Rs Nil; 1 April 2019: AED 10521 equivalent to Rs 1.99 Lakhs) taken by MEL Power Systems FZC, a subsidiary company, is secured against hypothecation of vehicles and is repayable in 48 to 49 monthly installments. The loan carries an interest of 8.62% p.a. The tenure of the loan had completed and the loan has been repaid back during the year ended 31 March 2020.
- (h) Interest free indian rupee unsecured loan from Mr. Kiran Navnitrai Shah outstanding of Rs Nil as at 31 March 2021 (31 March 2020: Rs 2.15 Lakhs; 1 April 2019: Rs 4.21 Lakhs) taken by Narhari Engineering Works, is repayable on demand. The loan has been repaid back during the current year.
- (i) Interest free indian rupee unsecured loan from Mr. Prakash Navnitrai Shah outstanding of Rs Nil as at 31 March 2021 (31 March 2020: Rs Nil; 1 April 2019: Rs 1.94 Lakhs) taken by Narhari Engineering Works, is repayable on demand. The loan has been repaid back during the year ended 31 March 2020.
- (j) Interest free indian rupee unsecured loan from Electrovast Solutions outstanding of Rs 15.25 Lakhs as at 31 March 2021 (31 March 2020: Rs 15.25 Lakhs; 1 April 2019: Rs 15.25 Lakhs) taken by Eltech Engineers Madras Private Limited, a subsidiary company, is repayable on demand.
- (k) Interest free indian rupee unsecured loan from Sujay Kajarekar outstanding of Rs 0.12 Lakhs as at 31 March 2021 (31 March 2020: Rs Nil; 1 April 2019: Rs Nil) and from Sanjay Nikam Rs 0.10 Lakhs as at 31 March 2021 (31 March 2020: Rs Nil; 1 April 2019: Rs Nil) taken by Evigo Charging Consultants Private Limited, a subsidiary company, is repayable on demand.

### 26 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Total outstanding dues of micro and small enterprises	58.11	88.24	-
Total outstanding dues of creditors other than micro and small enterprises	12,518.84	14,825.53	12,611.21
	<b>12,576.95</b>	<b>14,913.77</b>	<b>12,611.21</b>

### 27 Other financial liabilities (Current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current maturities of long-term borrowings	562.57	398.85	390.45
Interest accrued but not due on borrowings	6.63	27.36	10.61
Lease deposits	20.00	20.00	-
Accrued expenses	122.43	181.39	98.13
Employee dues payable	210.27	210.90	179.54
Creditors for purchase of property, plant and equipment	31.59	70.50	84.85
Commissioning expense payable	-	-	7.40
	<b>953.49</b>	<b>909.00</b>	<b>770.98</b>

### 28 Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Contract liabilities	1,064.42	898.31	1,065.95
Statutory dues payable	87.06	130.46	183.39
Deferred lease rentals	-	-	1.66
Rent equilisation reserve	-	-	12.33
Other payables	919.48	125.69	125.72
	<b>2,070.96</b>	<b>1,154.46</b>	<b>1,389.05</b>



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for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 29 Provisions (Current)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Provision for employee benefits:</b>			
Gratuity (Refer note 41)	24.38	14.70	5.28
Compensated absences (Refer note 41)	2.65	2.69	3.70
	<b>27.03</b>	<b>17.39</b>	<b>8.98</b>

### 30 Current tax liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Provision for tax (net of advance tax)	197.39	197.96	120.29
	<b>197.39</b>	<b>197.96</b>	<b>120.29</b>

### 31 Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue from contract with customers :</b>		
<b>Sale of products:</b>		
- Electricals and electronics	20,406.40	21,764.10
- Solar	1,113.30	1,653.18
	<b>21,519.70</b>	<b>23,417.28</b>
<b>Sale of services :</b>		
- Electricals and electronics	2,902.00	2,633.85
- Solar	672.72	218.84
	<b>3,574.72</b>	<b>2,852.69</b>
<b>Other operating revenues</b>		
Duty drawback	34.24	22.55
	<b>25,128.66</b>	<b>26,292.52</b>

#### Disaggregation of revenue:

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

#### **Revenue by geography:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
- Within India	18,267.24	20,525.04
- Outside India #	6,827.18	5,744.93
	<b>25,094.42</b>	<b>26,269.97</b>

# including deemed export of Rs 124.42 Lakhs (31 March 2020 : Rs 218.73 Lakhs)

#### **Revenue by time:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Over a period of time	1,786.02	1,872.02
At a point in time	23,308.40	24,397.95
	<b>25,094.42</b>	<b>26,269.97</b>

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### Reconciliation of revenue recognised with contract price:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contract price	25,094.42	26,269.97
<b>Adjustments for:</b>		
Claims and rebates	-	-
	<b>25,094.42</b>	<b>26,269.97</b>

### Trade receivables and contract balances:

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as contract asset.

A receivable is a right to consideration that is unconditional upon passage of time.

The contract assets primarily relate to the Group's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the right become unconditional. Contract assets are presented in note 19.

The contract liabilities primarily relate to the advance consideration received from customers. Contract liabilities are presented in note 28.

Trade receivables are presented net off loss allowance in note 14.

### Movement in contract balances:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Movement in contract assets:</b>		
Opening balances as on 1 April	-	43.59
Add: Revenue recognized during the year	183.48	-
Less: Invoiced during the year	-	(43.59)
Closing balance as on 31 March	<b>183.48</b>	<b>-</b>
<b>Movement in contract liabilities:</b>		
Opening balances as on 1 April	898.31	1,065.95
Less: Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	(659.27)	(579.95)
Add: Deferred revenue and advance from customers	825.38	412.31
Closing balance as on 31 March	<b>1,064.42</b>	<b>898.31</b>

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 32. Other Income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income on :		
- financial instruments at amortised cost	31.10	25.60
- term deposits	86.64	112.17
- inter corporate loan	34.86	50.00
- on others	0.62	1.66
Exchange gain (net)	-	248.97
Profit on sale of property, plant and equipment (net)	9.59	-
Discount income	-	0.68
Sundry balances written back	3.67	2.98
Allowance for expected credit loss written back	20.56	13.76
Liabilities no longer required written back	19.25	-
Rental income	92.47	137.16
Sale of scrap	8.23	-
Insurance claim	6.85	4.16
Sales tax refund	29.39	-
Miscellaneous income	429.86	9.73
	<b>773.09</b>	<b>606.87</b>

### 33. Cost of materials consumed

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventory of materials at the beginning of the year	3,044.53	2,453.43
Add: Purchases	17,810.44	21,049.70
	20,854.97	23,503.13
Less: Inventory of materials at the end of the year	3,178.47	3,044.53
Foreign currency translations	(0.62)	58.15
	<b>17,675.88</b>	<b>20,516.75</b>

### 34. Changes in inventories of finished goods and work in progress

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Inventories at the beginning of the year:</b>		
Work in progress	4,367.30	2,517.07
Finished goods	59.25	63.67
	<b>4,426.55</b>	<b>2,580.74</b>
<b>Inventories at the end of the year:</b>		
Work in progress	4,720.37	4,367.30
Finished goods	21.33	59.25
	<b>4,741.70</b>	<b>4,426.55</b>
Foreign currency translations	30.63	49.59
	<b>(284.52)</b>	<b>(1,796.22)</b>

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 35. Employee benefits expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and allowances	2,233.73	2,662.33
Contribution to provident and other funds (Refer note 41)	85.36	120.33
Gratuity (Refer note 41)	59.20	61.56
Compensated absences (Refer note 41)	7.70	25.68
Staff welfare	148.43	188.02
	<b>2,534.42</b>	<b>3,057.92</b>

### 36. Finance cost

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on:		
- financial instruments at amortised cost	19.55	21.41
- borrowings from banks and others	534.49	640.59
- statutory payments	22.93	9.22
- others	53.02	69.67
Bank charges	235.96	309.43
Corporate guarantee fees	25.90	24.94
Other financial charges	0.91	28.62
	<b>892.76</b>	<b>1,103.88</b>

### 37. Depreciation and amortization expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment	423.60	502.20
Depreciation on right-to use asset	308.77	295.86
Depreciation on investment property	67.73	75.74
Amortization on intangible assets	111.52	88.79
	<b>911.62</b>	<b>962.59</b>

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 38. Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumable stores	5.82	1.47
Rent	39.48	76.09
Power and fuel	77.51	104.74
Repair and maintenance		
- plant and machinery	39.20	30.57
- buildings	1.35	1.48
- others	2.48	3.85
Vehicle running expense	19.07	29.50
Rates and taxes	45.82	11.31
Insurance	34.25	31.91
Liquidation damages	152.73	117.63
Inspection charges	86.04	55.35
Technical know-how expenses	-	20.00
Commissioning expenses	175.31	198.44
Clearing and forwarding charges	288.29	241.04
Traveling and conveyance	106.25	255.99
Postage and communication	33.91	36.69
Legal and professional fees	505.72	521.72
Payment to auditors	22.30	14.57
Contribution towards Corporate Social Responsibility	21.40	4.20
Director sitting fees	5.00	3.60
Housekeeping and security charges	54.61	69.24
Printing and stationery	25.27	28.43
Sales promotion and advertisement expenses	38.75	141.18
Sundry balances written off	51.73	-
Bad debts written off	504.49	124.40
Loss allowance on trade receivables	2.33	1.03
Loss on sale of property, plant and equipment (net)	-	17.77
Exchange loss (net)	17.43	-
Miscellaneous expenses	123.58	140.90
	<b>2,480.12</b>	<b>2,283.10</b>

### 39. Income tax

The major components of income tax expense for the year ended 31 March 2021 and 31 March 2020 are:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Statement of profit and loss section</b>		
<b>Current income tax:</b>		
Current income tax charge	276.91	296.59
Adjustment in respect of current tax of previous years	8.09	0.52
<b>Deferred tax charge/(credit):</b>		
Relating to origination and reversal of temporary differences	53.15	(114.29)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>338.15</b>	<b>182.81</b>
<b>Other comprehensive income section</b>		
Income tax relating to items that will not be reclassified to profit or loss	(5.59)	1.60
	<b>343.74</b>	<b>181.21</b>

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

<b>Reconciliation of tax expense and the accounting profit</b>		
<b>Particulars</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
<b>Accounting profit before tax</b>	1,691.34	771.45
<b>Computed tax expense :</b>	425.68	194.16
At India's statutory income tax rate of 25.168% (31 March 2020: 25.168%)		
Adjustments for:		
Amounts which are non-deductible in calculating taxable income	17.79	2.98
Expenses deductible for tax purpose	(10.04)	(17.42)
Effect of change in tax rate	-	21.31
Effect of tax rate changes in subsidiaries	(141.04)	(1.04)
Adjustment in respect of current tax of previous years	8.09	0.52
Items for which deferred tax was not recognised	6.49	0.27
Others	36.77	(19.57)
<b>At the effective income tax rate</b>	<b>343.74</b>	<b>181.21</b>
<b>Income tax expense reported in statement of profit and loss</b>	<b>343.74</b>	<b>181.21</b>

<b>Deferred tax relates to the following</b>					
<b>Particulars</b>	<b>Balance sheet</b>			<b>Statement of profit and loss</b>	
	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>	<b>As at 1 April 2019</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Provision allowed under tax on payment basis	82.61	81.14	71.02	1.48	10.11
Share issue expenses allowable u/s 35D of the Income-tax Act, 1961	20.08	30.13	55.77	(10.04)	(25.65)
Measurement of financial assets and liabilities at amortised cost, net	25.34	28.35	40.72	(3.01)	(12.37)
Ind AS 116 - "Leases"	38.31	31.95	22.69	6.36	9.26
Ind AS 115 - "Revenue from contracts with customers"	(30.66)	31.45	(15.23)	(62.11)	46.68
Others	2.64	8.32	-	(5.68)	8.32
Accelerated depreciation for tax purpose	(109.15)	(123.42)	(202.95)	14.26	79.53
<b>Net deferred tax (charge)/ credit</b>				<b>(58.74)</b>	<b>115.98</b>
<b>Net deferred tax assets / (liabilities)</b>	<b>29.17</b>	<b>87.92</b>	<b>(27.98)</b>		

<b>Reflected in the balance sheet as follows</b>			
<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>	<b>As at 1 April 2019</b>
Deferred tax liability	(109.15)	(123.42)	(202.95)
Deferred tax assets	138.32	211.34	174.97
<b>Deferred tax assets / (liabilities), net</b>	<b>29.17</b>	<b>87.92</b>	<b>(27.98)</b>

<b>Reconciliation of deferred tax (liabilities) / assets, net</b>		
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 1 April 2019</b>
Opening balance as on April 1	87.92	(27.98)
Tax (income) / expense during the period recognised in statement of profit and loss	53.15	(114.29)
Tax (income) / expense during the year recognised in other comprehensive income	5.59	(1.60)
<b>Closing balance</b>	<b>29.17</b>	<b>87.92</b>

The Group 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 relate to income taxes levied by the same tax authority.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 40. Earnings per share

The following table set forth the computation of basic and dilutive earnings per share:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net profit for the year attributable to equity shareholders	1,289.72	561.38
Weighted average number of shares	122,665,250	122,665,250
Earnings per equity share* [Face value of Rs. 2 each] (Rupees)	1.05	0.46

\* Basic and diluted earnings per share during the current and previous year are same as the Company has no potentially dilutive equity shares outstanding as at the year end.

### Reconciliation of shares used in computing earnings per share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
No. of equity shares at the beginning of the year*	122,665,250	122,665,250
Add: Shares issued during the year	-	-
Less: Shares bought back during the year	-	-
No. of equity shares at the end of the year	122,665,250	122,665,250
Weighted average number of equity shares of Rs. 2 each used for calculation of basic and diluted earnings per share	122,665,250	122,665,250

\* The equity shares of the Company, during the current year, have been sub-divided from existing face value of Rs 10 per equity share to face value of Rs 2 per equity share based on approval by the shareholders through postal ballot resolution on 04 February 2021. Accordingly, basic and diluted earnings per equity share for previous year have been computed on the basis of new number of equity shares.

### 41. Employee benefits

#### (i) Defined contribution plans:

The Group makes contributions, determined as a specified percentage of employees salaries, in respect of qualifying employees towards provident fund, employees state insurance scheme and labour welfare scheme, which are defined contribution plans. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to provident and other funds for the year aggregated to Rs. 85.36 lakhs (31 March 2020: Rs 120.33 lakhs).

#### (ii) Defined benefit plans:

The Company operates an unfunded post-employment defined benefit plan that provides for gratuity benefit. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive gratuity at 15 days salary (salary last drawn) for each completed years of service at the time of retirement / exit.

The Company determines the gratuity liability based on the actuarial valuation using Projected Unit Credit Method by an Independent firm of Actuaries that is registered with The Institute of Actuaries of India.

The following table summarizes the position of obligation relating to gratuity plan:



## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### Reconciliation of Defined Benefit Obligation (DBO)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Present value of DBO at start of the year</b>	190.10	157.50
Current service cost	35.76	38.93
Interest cost	12.55	11.97
Benefits paid	(11.06)	(24.66)
<i>Re-measurements</i>		
Actuarial loss / (gain) from changes in financial assumptions	(7.39)	20.37
Actuarial loss / (gain) from experience over the past year	(14.82)	(14.01)
<b>Present value of DBO at end of the year</b>	<b>205.14</b>	<b>190.10</b>

### Net Liability / (Asset) recognised in the Balance Sheet

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Present value of DBO	205.14	190.10
Fair value of Plan Assets	-	-
<b>Liability / (Assets) recognised in the Balance Sheet</b>	<b>205.14</b>	<b>190.10</b>

### Expense recognised in statement of profit and loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	35.76	38.93
Net interest on net defined benefit liability / (asset)	12.55	11.97
<b>Total</b>	<b>48.31</b>	<b>50.90</b>

### Income / (Loss) recognised in other comprehensive income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial (loss) / gain from changes in financial assumptions	7.39	(20.37)
Actuarial (loss) / gain from experience over the past year	14.82	14.01
<b>Income / (Loss)</b>	<b>22.21</b>	<b>(6.36)</b>

### Actuarial assumptions

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salary growth rate	8% p. a.	8% p. a.
Discount rate	6.9% p. a.	6.6% p. a.
Interest rate on Net DBO	6.6% p. a.	7.6% p. a.
Withdrawal rate	2% p. a.	2% p. a.
Mortality rates	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Weighted average duration of the obligation	12 years	13 years

### Experience adjustments

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Defined benefit obligation	205.14	190.10
Funded Status [Surplus / (Deficit)]	(205.14)	(190.10)
Exp. Adj. on plan liabilities: (gain) / loss	(14.82)	(14.01)
Exp. Adj. on plan assets: gain / (loss)	NA	NA

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

Particulars	For the year ended 31 March 2021	
	Increases 1%	Decreases 1%
Salary growth rate	DBO increases by Rs 25.78 lakhs	DBO decreases by Rs. 21.85 lakhs
Discount rate	DBO decreases by Rs 21.87 lakhs	DBO increases by Rs 26.34 lakhs
Withdrawal rate	DBO decreases by Rs 2.90 lakhs	DBO increases by Rs 3.23 lakh
Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.04 lakhs	NA
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 0.11 lakhs	NA

Particulars	For the year ended 31 March 2020	
	Increases 1%	Decreases 1%
Salary growth rate	DBO increases by Rs 25.60 lakhs	DBO decreases by Rs. 21.55 lakhs
Discount rate	DBO decreases by Rs 21.63 lakhs	DBO increases by Rs 26.24 lakhs
Withdrawal rate	DBO decreases by Rs 3.61 lakhs	DBO increases by Rs 4.05 lakhs
Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.05 lakhs	NA
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 0.14 lakhs	NA

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

### Risk exposures:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

- (A) **Salary Increases :** Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- (B) **Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- (C) **Withdrawals :** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.
- (D) **Mortality & disability:** Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

The expense recognised in the statement of profit and loss towards gratuity includes gratuity expense of Rs 12.72 lakhs for the year ended 31 March 2021 (31 March 2020: Rs 7.76 lakhs) and provision for gratuity liability includes gratuity liability of Rs 2 lakhs as at 31 March 2021 (31 March 2020: Rs Nil; 1 April 2019: Rs Nil) of a subsidiary, Narhari Engineering Works, a partnership firm, where the liability is recognised based on management estimates.

### (iii) Other long-term employee benefits:

#### Compensated absences

The compensated absences cover the company's liability for earned leave.

The Group has recognised an amount of Rs. 7.70 lakhs (31 March 2020 - Rs. 25.68 lakhs) as an expense towards compensated absences and included in "Employee benefits expense" in the Statement of Profit and Loss. The Company has determined the liability for compensated absences based on the actuarial valuation using Projected Unit Credit Method.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 42. Related party disclosures

#### A) Name of related parties

##### (i) Holding Company

KDU Enterprises Private Limited

##### (ii) Other related parties

##### (a) Partnership firms in which directors are partners

DKM Precision Engineers

Philins Industrial Corporation

WIN Marine Consultancy Services

##### (b) Enterprises in which directors have significant influence

KDU Marine Equipment Trading and Maintenance LLC

KDU Worldwide Middle East Marine Services LLC

KDU Worldwide Technical Services FZC

KDU Worldwide Technical Services Ghana Private Limited

KDU Worldwide Technical Services Private Limited, Srilanka

KDU Worldwide Technical Services Nigeria Private Limited

Mcgeoch Marine Electricals Private Limited

Switch N Control Gears Private Limited

Voks Ship Management Private Limited

WIN Marine Engineering Services

##### (c) Key managerial personnel and relatives

Mr. Vinay Uchil, Chairman and Executive Director

Mr. Venkatesh Uchil, Managing Director

Mr. Rohit Shetty, Chief Financial Officer (upto 19 October 2019)

Mr. Aditya Desai, Chief Financial Officer (w.e.f. 14 November 2019 upto 23 June 2020)

Ms. Namita Sethia, Chief Financial Officer (w.e.f. 30 July 2020)

Ms. Vedshri Chaudhari, Company Secretary (upto 24 June 2019)

Ms. Reesha Ratanpal, Company Secretary (w.e.f. 20 July 2019 upto 25 February 2021)

Ms. Mitali Ambre, Company Secretary (w.e.f. 27 February 2021)

Ms. Rashmi Uchil, Wife of Mr. Vinay Uchil

Ms. Reshma Uchil, Wife of Mr. Venkatesh Uchil

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### B) Related party transactions during the year

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>a) Lease rent payment</b>		
KDU Enterprises Private Limited	230.10	230.10
Philins Industrial Corporation	35.40	31.86
Ms. Rashmi Uchil	7.20	7.20
<b>b) Rent income</b>		
DKM Precision Engineers	-	30.09
<b>c) Consultancy fees</b>		
Ms. Rashmi Uchil	7.20	7.20
<b>d) Purchases</b>		
KDU Enterprises Private Limited	98.49	251.95
KDU Marine Equipment Trading and Maintenance LLC	7.29	5.78
Mcgeoch Marine Electricals Private Limited	-	9.12
Philins Industrial Corporation	8.98	7.62
Switch N Control Gears Private Limited	86.72	66.97
<b>e) Sales</b>		
Mcgeoch Marine Electricals Private Limited	55.08	68.71
KDU Enterprises Private Limited	114.83	6.43
KDU Marine Equipment Trading and Maintenance LLC	84.26	19.43
Switch N Control Gears Private Limited	21.58	-
<b>f) Sale of property, plant and equipments</b>		
KDU Enterprises Private Limited	-	60.15
<b>g) Advance paid to suppliers and received back</b>		
KDU Enterprises Private Limited	-	225.08
Philins Industrial Corporation	-	5.00
<b>h) Advance received from customers and repaid back</b>		
Mcgeoch Marine Electricals Private Limited	-	5.15
<b>i) Salary</b>		
Ms. Reshma Uchil	5.82	4.80
<b>j) Key Managerial Personnel remuneration (Refer note 2 below)</b>		
<u>Director remuneration:</u>		
Mr. Venkatesh Uchil	44.25	48.00
Mr. Vinay Uchil	44.25	48.00
<u>Salary:</u>		
Mr. Rohit Shetty	-	13.23
Mr. Aditya Desai	12.28	17.39
Ms. Namita Sethia	19.20	-
Ms. Vedshri Chaudhari	-	0.67
Ms. Reesha Ratanpal	3.26	2.54
Ms. Mitali Ambre	0.70	-

#### Notes:

- Amounts of transactions during the year pertaining to statement of profit and loss are gross of taxes, wherever applicable.
- Excludes provision for gratuity and leave encashment recognised on the basis of actuarial valuation as separate figures are not available.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### C) Outstanding balances as at year end

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>a) Trade receivables</b>			
DKM Precision Engineers	43.66	47.16	35.45
KDU Enterprises Private Limited	55.11	54.87	14.34
KDU Marine Equipment Trading and Maintenance LLC	91.30	126.25	170.41
KDU Worldwide Technical Services FZC	-	-	4.07
KDU Worldwide Technical Services Ghana Private Limited	50.99	52.38	47.76
Mcgeoch Marine Electricals Private Limited	77.01	25.97	-
WIN Marine Engineering Services	-	-	17.96
<b>b) Advance to suppliers</b>			
DKM Precision Engineers	300.00	300.00	300.00
Mcgeoch Marine Electricals Private Limited	18.07	19.00	14.00
Philins Industrial Corporation	23.98	31.03	26.00
Switch N Control Gears Private Limited	30.12	-	-
<b>c) Trade payables</b>			
KDU Enterprises Private Limited	15.80	-	-
KDU Marine Equipment Trading and Maintenance LLC	10.11	8.94	2.63
KDU Worldwide Technical Services FZC	15.23	15.34	14.21
Switch N Control Gears Private Limited	-	0.28	-
<b>d) Lease deposits</b>			
KDU Enterprises Private Limited	260.61	229.46	216.92
Philins Industrial Corporation	40.91	36.78	18.96
Ms. Rashmi Uchil	6.33	5.69	7.04
<b>e) Rent payable</b>			
Ms. Rashmi Uchil	-	0.54	-
KDU Enterprises Private Limited	1.40	-	-
Philins Industrial Corporation	4.90	-	-
<b>f) Managerial remuneration payable</b>			
Mr. Venkatesh Uchil	7.25	11.00	-
Mr. Vinay Uchil	6.73	10.48	-

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 43. Leases

#### Change in accounting policy

The Group has applied Ind AS 116 with the date of initial application of 1 April 2019. As a result, the Group has changed its accounting policy for lease contracts as detailed below:

The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 April 2019.

Particulars	As at 1 April 2019
Lease commitments as at 31 March 2019	388.35
Add/(Less): Contracts reassessed as lease contracts	-
Add/(Less): adjustment on account of extension/termination	-
<b>Lease liability as at 01 April 2019</b>	<b>388.35</b>

Right of use assets of Rs. 750.87 lakhs and lease liabilities of Rs. 388.35 lakhs have been recognised as on 1 April 2019. The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows:

Particulars	As at 1 April 2019
Increase in lease liability	(388.35)
Increase in right-to-use asset due to lease liability on account of applicability of Ind AS 116- Modified approach	750.87
Reversal of depreciation on leasehold land upto date of transition	21.79
Reclassification of leasehold land from property, plant and equipment to right-to-use asset	(404.15)
Reclassification of prepaid rent and security deposit to right-to-use asset	(22.29)
Decrease in prepaid rent on present value of security deposit on account of reclassification	(24.91)
Increase in deferred tax assets	22.90
<b>Opening impact on retained earning as at 01 April 2019</b>	<b>(44.14)</b>

The following is the summary of practical expedients elected on initial application:

- 1) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment.
- 2) Applied the exemption not to recognize right-to-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- 3) Excluded the initial direct costs from the measurement of the right-to-use asset at the date of initial application.
- 4) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under AS 17.
- 5) The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 11.23% p.a.

#### Carrying value of right of use assets at the end of the reporting period by class

Particulars	Premises	Equipment	Leasehold Land	Total
Balance as of 01 April 2019	206.57	148.34	395.96	750.87
Additions - On account of increase in lease liability	462.91	-	-	462.91
Additions - On account of present value of security deposits	66.03	-	-	66.03
Depreciation	(236.02)	(37.36)	(22.48)	(295.86)
<b>Balance as of 31 March 2020</b>	<b>499.49</b>	<b>110.98</b>	<b>373.48</b>	<b>983.95</b>
Additions - On account of present value of security deposit	1.28	-	-	1.28
Depreciation	(249.09)	(37.26)	(22.42)	(308.77)
<b>Balance as of 31 March 2021</b>	<b>251.68</b>	<b>73.72</b>	<b>351.06</b>	<b>676.46</b>

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### The following is the break-up of lease liability as at reporting date

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current lease liability	248.06	250.28	109.35
Non-current lease liability	132.04	380.01	279.00
<b>Total</b>	<b>380.10</b>	<b>630.29</b>	<b>388.35</b>

### The following is the movement of lease liability

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the start of the year	630.29	388.35
Additions - On account of increase in lease liability	-	462.91
Reversal - On account of rent as per previous GAAP	(303.21)	(290.64)
Finance cost incurred	53.02	69.67
<b>Balance at the end of the year</b>	<b>380.10</b>	<b>630.29</b>

### Amount recognized in statement of profit and loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on lease liability	53.02	69.67
Depreciation on right-to-use asset	308.77	295.86
Expense relating to short-term leases and low value assets	31.48	76.09
	<b>401.27</b>	<b>441.62</b>

## 44. Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker ("CODM"), in deciding how to allocate resources and assessing performance. The Board of Directors of the Group are identified as the CODM. Based on the nature of products and services, the risk and return profile of individual business and the internal business reporting systems, the Group has identified its reportable segments as under:

- Electricals and Electronics
- Solar

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Segment revenue</b>		
(a) Electricals and Electronics	23,342.64	24,420.50
(b) Solar	1,786.02	1,872.02
<b>Revenue from operations</b>	<b>25,128.66</b>	<b>26,292.52</b>
<b>B. Segment results</b>		
(a) Electricals and Electronics	2,356.94	2,152.73
(b) Solar	(488.17)	(687.75)
<b>Total</b>	<b>1,868.77</b>	<b>1,464.98</b>
Less: Finance costs	(892.76)	(1,103.88)
Add: Other unallocable income net of unallocable expenses	715.33	410.35
<b>Profit before tax</b>	<b>1,691.34</b>	<b>771.45</b>

Assets and liabilities used in the Group's business are not identified to any of the reportable segments as these are used interchangeably between segments. The Group believes that it is currently not practicable to provide segmental disclosure relating to total assets and liabilities since a meaningful segregation of the available data could be onerous.

### Information about major customers

There are no customers contributing in excess of 10% of the total revenue of the Group for the financial year ended 31 March 2021 and 31 March 2020.



## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 45 Financial instruments

The classification of each category of financial instruments and their carrying amounts are as below :

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Financial assets measured at amortized cost:</b>			
Trade receivables^	17,340.18	16,939.08	18,182.47
Cash and cash equivalents^	426.38	762.74	494.48
Bank balances other than cash and cash equivalents above^	938.84	696.25	1,127.46
Loans^	1,145.84	1,518.93	1,468.86
Other financial assets^	347.16	529.65	117.21
<b>Financial assets measured at fair value through profit or loss :</b>			
Non current investments ^	333.86	470.69	340.72
<b>Total financial assets</b>	<b>20,532.26</b>	<b>20,917.35</b>	<b>21,731.20</b>
<b>Financial liabilities measured at amortized cost :</b>			
Borrowings^	4,887.69	4,620.06	5,207.15
Lease liability^	380.10	630.29	388.35
Trade payables^	12,576.95	14,913.77	12,611.21
Other financial liabilities^*	953.49	909.00	789.11
<b>Total financial liabilities</b>	<b>18,798.23</b>	<b>21,073.11</b>	<b>18,995.82</b>

There are no financial instruments that have been classified as Fair Value through Other Comprehensive Income (FVTOCI).

^ Fair values for these financial instruments have not been disclosed because their carrying amount are a reasonable approximation of their fair values.

\* Other financial liabilities includes current maturities of long term borrowings.

#### Fair value hierarchy

##### Financial assets and liabilities measured at fair value

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2021</b>				
<b>Financial assets:</b>				
<b>Non current investments:</b>				
Investment in other companies	-	-	333.86	333.86
<b>As at 31 March 2020</b>				
<b>Financial assets:</b>				
<b>Non current investments:</b>				
Investment in other companies	-	-	470.69	470.69
<b>As at 1 April 2019</b>				
<b>Financial assets:</b>				
<b>Non current investments:</b>				
Investment in other companies	-	-	340.72	340.72

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

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

#### Financial instruments - risk management

The Group has exposure to the following risks arising from financial instruments: credit risk (refer note (b) below); liquidity risk (refer note (c) below) and market risk (refer note (d) below) :

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### (a) Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The board oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

### (b) Credit risk

Credit risk is the risk that a counter party fails to discharge its obligation to the Group. The maximum credit risk comprises the carrying amounts of the financial assets. The Group's exposure to credit risk arises mainly from cash and cash equivalents, other bank balances, trade receivables, investments, loans and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

#### i) Credit risk management

##### *Credit risk rating*

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A : Low credit risk

B : Moderate credit risk

C : High credit risk

Credit rating	Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
A : Low credit risk	Cash and cash equivalents, other bank balances, trade receivables, investments, loans and other financial assets.	20,198.40	20,446.66	21,390.48

#### ii) Credit risk exposure

##### **Cash and cash equivalent and other bank balances**

Credit risk related to cash and cash equivalents and other bank balances is managed by accepting highly rated banks and diversifying bank deposits and accounts in different banks. Management does not expect any losses from non-performance by these counterparties.

##### **Loans and other financial assets measured at amortized cost**

Loans and other financial assets measured at amortized cost includes lease deposits, staff advances, loans and other receivables. Credit risk related to these is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensures that amounts are within defined limits. The expected credit loss on these financial instruments is expected to be insignificant.

##### **Trade receivables**

Credit risk arise from possibility that customer may default on its obligation to make timely payments, resulting into financial loss. The maximum exposure to the credit risk is primarily from trade receivables. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and the expected loss rates.

##### **Reconciliation of allowance for expected credit loss**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Opening balance</b>	<b>187.09</b>	<b>216.97</b>
<b>Change in allowance for expected credit loss:</b>		
Changes in allowance for expected credit loss due to bad debts	(22.57)	(17.16)
Allowance for expected credit loss written back (net)	(18.23)	(12.72)
	<b>(40.80)</b>	<b>(29.88)</b>
<b>Closing balance</b>	<b>146.29</b>	<b>187.09</b>

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### Maturities of financial liabilities

Particulars	Carrying amount	Total	On demand	0-12 months	1-5 years	>5 years
<b>As at 31 March 2021</b>						
Borrowings	4,887.69	4,942.69	4,026.33	-	916.36	-
Lease liabilities	380.10	469.05	-	273.99	111.48	83.58
Trade payables	12,576.95	12,576.95	-	12,576.95	-	-
Other financial liabilities	953.49	953.49	20.00	933.49	-	-
<b>Total</b>	<b>18,798.23</b>	<b>18,942.19</b>	<b>4,046.33</b>	<b>13,784.43</b>	<b>1,027.84</b>	<b>83.58</b>
Particulars	Carrying amount	Total	On demand	0-12 months	1-5 years	>5 years
<b>As at 31 March 2020</b>						
Borrowings	4,620.06	4,660.82	3,783.31	-	877.51	-
Lease liabilities	630.29	772.26	-	303.21	370.25	98.80
Trade payables	14,913.77	14,913.77	-	14,913.77	-	-
Other financial liabilities	909.00	909.00	20.00	889.00	-	-
<b>Total</b>	<b>21,073.11</b>	<b>21,255.84</b>	<b>3,803.31</b>	<b>16,105.97</b>	<b>1,247.76</b>	<b>98.80</b>
Particulars	Carrying amount	Total	On demand	0-12 months	1-5 years	>5 years
<b>As at 1 April 2019</b>						
Borrowings	5,207.15	5,265.10	4,072.57	1.99	1,189.61	0.93
Lease liabilities	388.35	524.14	-	144.17	281.17	98.80
Trade payables	12,611.21	12,611.21	-	12,611.21	-	-
Other financial liabilities	789.11	789.11	-	789.11	-	-
<b>Total</b>	<b>18,995.82</b>	<b>19,189.57</b>	<b>4,072.57</b>	<b>13,546.48</b>	<b>1,470.78</b>	<b>99.73</b>

### (d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, which will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### i) Foreign currency risk

The transactions of the Group are denominated in both Indian rupees and foreign currencies and accordingly, the Group is exposed to foreign exchange risk in relation to operating activities (when revenue or expense is denominated in a foreign currency) arising from foreign currency transactions.

#### Foreign currency risk exposure

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### Particulars of unhedged foreign currency exposure :

Particulars		As at 31 March 2021		As at 31 March 2020		As at 1 April 2019	
		Amount in Foreign Currency	Amount equivalent in INR Lakhs	Amount in Foreign Currency	Amount equivalent in INR Lakhs	Amount in Foreign Currency	Amount equivalent in INR Lakhs
Foreign currency receivables							
- representing	USD	848,624	620.01	986,905	740.67	845,405	500.89
advances	EURO	14,000	11.90	32,689	26.85	19,223	14.84
	NOK*	13,580	1.15	-	-	-	-
- representing trade	USD	728,186	532.01	533,701	400.54	572,032	391.44
receivables	EURO	64,303	54.64	91,194	74.91	68,980	52.63
Foreign currency payable							
- representing trade	AED*	7,378	1.51	9,078	1.91	4,750	0.92
payables	USD	1,184,881	875.75	476,341	361.54	1,730,164	1,209.90
	EURO	388,377	338.28	392,855	331.54	200,800	158.67
	NOK*	-	-	-	-	91,785	7.48
- representing	USD	125,763	92.95	80,704	61.25	-	-
advances	EURO	-	-	6,216	5.24	-	-
Foreign currency non-resident (Bank) "FCNR (B)" Loan	USD	-	-	-	-	15,945	11.15
Foreign currency	EURO	75	0.06	202	0.17	364	0.29
notes	USD	560	0.41	28	0.02	581	0.41

\* The Group does not expect any change in the exchange rate of AED / NOK and INR, resulting into any significant impact to the financial numbers.

### Sensitivity to risk

Particulars	Impact of profit - Increase / (decrease)		
	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>USD Sensitivity</b>			
INR/USD - Increase by 5% (31 March 2020 - 5%, 1 April 2019 - 5%)	9.19	35.92	(16.42)
INR/USD - Decrease by 5% (31 March 2020 - 5%, 1 April 2019 - 5%)	(9.19)	(35.92)	16.42
<b>Euro Sensitivity</b>			
INR/EURO - Increase by 5% (31 March 2020 - 5%, 1 April 2019 - 5%)	(13.58)	(11.74)	(4.55)
INR/EURO - Decrease by 5% (31 March 2020 - 5%, 1 April 2019 - 5%)	13.58	11.74	4.55

### ii) 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 Group's exposure to market risk for changes in interest rates primarily relates to borrowings.

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Variable rate borrowings	5,144.15	4,845.39	5,447.46
Fixed rate borrowings	306.11	173.52	150.14
<b>Total borrowings</b>	<b>5,450.26</b>	<b>5,018.91</b>	<b>5,597.60</b>

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. This analyses assumes that all other variables remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Particulars	Profit or loss	
	100 bp increase	100 bp decrease
Variable rate instrument as at 31 March 2021	51.44	(51.44)
Variable rate instrument as at 31 March 2020	48.45	(48.45)
Variable rate instrument as at 1 April 2019	54.47	(54.47)

### 46 Capital management

The funding requirements of the Group are met through a mixture of equity shares and other non-current borrowings. The Group's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through optimisation of debt and equity balance.

The Adjusted net debt to total equity ratio at the end of the reporting period was as follows:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Total borrowings*	5,450.26	5,018.91	5,597.60
Lease liabilities	380.10	630.29	388.35
Less: Cash and cash equivalent and other bank balances	1,365.22	1,459.00	1,621.94
<b>Adjusted net debt</b>	<b>4,465.14</b>	<b>4,190.20</b>	<b>4,364.01</b>
<b>Total equity</b>	<b>16,999.95</b>	<b>15,609.90</b>	<b>14,757.31</b>
<b>Adjusted net debt to total equity ratio</b>	<b>0.26</b>	<b>0.27</b>	<b>0.30</b>

\* includes current maturities of long-term borrowings included under other current financial liabilities.

### 47 Contingent liabilities

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
a. Guarantees given by Company's bankers			
(i) Bank guarantee against advance and liquidated damages given to customers (net of liabilities accounted for) reduced by an amount of Rs 794.09 lakhs (31 March 2020: Rs 794.09 lakhs, 01 April 2019: Rs 794.09 lakhs) towards the counter bank guarantee received from sub-contractors	2,137.72	1,664.88	2,279.18
(ii) Other bank guarantees provided under contractual / legal obligations reduced by an amount of Rs Nil (31 March 2020: Rs 1,180.45 lakhs, 01 April 2019: Rs 1,180.45 lakhs) towards the counter bank guarantee received from sub-contractors	5,166.94	4,915.33	5,137.41
(iii) Foreign bank guarantees	121.05	33.43	-
b. Letter of credit opened in favour of suppliers	832.10	816.47	147.04
c. Bills discounted with bank	357.67	45.84	261.15
d. Disputed tax liabilities in respect of pending cases before appellate authorities [amount deposited under protest Nil (31 March 2020: Rs 6.26 lakhs, 01 April 2019: Rs 6.26 lakhs)] {refer note (I)}	123.36	141.54	237.69
e. Custom duty [amount deposited under protest Rs 65 lakhs (31 March 2020: Rs Nil, 01 April 2019: Rs Nil)] {Refer note (iii)}	132.62	-	-

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### Notes:

(i) The various disputed tax litigations are as under:

Particulars	Period to which it relates	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>a. Income Tax</b>				
Disallowances / additions made by the income tax department pending before various appellate authorities	AY 13-14 to AY 16-17 (31 March 2020: AY 13-14 to AY 16-17; 1 April 2019: AY 13-14 to AY 16-17)	31.84	31.84	174.75
<b>b. Income Tax (Indian Subsidiary)</b>				
Disallowances / additions made by the income tax department pending before various appellate authorities	AY 2006-07 to AY 2011-12 and AY 2018-19 (31 March 2020: AY 2006-07 to AY 2011-12 and AY 2018-19; 1 April 2019: Nil)	20.40	20.40	-
<b>c. Sales Tax / VAT</b>				
Demands raised by Sales tax / VAT department pending before various appellate authorities	FY 09-10 and FY 16-17 (31 March 2020: FY 09-10 and FY 16-17, 1 April 2019: FY 15-16)	71.12	71.12	62.94
<b>d. Entry Tax</b>				
Demands raised by Goa entry tax department (Refer note (ii) below)	NA (31 March 2020: FY 12-13 to FY 16-17, 1 April 2019: NA)	-	18.18	-
		<b>123.36</b>	<b>141.54</b>	<b>237.69</b>

The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the consolidated financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceedings will not have a material adverse effect on the Group's financial position and results of operations.

- (ii) The Group during the year has made entry tax payment of Rs 12.28 lakhs against the said demand. Balance Rs 5.90 lakhs pertaining to penalty has been waived off by the department.
- (iii) The Group during the year has received a demand order dated 31.08.2020 from the office of The Commissioner of Customs raising a demand of Rs 120.62 lakhs on the Group u/s 28(8) of the Customs Act, 1962 read with section 5(1) of IGST Act, 2017 with regards to classification under incorrect CTH of copper busbar imported by the Group during the period from 13.08.2014 to 30.10.2018. The order also imposes a penalty of Rs 12 lakhs on the Group and interest u/s 28AA of the Customs Act, 1962. The amount disclosed above is exclusive of interest as the same is not currently quantifiable. The Group has filed an appeal against the said order on 23.10.2020. Based on the legal opinion obtained by the Group from an independent firm of advocates, the management believes that the ultimate outcome of the proceedings will not have an adverse effect on the Group's financial position.
- (iv) The Supreme court of India had passed a judgement in the month of February 2019 relating to definition of wages under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement. However, the Group is in the process of determining the possible impact and update its provision, if required. The Management does not expect any material impact of the same for financial year 2020-21 based on the present salary structure followed by the Group for its class of employees.

### 48 Capital and other commitments:

Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Property, plant and equipment	624.37	65.25	65.25

The Group did not have any long term commitments/contracts for which there were any material foreseeable losses. The Group did not have any long-term derivative contracts as at 31 March 2021.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 49 Interests in other entities

#### (a) Subsidiaries / Step down subsidiary

The Holding Company's subsidiaries at 31 March 2021 are set out below. The country of incorporation or registration is also their principal place of business.

Name of entity	Principal place of business / place of incorporation	Ownership interest held by Group			% of non controlling interest		
		31 March 2021	31 March 2020	1 April 2019	31 March 2021	31 March 2020	1 April 2019
Eltech Engineers Madras Private Limited	India	70.00%	70.00%	70.00%	30.00%	30.00%	30.00%
Narhari Engineering Works	India	80.00%	80.00%	80.00%	20.00%	20.00%	20.00%
Evigo Charging Consultants Private Limited	India	74.00%	-	-	26.00%	-	-
MEL Power Systems FZC	United Arab Emirates	90.00%	90.00%	90.00%	10.00%	10.00%	10.00%
STISRL, subsidiary of MEL Power Systems FZC	Italy	67.50%	67.50%	67.50%	32.50%	32.50%	32.50%

#### (b) Non controlling interest

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for the subsidiaries are before inter-company eliminations.

Summarised balance sheet	As at 31 March 2021				
	Eltech Engineers Madras Private Limited	Narhari Engineering Works	MEL Power Systems FZC	STISRL	Evigo Charging Consultants Private Limited
Current assets	28.73	1,128.35	3,652.53	4,610.92	3.98
Current liabilities	375.31	274.30	1,339.88	3,973.62	1.35
<b>Net current assets</b>	<b>(346.58)</b>	<b>854.05</b>	<b>2,312.64</b>	<b>637.30</b>	<b>2.63</b>
Non-current assets	70.39	326.13	798.90	864.39	5.47
Non-current liabilities	-	11.34	-	-	-
<b>Net non-current assets</b>	<b>70.39</b>	<b>314.79</b>	<b>798.90</b>	<b>864.39</b>	<b>5.47</b>
<b>Net assets</b>	<b>(276.19)</b>	<b>1,168.84</b>	<b>3,111.54</b>	<b>1,501.69</b>	<b>8.10</b>
Less: Additional capital contribution by the Company over profit sharing ratio	-	625.54	-	-	-
Less: Contribution towards preference share capital by the Company	-	-	-	-	18.66
<b>Net assets for Non Controlling Interest attribution</b>	<b>(276.19)</b>	<b>543.30</b>	<b>3,111.54</b>	<b>1,501.69</b>	<b>(10.56)</b>
<b>Accumulated Non Controlling Interest</b>	<b>(82.86)</b>	<b>108.66</b>	<b>311.15</b>	<b>488.05</b>	<b>(2.74)</b>



## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Summarised balance sheet	As at 31 March 2020			
	Eltech Engineers Madras Private Limited	Narhari Engineering Works	MEL Power Systems FZC	STI SRL
Current assets	490.94	1,105.97	3,547.21	4,689.18
Current liabilities	881.21	313.27	1,899.27	3,879.60
<b>Net current assets</b>	<b>(390.27)</b>	<b>792.70</b>	<b>1,647.94</b>	<b>809.58</b>
Non-current assets	132.82	362.08	961.84	628.79
Non-current liabilities	-	35.51	-	-
<b>Net non-current assets</b>	<b>132.82</b>	<b>326.57</b>	<b>961.84</b>	<b>628.79</b>
<b>Net assets</b>	<b>(257.45)</b>	<b>1,119.27</b>	<b>2,609.78</b>	<b>1,438.37</b>
Less: Additional capital contribution by Holding Company over profit sharing ratio	-	625.57	-	-
<b>Net assets for Non Controlling Interest attribution</b>	<b>(257.45)</b>	<b>493.70</b>	<b>2,609.78</b>	<b>1,438.37</b>
<b>Accumulated Non Controlling Interest</b>	<b>(77.24)</b>	<b>98.74</b>	<b>260.98</b>	<b>467.47</b>

Summarised balance sheet	As at 1 April 2019			
	Eltech Engineers Madras Private Limited	Narhari Engineering Works	MEL Power Systems FZC	STI SRL
Current assets	315.40	1,095.15	3,068.11	3,898.45
Current liabilities	623.70	343.90	1,525.33	3,367.27
<b>Net current assets</b>	<b>(308.30)</b>	<b>751.25</b>	<b>1,542.79</b>	<b>531.18</b>
Non-current assets	47.95	381.57	789.15	806.84
Non-current liabilities	-	90.97	-	-
<b>Net non-current assets</b>	<b>47.95</b>	<b>290.60</b>	<b>789.15</b>	<b>806.84</b>
<b>Net assets</b>	<b>(260.35)</b>	<b>1,041.85</b>	<b>2,331.94</b>	<b>1,338.02</b>
Less: Additional capital contribution by Holding Company over profit sharing ratio	-	625.55	-	-
<b>Net assets for Non Controlling Interest attribution</b>	<b>(260.35)</b>	<b>416.30</b>	<b>2,331.94</b>	<b>1,338.02</b>
<b>Accumulated Non Controlling Interest</b>	<b>(78.11)</b>	<b>83.26</b>	<b>233.19</b>	<b>434.86</b>

Summarised Statement of profit & loss	for the year ended 31 March 2021				
	Eltech Engineers Madras Private Limited	Narhari Engineering Works	MEL Power Systems FZC	STI SRL	Evigo Charging Consultants Private Limited
Revenue from operations	170.72	721.50	2,709.64	2,324.10	-
Profit/(Loss) for the year	(18.74)	49.57	582.95	13.49	(13.40)
Other comprehensive income	-	-	81.19	(49.83)	-
<b>Total comprehensive income</b>	<b>(18.74)</b>	<b>49.57</b>	<b>664.14</b>	<b>(36.33)</b>	<b>(13.40)</b>
<b>Allocated to Non Controlling Interest</b>	<b>(5.62)</b>	<b>9.91</b>	<b>66.41</b>	<b>(11.82)</b>	<b>(3.49)</b>

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Summarised Statement of profit & loss	for the year ended 31 March 2020			
	Eltech Engineers Madras Private Limited	Narhari Engineering Works	MEL Power Systems FZC	STI SRL
Revenue from operations	968.77	919.32	2,134.01	2,138.11
Profit / (Loss) for the year	2.90	77.42	73.69	10.80
Other comprehensive income	-	-	(204.16)	(89.55)
<b>Total comprehensive income</b>	<b>2.90</b>	<b>77.42</b>	<b>(130.47)</b>	<b>(78.75)</b>
<b>Allocated to Non Controlling Interest</b>	<b>0.87</b>	<b>15.48</b>	<b>(13.04)</b>	<b>(25.59)</b>

Summarised cash flow	for the year ended 31 March 2021				
	Eltech Engineers Madras Private Limited	Narhari Engineering Works	MEL Power Systems FZC	STI SRL	Evigo Charging Consultants Private Limited
Cash flow from operating activities	(0.06)	57.53	389.48	504.97	(14.46)
Cash flow from investing activities	37.71	(15.30)	137.68	(320.99)	(5.52)
Cash flow from financing activities	(51.19)	(62.99)	(521.61)	-	21.62
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>(13.54)</b>	<b>(20.76)</b>	<b>5.55</b>	<b>183.98</b>	<b>1.64</b>
<b>Allocated to Non Controlling Interest</b>	<b>(4.06)</b>	<b>(4.15)</b>	<b>0.55</b>	<b>59.79</b>	<b>0.43</b>

Summarised cash flow	for the year ended 31 March 2020			
	Eltech Engineers Madras Private Limited	Narhari Engineering Works	MEL Power Systems FZC	STI SRL
Cash flow from operating activities	134.86	194.29	(314.86)	(75.21)
Cash flow from investing activities	(110.09)	(14.30)	(102.54)	105.33
Cash flow from financing activities	(8.57)	(158.63)	327.95	-
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>16.20</b>	<b>21.36</b>	<b>(89.45)</b>	<b>30.12</b>
<b>Allocated to Non Controlling Interest</b>	<b>4.86</b>	<b>4.27</b>	<b>(8.94)</b>	<b>9.79</b>

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

50 Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III of the Companies Act 2013 :

Name of the entities	Net assets as on 31 March 2021 i.e. total assets minus total liabilities		Share in profit or (loss) for 31 March 2021		Share in other comprehensive income for 31 March 2021		Share in total comprehensive income for 31 March 2021	
	As % of consolidated net assets	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated Profit & Loss	Amount
<b>Parent</b>								
Marine Electricals (India) Limited	78.75%	13,387.59	57.85%	782.85	34.64%	16.62	57.06%	799.47
<b>Subsidiaries / step down subsidiary</b>								
Eltech Engineers Madras Private Limited	-1.62%	(276.19)	-1.38%	(18.74)	-	-	-1.34%	(18.74)
Narhari Engineering Works	6.88%	1,168.84	3.66%	49.57	-	-	3.54%	49.57
Evigo Charging Consultants Private Limited	0.05%	8.11	-0.99%	(13.40)	-	-	-0.96%	(13.40)
MEL Power Systems FZC	18.30%	3,111.54	43.08%	582.95	169.21%	81.19	47.40%	664.14
STI SRL	8.83%	1,501.69	1.00%	13.49	-103.85%	(49.83)	-2.59%	(36.33)
Non controlling interest	4.12%	700.89	4.69%	63.47	-16.82%	(8.07)	3.95%	55.40
Less: Consolidation adjustments	-15.31%	(2,602.52)	-7.91%	(107.00)	16.82%	8.07	-7.06%	(98.93)
<b>Total</b>	<b>100.00%</b>	<b>16,999.95</b>	<b>100.00%</b>	<b>1,353.19</b>	<b>100.00%</b>	<b>47.98</b>	<b>100.00%</b>	<b>1,401.17</b>

Name of the entities	Net assets as on 31 March 2020 i.e. total assets minus total liabilities		Share in profit or (loss) for 31 March 2020		Share in other comprehensive income for 31 March 2020		Share in total comprehensive income for 31 March 2020	
	As % of consolidated net assets	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated Profit & Loss	Amount
<b>Parent</b>								
Marine Electricals India Limited	80.46%	12,559.41	80.64%	474.68	1.59%	(4.76)	161.95%	469.92
<b>Subsidiaries / step down subsidiary</b>								
Eltech Engineers Madras Private Limited	-1.65%	(257.45)	0.49%	2.90	-	-	1.00%	2.90
Narhari Engineering Works	7.17%	1,119.27	13.15%	77.42	-	-	26.68%	77.42
MEL Power Systems FZC	16.72%	2,609.78	12.52%	73.69	68.40%	(204.16)	-44.96%	(130.47)
STI SRL	9.21%	1,438.37	1.83%	10.80	30.00%	(89.55)	-27.14%	(78.75)
Non controlling interest	3.88%	605.62	4.63%	27.25	16.59%	(49.52)	-7.67%	(22.27)
Less: Consolidation adjustments	-15.79%	(2,465.10)	-13.27%	(78.10)	-16.59%	49.52	-9.85%	(28.58)
<b>Total</b>	<b>100.00%</b>	<b>15,609.90</b>	<b>100.00%</b>	<b>588.63</b>	<b>100.00%</b>	<b>(298.47)</b>	<b>100.00%</b>	<b>290.16</b>

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 51. First time adoption of Ind AS

As stated in Note 2.1, these are the Group's first financial statements prepared in accordance with Ind AS. For the year ended upto and including 31 March 2020, the Group had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2021 including the comparative information for the year ended 31 March 2020 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2019 ('Transition date').

In preparing its Ind AS balance sheet as at 1 April 2019, and in presenting the comparative information for the year ended 31 March 2020, the Group has adjusted amounts reported previously in financial statements prepared in accordance with Previous GAAP as detailed hereunder and accordingly the impact of such transition on the Group's financial position and financial performance is listed hereunder:

In preparing these financial statements, the Group has applied the below mentioned optional exemptions and mandatory exceptions:

#### A. Optional exemptions availed :

Ind AS 101 allows first-time adopters certain optional exemptions from the retrospective application of certain requirements under Ind AS for transition from the previous GAAP. The Group has availed the following :

##### (i) Deemed cost for property, plant and equipment and other intangible assets

In accordance with Ind AS 101, the Group has elected to continue with the carrying value of its property, plant and equipment and other intangible assets recognised as at 1 April 2019 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and other intangible assets as on the date of transition.

##### (ii) Deemed cost for investments in subsidiaries

The Group has elected to continue with the carrying value of all of its investments in subsidiaries recognised as of transition date measured as per the Previous GAAP as its deemed cost as at the date of transition.

#### B. Mandatory exceptions:

In accordance with Ind AS 101, the Group has applied following mandatory exceptions for transition from the Previous GAAP:

##### (i) Classification and measurement of financial assets

In accordance with Ind AS 101, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

##### (ii) Estimates

In accordance with Ind AS 101, the Group's estimates are consistent with those made under Previous GAAP and where necessary, appropriate adjustments are made to carrying value as at the date of transition.

As per Ind AS 101, the Group is required to make certain estimates that were not required under Previous GAAP, which should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

Further estimates considered in preparation of the financial statements that were not required under the Previous GAAP are:

- i) fair valuation of financial instruments carried at Fair Value through Profit and Loss (FVTPL) and/or Fair Value through Other Comprehensive Income (FVOCI);
- ii) impairment of financial assets based on the expected credit loss model;
- iii) determination of the discounted value for financial instruments carried at amortised cost.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### (i) Reconciliation of balance sheet as at 1 April 2019 (date of transition)

Particulars	Note	Amount as per Previous GAAP*	Ind AS adjustments	Amount as per Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2, 6 & 7	3,041.72	(439.01)	2,602.71
Right-to-use asset	1 & 2	-	750.87	750.87
Capital work-in-progress		1,443.07	-	1,443.07
Investment property		715.99	-	715.99
Other intangible assets	7	524.72	(250.00)	274.72
Financial assets				
Investments	6	310.47	34.46	344.93
Loans	1	272.10	(24.91)	247.19
Other financial assets	2	63.12	(18.03)	45.09
Other non-current assets	1	52.95	(27.72)	25.23
Non-current tax assets (net)		130.61	(0.02)	130.59
<b>Total non-current assets</b>		<b>6,554.75</b>	<b>25.64</b>	<b>6,580.39</b>
<b>Current assets</b>				
Inventories	6	5,588.03	(547.14)	5,040.89
Financial assets				
Trade receivables	3 & 6	19,018.49	(836.02)	18,182.47
Cash and cash equivalents	6	543.08	(48.60)	494.48
Bank balances other than cash and cash equivalents above	6	1,135.83	(8.37)	1,127.46
Loans	3 & 6	1,668.10	(446.43)	1,221.67
Other financial assets	3	76.96	(4.84)	72.12
Other current assets	4	2,730.62	43.59	2,774.21
<b>Total current assets</b>		<b>30,761.12</b>	<b>(1,847.82)</b>	<b>28,913.30</b>
<b>Total assets</b>		<b>37,315.87</b>	<b>(1,822.18)</b>	<b>35,493.69</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		2,453.31	-	2,453.31
Other equity	1 to 8	12,996.73	(1,286.86)	11,709.87
<b>Equity attributable to owners of the Company</b>		<b>15,450.04</b>	<b>(1,286.86)</b>	<b>14,163.18</b>
Non-controlling interests		609.45	(15.32)	594.13
<b>Total equity</b>		<b>16,059.49</b>	<b>(1,302.18)</b>	<b>14,757.31</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	1	1,190.51	(57.92)	1,132.59
Lease liabilities	2	-	279.00	279.00
Other financial liabilities	1	20.00	(1.87)	18.13
Provisions	6	246.68	(52.42)	194.26
Deferred tax liabilities (net)	8	76.16	(48.18)	27.98
<b>Total non-current liabilities</b>		<b>1,533.35</b>	<b>118.61</b>	<b>1,651.96</b>

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	Amount as per Previous GAAP*	Ind AS adjustments	Amount as per Ind AS
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	6	4,080.77	(6.21)	4,074.56
Lease liabilities	2	-	109.35	109.35
Trade payables				
- Micro and small enterprises		-	-	-
- Other than micro and small enterprises	6	13,352.46	(741.24)	12,611.21
Other financial liabilities		770.98	-	770.98
Other current liabilities	1 & 6	1,389.56	(0.51)	1,389.05
Provisions		8.98	-	8.98
Current tax liabilities (net)		120.29	-	120.29
<b>Total current liabilities</b>		<b>19,723.03</b>	<b>(638.61)</b>	<b>19,084.42</b>
<b>Total liabilities</b>		<b>21,256.38</b>	<b>(520.00)</b>	<b>20,736.38</b>
<b>Total equity and liabilities</b>		<b>37,315.87</b>	<b>(1,822.18)</b>	<b>35,493.69</b>

\* The previous year numbers have been regrouped / reclassified to meet the presentation criteria defined under Division II of Schedule III to the Companies Act, 2013.

### (ii) Reconciliation of balance sheet as at 31 March 2020

Particulars	Note	Amount as per Previous GAAP*	Ind AS adjustments	Amount as per Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2 & 7	3,765.19	(409.69)	3,355.50
Right-to-use asset	1 & 2	-	983.95	983.95
Investment property		640.25	-	640.25
Other intangible assets	7	614.21	(249.74)	364.47
Financial assets				
Investments	6	483.78	(10.20)	473.58
Loans	1	341.78	(65.34)	276.44
Other financial assets	2	522.27	(18.03)	504.24
Deferred tax assets (net)	8	-	87.92	87.92
Other non-current assets	1	66.25	(22.15)	44.10
Non-current tax assets (net)		141.68	-	141.68
<b>Total non-current assets</b>		<b>6,575.42</b>	<b>296.71</b>	<b>6,872.13</b>
<b>Current assets</b>				
Inventories		7,476.90	-	7,476.90
Financial assets				
Trade receivables	3 & 6	17,067.55	(128.47)	16,939.08
Cash and cash equivalents	6	762.82	(0.08)	762.74
Bank balances other than cash and cash equivalents above	6	696.82	(0.57)	696.25
Loans	3	1,266.15	(23.66)	1,242.49
Other financial assets	3	30.25	(4.84)	25.41
Other current assets	1	4,270.05	(2.27)	4,267.78
<b>Total current assets</b>		<b>31,570.55</b>	<b>(159.90)</b>	<b>31,410.65</b>
<b>Total assets</b>		<b>38,145.97</b>	<b>136.81</b>	<b>38,282.78</b>

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	Amount as per Previous GAAP*	Ind AS adjustments	Amount as per Ind AS
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		2,453.31	-	2,453.31
Other equity	1 to 8	13,158.40	(607.43)	12,550.97
<b>Equity attributable to owners of the Company</b>		<b>15,611.71</b>	<b>(607.43)</b>	<b>15,004.28</b>
Non-controlling interests		572.14	33.48	605.62
<b>Total equity</b>		<b>16,183.85</b>	<b>(573.95)</b>	<b>15,609.90</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	1	877.37	(40.63)	836.74
Lease liabilities	2	-	380.01	380.01
Provisions		229.96	-	229.96
Deferred tax liabilities (net)	8	3.84	(3.84)	-
<b>Total non-current liabilities</b>		<b>1,111.17</b>	<b>335.54</b>	<b>1,446.71</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings		3,783.31	-	3,783.31
Lease liabilities	2	-	250.28	250.28
Trade payables				
- Micro and small enterprises		88.24	-	88.24
- Other than micro and small enterprises		14,825.53	-	14,825.53
Other financial liabilities		909.00	-	909.00
Other current liabilities	4	1,029.52	124.94	1,154.46
Provisions		17.39	-	17.39
Current tax liabilities (net)		197.96	-	197.96
<b>Total current liabilities</b>		<b>20,850.95</b>	<b>375.22</b>	<b>21,226.17</b>
<b>Total liabilities</b>		<b>21,962.12</b>	<b>710.76</b>	<b>22,672.88</b>
<b>Total equity and liabilities</b>		<b>38,145.97</b>	<b>136.81</b>	<b>38,282.78</b>

\* The previous year numbers have been regrouped / reclassified to meet the presentation criteria defined under Division II of Schedule III to the Companies Act, 2013.



## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### (iii) Reconciliation of total comprehensive income for the year ended 31 March 2020

Particulars	Note	Amount as per Previous GAAP*	Ind AS adjustments	Amount as per Ind AS
<b>Revenue</b>				
Revenue from operations	4 & 6	28,860.52	(2,568.00)	26,292.52
Other income	1, 3 & 6	609.79	(2.92)	606.87
<b>Total income</b>		<b>29,470.31</b>	<b>(2,570.92)</b>	<b>26,899.39</b>
<b>Expenses</b>				
Cost of material consumed	6	22,280.67	(1,763.92)	20,516.75
Changes in inventories of finished goods and work in progress		(1,796.22)	-	(1,796.22)
Employee benefits expense	5 & 6	3,342.28	(284.36)	3,057.92
Finance costs	1, 2 & 6	1,007.53	96.35	1,103.88
Depreciation and amortization expense	2, 6 & 7	691.51	271.08	962.59
Other expenses	2 & 6	2,807.94	(524.84)	2,283.10
<b>Total expenses</b>		<b>28,333.71</b>	<b>(2,205.69)</b>	<b>26,128.02</b>
<b>Profit before share in profit / (loss) of associates &amp; joint ventures and tax</b>		<b>1,136.60</b>	<b>(365.23)</b>	<b>771.37</b>
Share in profit / (loss) of associates and joint ventures	6	-	0.08	0.08
<b>Profit before tax</b>		<b>1,136.60</b>	<b>(365.15)</b>	<b>771.45</b>
<b>Income tax expense / (credit):</b>				
<b>Current tax</b>		296.59	-	296.59
Excess / short provision of tax for earlier years		0.52	-	0.52
Deferred tax charge / (credit)	8	(72.32)	(41.97)	(114.29)
		<b>224.79</b>	<b>(41.97)</b>	<b>182.82</b>
<b>Profit after tax</b>		<b>911.81</b>	<b>(323.18)</b>	<b>588.63</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Re-measurement of defined benefit plans	5	-	(6.36)	(6.36)
Income tax relating to items that will not be reclassified to profit or loss	8	-	1.60	1.60
<b>Items that will be reclassified to profit or loss</b>				
Exchange differences on translation of foreign currency operations		-	(293.71)	(293.71)
<b>Other comprehensive income / (loss) for the year</b>		<b>-</b>	<b>(298.47)</b>	<b>(298.47)</b>
<b>Total comprehensive income for the year</b>		<b>911.81</b>	<b>(621.65)</b>	<b>290.16</b>

\* The previous year numbers have been regrouped / reclassified to meet the presentation criteria defined under Division II of Schedule III to the Companies Act, 2013.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### (iv) Reconciliation of total equity as at 31 March 2020 and 1 April 2019

Particulars	As At 31 March 2020	As At 1 April 2019
<b>Total equity under Previous GAAP</b>	<b>16,183.85</b>	<b>16,059.49</b>
<b>Adjustments on account of:</b>		
Ind AS 115 - "Revenue from contracts with customers"	(124.96)	43.59
Ind AS 116 - "Leases"	(119.54)	(66.43)
Financial assets measured at amortised cost	(118.03)	(156.36)
Financial liabilities measured at amortised cost	(111.23)	(109.38)
Fair value of financial guarantee transferred to other component of equity	131.71	131.71
Fair value loss of equity instrument in other companies measured at fair value through profit and loss	(29.30)	(888.09)
Others	(288.90)	(301.55)
Deferred tax on above Ind AS impact	86.30	44.33
<b>Total adjustments</b>	<b>(573.95)</b>	<b>(1,302.18)</b>
<b>Total equity as per Ind AS</b>	<b>15,609.90</b>	<b>14,757.31</b>

### (v) Reconciliation of profit

Particulars	For year ended 31 March 2020
<b>Profit after tax under Previous GAAP</b>	<b>911.81</b>
<b>Adjustments on account of:</b>	
Ind AS 115 - "Revenue from contracts with customers"	(168.55)
Ind AS 116 - "Leases"	(53.11)
Financial assets measured at amortised cost	38.33
Financial liabilities measured at amortised cost	(1.85)
Financial guarantee expense	(24.94)
Fair value loss of equity instrument in other companies measured at fair value through profit and loss	(158.74)
Re-measurement gains on defined benefit plan	6.36
Others	(2.65)
Deferred tax on above Ind AS impact	41.97
<b>Profit after tax as reported under Ind AS</b>	<b>588.63</b>
Other comprehensive income/ (loss) (net of tax) - Re-measurement gains on defined benefit plan	(4.76)
Exchange differences on translation of foreign currency operations	(293.71)
<b>Total comprehensive income as reported under Ind AS</b>	<b>290.16</b>

### (vi) Reconciliation of cash flows for the year ended 31 March 2020

Particulars	Amount as per Previous GAAP*	Ind AS adjustments	Amount as per Ind AS
Net cash flows generated from / (used in) operating activities	1,886.69	377.35	2,264.04
Net cash flows generated from / (used in) investing activities	16.93	(150.86)	(133.93)
Net cash flows generated from / (used in) financing activities	(1,697.89)	(163.96)	(1,861.85)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>205.73</b>	<b>62.53</b>	<b>268.26</b>
Cash and cash equivalents at the beginning of the year	543.08	(48.60)	494.48
Effect of exchange rate changes in cash and cash equivalents	14.01	(14.01)	-
<b>Cash and cash equivalents at the end of the year</b>	<b>762.82</b>	<b>(0.08)</b>	<b>762.74</b>

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

\* The previous year numbers have been regrouped / reclassified to meet the presentation criteria defined under Division II of Schedule III to the Companies Act, 2013.

### Notes:

#### 1. Measurement of financial assets and financial liabilities at amortised cost

Under Previous GAAP, all financial assets and financial liabilities were carried at cost.

Under Ind AS, certain financial assets and financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. In applying the effective interest method, an entity identifies, fees that are an integral part of the effective interest rate of a financial instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability.

For certain financial assets and liabilities, the fair value of the financial assets liabilities at the date of transition to Ind AS has been considered as the new amortised cost of that financial assets and liabilities at the date of transition to Ind AS.

#### 2. Leases

Under Previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incidental to the ownership of an asset. Operating lease were expensed in the statement of profit and loss. Pursuant to application of Ind AS 116, for operating leases other than those for which the Group has opted for short-term or low value exemption, the Group has recorded a right-to-use asset and lease liability. Right-to-use asset is amortised over the lease term or useful life of the leased assets whichever is lower and lease liability is subsequently measured at amortised cost and interest expense is recognised.

#### 3. Recognition of loss allowance for expected credit losses on financial assets measured at amortised cost

Under Previous GAAP, provision for doubtful debts was recognised based on the estimates of the outcome and of the financial effect of contingencies determined by the management of the Group. This judgement was based on consideration of information available up to the date on which the financial statements were approved and included a review of events occurring after the balance sheet date.

Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortised cost. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and the expected loss rates.

#### 4. Revenue from contracts with customers

The Group has adopted Ind AS 115 'Revenue from Contracts with Customers' which introduces a new five step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer. The Group has adopted Ind AS 115 effective 1 April 2019 applying the standard to all the contracts that are not completed as such date.

#### 5. Re-measurement gains on defined benefit plans

Under Ind AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognized in other comprehensive income instead of profit or loss in Previous GAAP.

6. Under Previous GAAP, two of the joint venture entities were accounted as per proportionate consolidation method. However, as per Ind AS, the said joint ventures were accounted as per equity method and subsequently one of the joint venture has been disposed off.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

7. Under Previous GAAP, a subsidiary entity (partnership firm) carried goodwill under its intangible assets which was not amortised. Under Ind AS, the said goodwill was entirely amortised as on the date of transition to Ind AS. Similarly, the firm also carried revaluation amount of certain assets which were not depreciated under Previous GAAP and which are now depreciated under Ind AS.

### 8. Deferred tax

Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet approach for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through profit or loss. For transactions and other events recognised outside profit or loss (either in other comprehensive income or directly in equity), related tax effects are also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

- 52 The Company during financial year 2017-18 paid to a supplier in China an advance of USD 8,00,000 carried at Rs 584.48 lakhs as at 31 March 2021 (31 March 2020: USD 8,00,000 carried at Rs 600.40 lakhs, 01 April 2019: USD 8,00,000 carried at Rs 559.44 lakhs), for procurement of solar PV modules. The Company has initiated arbitration proceedings against the supplier by appointing an independent arbitration professional. Pending recovery of the advance paid or procurement of material against the said advance, the Company believes that this advance is recoverable and it continues to carry the said advance as unsecured and considered good under "Other current assets".

- 53 Eltech Engineers Madras Private Limited, a subsidiary company ("Eltech"), has incurred a loss of Rs 18.74 lakhs for the year ended 31 March 2021. As at 31 March 2021, its accumulated losses were Rs 306.19 lakhs, the current liabilities were Rs 375.31 lakhs and current assets were Rs 28.73 lakhs. Further, its net worth as at 31 March 2021 was negative Rs 276.19 lakhs. These conditions indicate the existence of material uncertainty about Eltech's ability to continue as a going concern. However, the standalone financial statements of Eltech have been prepared on a going concern basis as the Company has committed to provide all financial and other support to enable Eltech to operate as a going concern. The financial statements of Eltech are not material to the Group.

- 54 In case of subsidiaries incorporated outside India, accounting policy with regards to depreciation on property, plant and equipment (tangible assets) and amortisation of intangible assets is different as compared to the written down value method adopted by the Company and other subsidiary incorporated in India. The consequential financial impact of adjustments on account of depreciation that would be required to be made in the consolidated financial statements to ensure conformity with the Group's accounting policy for depreciation is currently not ascertainable.

### 55 Acquisition made during the year

The Board of Directors of the Holding Company on 30 July 2019 approved the acquisition of 74% paid-up equity share capital of Evigo Charging Consultants Private Limited ("Evigo"), a company comprising of 38,462 equity shares of Rs.10 each. The process of acquisition of Evigo was completed on 09 October, 2020. The Holding Company has paid consideration of Rs. 2.84 Lakhs for the acquisition of Evigo. The Group has accounted the transaction as an asset acquisition.

- 56 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2021

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

### 57 Estimation uncertainty relating to the global health pandemic on COVID-19

The Group has evaluated the possible impact of this pandemic on the business operations and the financial position of the Group and based on its assessment, believes that there is no significant impact on the financial statements of the Group, as at and for the year ended 31 March 2021. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

### 58 Previous year's figures

Previous year's figures have also been regrouped / recasted, wherever necessary, to conform to the current year's presentation.

As per our report of even date attached

#### For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

#### Som Nath Saini

Partner

Membership No: 093079

#### Venkatesh Uchil

Managing Director

DIN: 01282671

#### Namita Sethia

Chief Financial Officer

Place : Mumbai,

Date : 07 June 2021

Place : Mumbai,

Date : 07 June 2021

#### For and on behalf of the Board of Directors of Marine Electricals (India) Limited

#### Vinay Uchil

Chairman and Executive Director

DIN: 01276871

#### Mitali Ambre

Company Secretary and Compliance Officer

Place : Mumbai,

Date : 07 June 2021