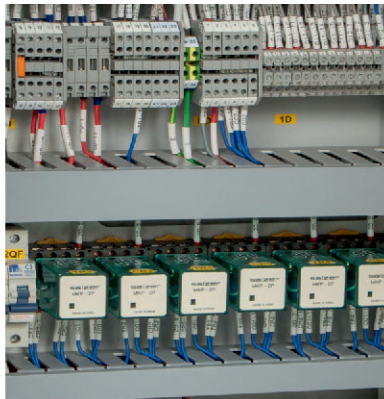
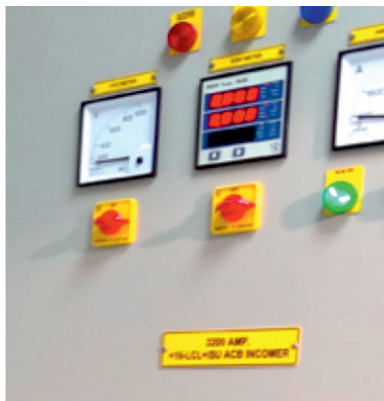


Annual Report | 2021



◆ Challenges are Gifts,  
Opportunities to Learn...

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## 36<sup>TH</sup> ANNUAL GENERAL MEETING INFORMATION

Date	: September 13,2021
Day	: Monday
Time	: 11.30 a.m
Mode	: Video Conferencing (VC) / Other Audio Visual Means (OAVM)

## Remote E-Voting Information

E-Voting period starting on	: September 08,2021, Wednesday (9.00 a.m)
E-Voting Period Ending on	: September 12,2021, Sunday (5.00 p.m)
EVEN No.	: 116847

## Cautionary Statement

Certain expectations and projections regarding the future performance of the company referred in the Annual Report constitute forward-looking statements. These expectations and projections are based on the currently available competitive, financial and Economic data, along with the Company's Operating Plans and are subject to certain future events and uncertainties, which could cause actual results to differ materially from those indicated by such statements.

## PLANT LOCATIONS

### Unit-I

Samichettipalayam, Jothipuram (Via),  
Coimbatore - 641 047.

### Unit-II

Chinnamaddampalayam, Coimbatore - 641 019.

### Unit-III

# 2, Gudalur Village Samichettipalayam,  
Jothipuram (Via), Coimbatore - 641 047.

### Unit-IV

S F No.863, Coimbatore Main Road,  
Bettathapuram, Coimbatore - 641 104.

### Unit-V

S F No.882/3, Coimbatore Main Road,  
Bettathapuram, Coimbatore - 641 104.

# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

- Mr. Doraiswamy R.** Managing Director
- Mr. Rajeshkumar D.** Joint Managing Director & CFO
- Mr. Ramachandran P.** Whole Time Director &
- Mr. S. Baskarasubramanian** Director  
(Corporate Affairs) & Company Secretary

### Independent Directors

- Mr. Rangachary N. - Chairman**
- Mr. Jayabal N.**
- Mr. Nirmal Kumar M. Chandria**
- Mr. Sankaran V.**
- Mr. Shah P.K.**
- Mr. Venkatapathy L.** (upto 12/09/2020) &
- Dr. Otto Eggimann** (upto 24/05/2020)

### Non Executive and Non Independent Directors

- Dr. Thilagam Rajeshkumar &**
- Mr. Vishnu Rangaswamy**

## AUDIT COMMITTEE

- Mr. Sankaran V - Chairman of the Committee**
- Mr. Rangachary N**
- Mr. Jayabal N &**
- Mr. Nirmal Kumar M.Chandria**

## NOMINATION AND REMUNERATION COMMITTEE

- Mr. Sankaran V - Chairman of the Committee**
- Mr. Jayabal N &**
- Mr. Nirmal Kumar M.Chandria**

## STAKEHOLDERS RELATIONSHIP COMMITTEE

- Mr. Jayabal N – Chairman of the Committee**
- Mr. Rajeshkumar D &**
- Mr. Nirmal Kumar M.Chandria**

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- Mr. Rangachary N. - Chairman of the Committee**
- Mr. Doraiswamy R**
- Mr. Rajeshkumar D &**
- Mr. Jayabal N**

## STATUTORY AUDITORS

**M/s. JDS Associates**  
Chartered Accountants,  
R.No.6, 1st Floor, Jewel Complex,  
324, Raja Street, Coimbatore - 641 001.

## INTERNAL AUDITORS

**M/s. Covai management Services**  
Coimbatore - 11.

## SECRETARIAL AUDITOR

**CS G.Vasudevan** B.COM, LL.B, FCS  
Company Secretary in Practice,  
No.11A, 1st Floor (Opp. to Park),  
Collector Sivakumar Street,  
(Opp. Road to Hotel Vijay Paradise, NSR Road,  
Saibaba Colony), K.K. Pudur, Coimbatore - 641 038.

## COST AUDITOR

**CMA A.R. Ramasubramania Raja**  
DTT, BCOM, BGL, MBA, FCS, ACMA.,  
19, third Street, Gokulam Colony, P.N.Pudur,  
Coimbatore - 641 041.

## REGISTERED OFFICE

Samichettipalayam (PO) Jothipuram (Via),  
Coimbatore - 641 047.  
Tel: 0422-4233600 / 2692531  
Fax: 0422-2692170  
E-mail: salzer@salzergroup.com  
Website: www.salzergroup.net

## SHARE TRANSFER AGENT (PHYSICAL & DEMAT)

**M/s GNSA Infotech Private Limited**  
Nelson Chambers, 'F' block, 4th floor  
# 115, Nelson Manickam Road,  
Aminthakarai, Chennai - 600 029.  
Tel: 044-42962025. E-mail:sta@gnsaindia.com

## LISTING ARRANGEMENTS

BSE Limited (Bombay Stock Exchange Ltd) and  
National Stock Exchange Limited

## BANKERS

M/s. Canara Bank

M/s. HDFC Bank Limited

M/s. Union Bank Of India &

M/s. IDFC First Bank Limited

# Message from Managing Director's Desk

“Challenges lead to opportunities for growth”

R. DORAISWAMY Managing Director



## Dear Valued Shareholders,

The past financial year brought headwinds for the economy and overall industry, in the form of the COVID-19 pandemic. As you all are aware, the pandemic adversely impacted entire supply chains, logistics and business operations across sectors in India and globally. Several regions in India are still under the impact of the second wave of this pandemic.

However, I am proud to say that our Company has shown tremendous resilience and sustainability through this tumultuous period. Our standalone revenue for this fiscal grew 6.82% year-on-year to Rs. 605.62 cr, while EBITDA and PAT stood at Rs. 61.79 cr and Rs. 20.67 cr, respectively. In terms of vertical performance, our Industrial Switchgears division contributed 41.3% to revenue, while Wires and Cables accounted for 52.8%, with a strong growth. The Building products division contributed only 5.4% to revenue mainly due to a muted real estate sector especially in the initial quarters. With a revival in this sector, we can hope to see higher revenues from this division. The Energy management is an order book driven business and revenue was primarily from annual maintenance contracts. The lag in passing on the raw material price increase to the customers, impacted margins during this period. Exports during the year grew, accounting for 20% of our top line. This was mainly from Europe and North America. We continue to focus on our export markets as well, with an aim to add more regions to our purview.

The initial months were most affected by the lockdown, but over the last two quarters, we

have seen gradual recovery as markets are slowly opening up in India and abroad. We utilized the lockdown period in planning, fine tuning, re-examining our set goals, constraints and focussing on building a contingency fund for any future crises. As factories reopened in a phased manner, we took all necessary steps and precautions for the well-being of our employees. Looking ahead, it is still early to make long/medium-term projections, but the market sentiment looks optimistic as vaccination increases and the COVID-impact subsides across regions. In April-May 2021, we even held a vaccination drive for all our employees.

Our ability to sustain through turbulent market scenarios is based on our widespread geographical reach, strong client relationships and brand presence, and our innovation-driven diverse product portfolio. Moreover, synergies from our recent acquisition of Kaycee Industries are also coming together. The acquisition was with the clear aim to capture a larger market, expand our customer-base and boost our portfolio of industrial switchgears. The move is giving us a substantial competitive advantage in the industry.

We, at Salzer, are continuously engaging in R&D and innovation to bring new and advanced technology products to the market, staying abreast with new technologies. With emission norms getting more stringent in the automotive industry, electric vehicles (EV) are likely gain more widespread acceptance and adoption. While several developed nations are already moving towards EVs, India also has a long-term plan to increase the share of EVs amongst

vehicles on road. This would entail investments in charging stations and cables, which would require switchgear and cable products, thereby benefiting companies like ours.

In line with this, we have recently entered into Two Joint Ventures in the EV Field.

One is a technical alliance with Kostad Steuerungsbaubau GmbH, an Austria-based specialist in EV FAST chargers. With this firm, we are forming a joint venture company named Salzer Kostad EV Chargers Pvt Ltd, which will manufacture DC FAST chargers with latest advanced technology for e-vehicles along with related components and systems. Salzer would have a 26% equity stake in this JV, and would manufacture and market these products across India, Southeast Asia and the Middle East. Kostad's technical know-how, combined with our manufacturing capabilities, places us in a position to capture a potentially large market-base in the future.

Second one is with EMarch LLP an India based technology Start-up who has IP for Electric Conversion Kits for Auto rickshaws, Cars and busses. We have floated a 100% Subsidiary in the name of Salzer EV Infra Pvt Ltd., Going forward all investments into EV business will be done through this subsidiary. Now, we along with EMarch will form a JV in the name of Salzer Emarch Emobility Pvt Ltd. to manufacture E Conversion kits for Auto rickshaws to start with and then for Cars & busses going forward.

In the post-COVID scenario, we are continually working on being future-ready to be able to grab new opportunities going forward. Our focus has always been on driving sustainable growth and increasing efficiencies across all our business with a clear target of improving our returns on capital employed. The pandemic has brought a lot of new learnings and opportunities for us, and I believe the team and our Company has come out stronger.

### Value Creation

Salzer has successfully gone through multiple technology cycles over the last three decades, adapting each time to build new capabilities and help our clients achieve the benefits of these new technologies which will enable us to compete in the Global Markets. Our responsiveness, agility, and adaptability to change have been core to our endurance.

Though in this fluid and uncertain environment it is difficult to predict and give FY22 targets, but our internal target would be not just to maintain last year's performance but strive to outperform. Our team of capable engineers working in various departments along with the investments made are helping us create customised solutions for our customers and understanding their future needs. Our vision/aim continues to be sustainable value creation for all stakeholders. This vision reflects in each and every employee of our company, who is working towards improving productivity, reducing costs and enhancing return on capital in the long run.

### Looking Forward

India is emerging as a preferred destination for global companies to source products from here. With adopting advanced technologies in manufacturing, labour availability and supply chain, many companies are looking at India as a viable option for their requirements. There is support from the Government also, through 'Make in India' initiative to help boost local manufacturing and thereby increase contribution of export from India.

We, at Salzer, are excited about these opportunities that the industry has to offer going forward. We have already started witnessing a strong revival in demand from our export markets, enabling us to increase our revenues and utilizing our capacities more efficiently.

I am proud to have a motivated team of people who come together during times of crisis and are dedicated to performing better. Together, we will continue to focus on growing our business, improving our working capital cycle & efficiencies leading to a higher return on capital employed. Even as the second wave of the pandemic continues, the team has demonstrated its mettle and come out strong.

I would like to thank all our stakeholders for their untiring efforts in all our endeavours. We continue to look forward to your support, motivating us to reach newer heights!

**R.DORAISWAMY**

MANAGING DIRECTOR

DIN : 00003131

Place: Coimbatore  
Date : July 23, 2021

# Standalone broad financial highlights

(₹ in Crs)

Results from Operations	2021	2020	2019	2018	2017	2016	2015
Net revenue from Operations	605.62	566.94	559.76	442.78	384.06	361.13	283.30
Other Income	1.99	0.89	0.71	3.10	6.75	2.80	1.00
Total revenue	607.61	567.83	560.47	445.88	390.81	363.94	284.30
Operating Profit (EBITDA)	61.78	65.20	63.64	53.29	42.91	42.89	35.46
Depreciation and Amortization	15.60	14.44	12.16	10.53	9.81	8.32	7.14
Finance Cost	21.27	21.17	19.88	14.91	14.59	13.14	12.34
Profit before Tax	26.90	30.48	32.31	30.95	25.26	24.24	16.97
Profit After Tax	20.67	26.39	23.96	20.02	17.09	17.05	11.98
Dividend Payout	2.56	-	03.08	3.07	2.76	2.65	2.44
<b>Balance Sheets</b>							
Share Capital	15.98	15.98	15.98	15.53	14.35	13.64	10.28
Reserves & Surplus	315.30	293.40	271.01	255.07	207.65	177.62	96.79
Net worth	331.28	309.38	286.99	270.60	222.00	191.26	07.07
Borrowings	199.55	173.68	139.81	135.43	105.55	94.38	96.60
Net fixed Assets	206.66	202.37	178.35	166.32	129.33	110.36	83.37
Investments (Current and Non Current)	21.16	19.72	3.67	3.08	4.47	17.52	5.66
Current Assets	414.09	352.42	349.69	327.59	282.56	239.39	185.98
Current Liabilities	307.91	260.52	253.99	236.56	195.44	157.61	144.34
Net working Capital	106.18	91.90	95.70	91.03	87.12	81.78	41.64
<b>Performance Indicators</b>							
Revenue growth	6.82%	1.28%	26.42%	15.29%	6.35%	27.47%	15.86%
Operating Profit Margin	10.20%	11.50%	11.37%	12.04%	11.17%	11.88%	12.52%
Operating Profit growth	-5.25%	2.46%	19.42%	24.19%	0.04%	20.97%	17.33%
Net Profit Margin	3.40%	4.65%	4.27%	4.49%	4.37%	4.68%	4.21%
Net Profit Growth	-21.67%	10.14%	19.68%	17.14%	0.25%	42.29%	41.90%
Revenue Contributions :-							
(a) Industrial Switch Gears	41.32%	44.80%	41.40%	45.01%	45.80%	47.00%	52.00%
(b) Wires and Cables	52.83%	47.00%	48.50%	49.20%	45.60%	37.00%	41.00%
(c) Building Products	5.37%	6.20%	7.60%	4.71%	6.00%	4.00%	5.00%
(d) Energy Management	0.48%	2.00%	2.50%	1.08%	2.60%	12.00%	2.00%
Return on Capital Employed *	9.30%	10.96%	12.02%	10.97%	11.73%	12.67%	14.73%
Return on Net-worth	6.24%	8.53%	8.35%	7.40%	7.70%	8.91%	11.19%
Debt Equity Ratio ** (x)	0.60	0.56	0.49	0.50	0.52	0.52	0.86
Earning per shares - Basic (in ₹.)	12.93	16.51	15.21	13.68	12.35	13.54	11.65
- Dilute (in ₹.)	12.93	16.51	15.10	13.31	11.89	12.87	10.79
Dividend Declared per cent	1.6%	-	16%	16%	16%	16%	15%
Dividend per share (in ₹.)	1.60	-	1.60	1.60	1.60	1.60	1.50
Dividend Pay-out Ratio	12%	-	13%	15%	15%	16%	20%
Book value per share (in ₹.)	207.31	199.60	185.15	174.58	154.72	140.19	104.12
Price Earnings Ratio (Times)	9.64	3.75	7.79	14.32	15.08	13.83	20.07
Price to Book Value Ratio	0.60	0.32	0.64	1.12	1.20	1.34	2.25
Market Cap (₹. in Crs) as at March 31	199.16	98.85	189.27	293.79	271.00	287.59	240.43
No of Shareholders as at March 31	19532	17,700	19,379	23,049	21,157	20,588	13,500

\* ROCE=EBIT/(Net worth + LT Borrowing + ST Borrowing + Current Maturity of LT Debt - Non Current Investments)

\*\* Debit equity ratio = Total Debt / Shareholders Fund

## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the **Thirty Sixth Annual General Meeting** of the Shareholders of the Company will be held on **Monday, September 13, 2021** at **11.30 a.m.** through **Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")** to transact the following business

### Ordinary Business:

- To consider and adopt the Audited Standalone and Consolidated Financial statements of the Company for the Financial year ended March 31, 2021, comprising of Balance Sheet as at March 31, 2021, Statement of Profit and Loss for the year ending on that date, Cash Flow Statement and Statement of Changes in Equity as on that date and the reports of the Board of Directors along with annexure and Auditors thereon;**

**"RESOLVED THAT** the Audited Standalone and Consolidated Financial Statement comprising of Balance Sheet as at March 31, 2021, Statement of Profit and Loss for the year ending on that date, Cash Flow Statement and Statement of Changes in Equity as on that date and the reports of the Board of Directors along with annexure and Auditors thereon, as circulated to the Shareholders, be and are hereby received, considered and adopted."

- To declare a dividend on Equity Shares for the financial year 2020-21;**

**"RESOLVED THAT** a dividend at the rate of 16% (Rs. 1.60/- one Rupee and Sixty Paise Only) per equity share of Rs. 10/- each (Rupees Ten Only) fully paid-up of the Company be and is hereby declared for the Financial year 2020-21 and the same be paid as recommended by the Board of Directors of the Company, out of the Profit of the Company for the financial year ended March 31, 2021."

- To re-appoint a Director in place of Mr.P.Ramachandarn (DIN: 01043572), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment;**

To consider and if thought fit, to pass, the following resolutions with or without modification as an ordinary resolution.

**"RESOLVED THAT** in pursuance of Section 152 of the Companies Act 2013 read with Article 178 of the Articles of Association of the Company Mr.P.Ramachandarn (DIN: 01043572), a retiring Director at this Annual General Meeting be and is hereby re-appointed as a Director of the Company, subjected to determination of his office by means of retirement by rotation at the Annual General Meeting."

- To re-appoint a Director in place of Mr.D.Vishnu Rangaswamy (DIN: 00793090), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment;**

To consider and if thought fit, to pass, the following resolutions with or without modification as an ordinary resolution.

**"RESOLVED THAT** in pursuance of Section 152 of the Companies Act 2013 read with Article 178 of the Articles of Association of the Company Mr.D.Vishnu Rangaswamy (DIN: 00793090), a retiring Director at this Annual General Meeting be and is hereby re-appointed as a Director of the company, subjected to determination of his office by means of retirement by rotation at the Annual General Meeting."

### Special Business:

- To approve re-appointment of Mr. D.Rajeshkumar (DIN: 00003126) as Joint Managing Director of the Company and Chief Financial Officer for another term of five years;**

To consider and if thought fit to pass the following resolutions with or without modification as an ordinary resolutions.

**"RESOLVED THAT** subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee and the Board, the consent of the Members be and is hereby accorded to the re-appointment of Mr.D.Rajesh Kumar (DIN 00003126), as Joint Managing Director & Chief Financial Officer of the Company with effect from October 01, 2021, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed below

- Salary Rs. 4,50,000/- per month with an annual increase of Rs.25,000/- every year for five years with effect from October 01, 2021 and
- Commission at the rate of 2.5% individually on the net profit of the company pursuant to Sec.198 of the Act, as being computed from time to time within the limit in accordance with Schedule-V and other applicable provisions of the Companies Act, 2013.

### PERQUISITES AND OTHER ALLOWANCES AND BENEFITS

- House Rent Allowance:

No accommodation is being provided by the Company. House Rent Allowance is 50% of the salary over and above 10% of the salary payable by the appointee, as rent

## NOTICE (Contd.)

- **Medical Allowance:**  
Expenses incurred by him and his family subject to a ceiling of one-month salary in a year or three months' salary over a period of three years.
- **Leave Travel Concession:**  
Once in a year for him and his family members by Air/A. C./1st class anywhere in India.
- **Personal Accident Insurance:**  
Premium not exceeding Rs.10,000/- per annum.
- **Club Fees:**  
Fees of clubs subject to maximum two clubs. This will not include admission and life membership.
- **Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.**
- **Gratuity payable at a rate not exceeding 15 days' salary for each completed year of service and**
- **Encashment of leave at the end of tenure."**

**"RESOLVED FURTHER THAT** in the event of there being loss or inadequacy of profit for any financial year during the tenure of office, the aforesaid remuneration payable to Mr. D Rajesh Kumar, Joint Managing Director & Chief Financial Officer of the Company, shall be the minimum remuneration payable to him, in terms of the Provisions of Schedule-V, Part II Sec - II, read with the relevant sections of the Companies Act, 2013 being in force from time to time."

**"RESOLVED FURTHER THAT** the Board of Directors (including its Committee thereof) be and is hereby authorised to revise the remuneration of Mr. D Rajesh Kumar from time to time to the extent the Board of Directors may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time."

### **6. To ratify the remuneration payable to CMA A.R. Ramasubramania Raja (M.No. 32458) appointed as Cost Auditors of the Company for FY 2021-22**

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

**"RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit

and Auditors) Rules, 2014, CMA.A.R. Ramasubramania Raja (M.No.32458), appointed as Cost Auditors by the Board of Directors to audit the cost records of the Company for the FY 2021-22, be paid a remuneration of ₹.1,15,000/- (Rupees One lakh Fifteen thousand Only) per annum plus applicable service tax and out-of-pocket expenses on actual basis."

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

Order of the Board  
For Salzer Electronics Limited

**S. BASKARA SUBRAMANIAN**

Director (Corporate Affairs) &  
Company Secretary  
(DIN :00003152& FCS No.4605)

Date: June 15, 2021  
Place: Coimbatore

### **Notes:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 Act setting out material facts concerning the business under Item Nos. 5 & 6 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/ re-appointment as Director under Item Nos. 3,4 & 5 of the Notice, are also annexed.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, ("MCA") has vide its circular dated May 5, 2020 read with circulars dated 8th April, 2020, 13th April, 2020, 15th June, 2020, 28th September, 2020, 31st December, 2020 and 13th January, 2021 (collectively referred to as "MCA Circulars") permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 36<sup>th</sup> AGM of the Company is being held through VC/OAVM.
3. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is given in page no. 13 and also available at the Company's website [www.salzergroup.net](http://www.salzergroup.net)



## NOTICE (Contd.)

4. The AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
  5. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
  6. Corporate Members are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to the M/s. GNSA Infotech Pvt Ltd, the Registrar and Transfer Agents, by email through its registered email address to sta@gnsaindia.com.
  7. 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.
  8. Vide circular dated May 5, 2020, MCA has also dispensed with the printing and despatch of annual reports to shareholders. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated 12th May, 2020, the Notice of AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2020-21 has been uploaded on the website of the Company at [www.salzergroup.net/investors.html](http://www.salzergroup.net/investors.html). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility)
  9. Members whose email address are not registered can register the same in the following manner:
    - a. Members holding share(s) in physical mode can register their e-mail ID on the Company's website at [https://www.salzer@salzergroup.com/investors/ shareholder-registration](https://www.salzer@salzergroup.com/investors/shareholder-registration) by providing the requisite details of their holdings and documents for registering their e-mail address; and
    - b. Members holding share(s) in electronic mode are requested to register / update their e-mail address with their respective Depository
- Participants (“DPs”) for receiving all communications from the Company electronically.
10. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
  11. The Members can join the AGM through the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  12. The Company has fixed August 27, 2021 as the record date for the purpose of determining the names of the shareholders who are entitled for the Dividend for the Financial year 2020-21
  13. The dividend, as recommended by the Board of Directors of the Company, if declared at the Annual General Meeting, will be paid within the stipulated time to those Members whose names stand registered on the Company's Register of Members:-
    - a) in respect of shares held in dematerialized form, the Beneficial Owners are as at the end of business hours on Friday the **August 27, 2021** as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
    - b) in respect of shares held in physical form, the Beneficial Owners are the Members in the Register of Members of the Company after giving effect to valid share transmission / transposition lodged with the Company, on or before **August 26, 2021** and whose names appearing in the Register of Members as at **August 27, 2021** in respect of Members holding shares in physical form.
  14. Members holding shares in dematerialized form are requested to intimate all changes pertaining to **their bank details** such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., **to their depository participant** (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. GNSA Infotech Limited (GNSA) to

## NOTICE (Contd.)

provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to GNSA / Company.

15. **As per SEBI regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities in physical mode has totally been done away with effective April 01, 2019.**
16. In view of the above, the members holding shares in physical form are requested to consider converting their holdings into electronic mode and to avail various benefits of dematerialisation and to eliminate all risks associated with physical shares and for ease of portfolio management.
17. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA - GNSA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
18. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.salzergroup.net](http://www.salzergroup.net) (under 'Investors' section). Members holding shares in physical form may submit the same to RTA /Company. Members holding shares in electronic form may submit the same to their respective depository participant (DP).
19. **Those Members who have so far not encashed their dividend warrants for the Financial year 2013-14**, may approach GNSA, for making their claim without any further delay as the said unpaid dividends will get transferred to the Investor Education and Protection Fund of the Central Government before August 2021 pursuant to the provisions of Companies Act 2013. Further Ministry of Corporate Affairs has notified on September 05, 2016 on the operation of Section 124(6) of the Companies Act 2013 and Related Rules - Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective September 07, 2016 which, inter alia, contain provisions for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years in the name of IEPF Suspense Account.
20. Due dates for transfer of unclaimed / unpaid dividends from the financial year 2013-14 are as under and thereafter the unclaimed/unpaid dividend amount will be transferred to IEPF:

FY ended	Declaration Date	Last date for encashment	Due Date
2013-14 (31.03.2014)	09.08.2014	14.09.2021	13.10.2021
2014-15 (31.03.2015)	08.08.2015	13.09.2022	12.10.2022
2015-16 (31.03.2016)	13.08.2016	19.09.2023	17.10.2023
2016-17 (31.03.2017)	09.08.2017	15.10.2024	14.11.2024
2017-18 (31.03.2018)	22.09.2018	28.10.2025	26.11.2025
2018-19 (31.03.2019)	10.08.2019	14.09.2026	13.10.2026
2019-20 (31.03.2020)	No dividend Declared		

21. Shareholders are requested to note that no claim shall lie against the Company in respect of any amounts, which were unclaimed and unpaid for a period of 7 consecutive years and transferred to Investor Education and Protection Fund of the Central Government. However, Shareholders may claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Suspense Account as per the applicable provisions of Companies Act, 2013 and rules made thereunder.
22. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company transferred all shares to the IEPF Authority in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date and the details of which, are available on the website of the Company and the same can be accessed through the link: <http://www.salzergroup.net/investors.html>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).
23. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/ investors are advised to visit the webpage: <http://www.iepf.gov.in/IEPFA/refund.html> or contact our RTA for lodging claim for refund of shares and/or dividend from the IEPF Authority.

## NOTICE (Contd.)

24. A sum of ₹.3,49,176/- has been transferred to the Investor Education and Protection Fund in the year 2020 towards unclaimed/unpaid dividend declared during August 2013 for the year 2012-13.
25. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market.
26. Members holding shares in physical mode:
  - a) are required to submit their Permanent Account Number (PAN) and Bank Account details to the Company/ RTA, if not registered with the Company as mandated by SEBI.
  - b) are requested to register / update their e-mail address with the company / RTA for receiving all communications from the company electronically.
27. Members holding shares in electronic mode:
  - a) are required to submit their Permanent Account Number (PAN) and Bank Account details to their DPs with whom they are maintaining their demat account.
  - b) are requested to register / update their e-mail address with their DPs for receiving all communications from the company electronically.
28. Non-Resident Indian members are requested to inform RTA / respective DPs, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
29. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs / GNSA.
30. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
31. The Board of Directors has appointed G V and Associates, Company Secretaries as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
32. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
33. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM through VC / OAVM but shall not be entitled to cast their vote again. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL.

### PROCEDURE AND INSTRUCTIONS FOR REMOTE E-VOTING ARE AS UNDER:-

- I. (i) **The remote e-voting period begins on Wednesday, September 08, 2021 (9.00 a.m.) and ends on Sunday, September 12, 2021 (5.00 p.m.).** During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Monday, September 06, 2021 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting

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

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




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

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

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.

## NOTICE (Contd.)

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

Type of shareholders	Type of shareholders
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed 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> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.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.nsd.com/">https://www.evoting.nsd.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 hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. 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> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
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. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

## NOTICE (Contd.)

**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 typeL	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

### B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat

account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

## NOTICE (Contd.)

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

### Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

#### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

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

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant

Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [vasudevanacs@gmail.com](mailto:vasudevanacs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request addressed to Mr. Anubhav Saxena, Assistant Manager /Ms. Pallavi Mhatre, Manager on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or for escalation to Mr. Amit Vishal, Assistant Vice President on [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) or call on (022) 2499 4360

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [baskarasubramanian@salzergroup.com](mailto:baskarasubramanian@salzergroup.com) or [geetha.r@salzergroup.com](mailto:geetha.r@salzergroup.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (Company email id). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

## NOTICE (Contd.)

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

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

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

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

6. Shareholders who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number to [baskarasubramanian@salzergroup.com](mailto:baskarasubramanian@salzergroup.com) or [murugesan@salzergroup.com](mailto:murugesan@salzergroup.com) or [geetha.r@salzergroup.com](mailto:geetha.r@salzergroup.com) on or before 05:00 P.M. IST on Wednesday, 8th September, 2021
7. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions only during the meeting ("AGM")
8. Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by Following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis
9. Mr.G.Vasudevan, Practicing Company Secretary has been appointed as Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.
10. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and not later than three days of the conclusion of the meeting, and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company to countersign the same.
11. The Results along with the Scrutinizer's Report shall be placed on the Company's website [www.salzergroup.net](http://www.salzergroup.net) within forty eight hours of the passing of the Resolutions at the 36<sup>th</sup> Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.
12. If any member buys the shares of the company after 27<sup>th</sup> August 2021 they may either write to the company for call for notice or down load the notice from the website of the company to cast their vote as advised therein.

By the order of the Board of Directors

**S. BASKARASUBRAMANIAN**  
Director (Corporate Affairs) &  
Company Secretary  
(DIN :00003152& FCS No.4605)

Date: June 15, 2021  
Place: Coimbatore

## NOTICE (Contd.)

### EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 and 6 of the accompanying Notice:

#### Item No. 5

Similarly Mr.D.Rajeshkumar (DIN: 00003126) was last re-appointed as Joint Managing Director by the shareholders at their 31<sup>st</sup> Annual General Meeting held on August 13, 2016 with a term of five years effective October 01, 2016.

The Board of Directors, at their meeting held on August 09, 2014, appointed aforesaid Mr.D.Rajeshkumar as a Chief Financial officer of the Company in order to fulfil the requirements under Section 203 of the Companies Act 2013.

Considering his term expiring on October 01, 2021, your Board of Directors, at their Meeting held on June 15, 2021, re-appointed Mr.D.Rajeshkumar (DIN: 00003126), as Joint Managing Director and Chief Financial Officer of the Company for an another consecutive term of five years effective October 01, 2021 based on the recommendation of Nomination and Remuneration Committee, in compliance with provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule-V of the Companies Act, 2013, upon such regulations as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in line with terms of Company's policy for Nomination and Remuneration Committee and subject to approval by the Shareholders at their 36<sup>th</sup> Annual General Meeting, with a set of terms and conditions as more particularly given in the resolutions.

Mr.D.Rajeshkumar is also a Promoter and young entrepreneur having a dynamic power to elevate the Company's performance. He has demonstrated his wide array of skills in the last 20 years to make the Company from Rs.100 Crores business to Rs.600 Crores business now. Accordingly, your Board recommended his re-appointment for another term of five years and necessary resolutions have been placed before the

Members for their consideration and approval by means of ordinary resolutions.

Approval of the members is required by way of Ordinary Resolutions for appointment and payment of remuneration.

The office of Joint Managing Director and the Office of Chief Financial Officer in respect of Mr.D.Rajeshkumar will not co-exist. If he happens to resign any office under any circumstances, he may, if Board decides, continue with other office as well in pursuance of applicable Act and Regulations and his term of office is subject to retirement by rotation.

Except Mr.D.Rajeshkumar Joint Managing Director and Chief Financial Officer, Mr.R.Doraiswamy, (being father), Mr.D.Vishnu Rangaswamy (being brother) and Dr.Mrs.RajeshkumarThilagam, Non-Executive Director (being wife) or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 5.

Details of Mr. D.Rajeshkumar are provided in the "Annexure" to the Notice.

#### Item No.6

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records for the applicable products of the Company. On the recommendation of the Audit Committee at its meeting held on June 15, 2021, the Board considered and approved the appointment of CMA.A.R.Ramasubramania Raja (M.No. 32458) as the cost auditor for the FY 202122 at a remuneration of Rs.1,15,000/- plus applicable service tax and reimbursement of out-of-pocket expenses on actual basis. The Board of Directors recommends the Ordinary Resolution as set out in Item No. 6 of the Notice for the approval of the shareholders.

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



**NOTICE (Contd.)**

**ANNEXURE TO NOTICE DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS 2015)**

<b>Name of the Director</b>	<b>Mr. P. Ramachandran</b>	<b>Mr. Vishnu Rangaswamy</b>	<b>Mr. Doraiswamy Rajeshkumar</b>
DIN	01043572	00793090	00003126
Category	Whole Time Director	Non-Executive Director	Executive Director
Date of Birth	01/09/1948	22/02/1976	25/09/1971
Date of Appointment on the Board	26/09/1998	06/02/2020	22/12/2001
Qualification	M.A.,	B.Tech., MBA	B.E., MBA
Brief profile and nature of their expertise in specific functional areas	He is a Graduate in Economics with wide experience in the field and good contacts both in domestic and international markets, have contributed to achieve the performance and corporate objectives of the company all these years	He is President of Global Technical Talent (GTT), Manpower Recruitment Firm in USA, and has been associated with GTT for more than 20 years and held various positions. He is an experienced person with a demonstrated history of working in the information technology staffing and services industry. Strong skills in the management of enterprise talent engagement initiatives, client services & talent acquisition, team mentoring and management, Executive Search, Technical Recruiting.	He is a young and energetic entrepreneur and is managing the Salzer group of companies
Directorships held in other companies.	1. Salzer Securities Holdings Ltd	1. K R Health Care Private Ltd 2. Sri Ram Arts Centre Private Ltd 3. Saradha Investments Limited 4. Salzer Spinners Limited 5. SRVE Industries Limited	1. SRVE Industries Ltd, 2. Sri Ram Arts Centre Pvt Ltd 3. Salzer Exports Ltd 4. Salzer Securities Holdings Ltd 5. K R Health Care P Ltd, 6. Kaycee Industries Ltd
Memberships / Chairmanships of committees across all companies	Committee of Salzer Electronics Ltd 1. Member - Risk Management Committee	NIL	Committees of Salzer Electronics Ltd 1. Chairman Risk Management Committee 2. Members CSR Committee, 3. Member - Stakeholders Relationship Committee
Shareholding in the Company	NIL	7,54,500 shares 4.72%	250966 Equity Shares- 1.56%
Inter se relationship, if any	NIL	Brother of Shri.D.Rajesh Kumar, Joint Managing Director and Chief Financial Officer and son of Mr.R.Doraiswamy Managing Director	Husband of Dr. Mrs.Thilagam, Director and son of Mr.R.Doraiswamy, Managing Director and Brother of Mr. D. Vishnu Rangaswamy, Director

## DIRECTORS' REPORT

To

Dear Shareholders,

It is indeed our great pleasure in presenting this Directors' Report along with Annexures, forming part of Thirty Sixth Annual Report of your Company for the year ended March 31, 2021.

The Information furnished hereunder is in line with Section 134 of the Companies Act 2013 and applicable Provisions contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

### PERFORMANCE REVIEW:-

#### 1. FINANCIAL SUMMARY OF THE COMPANY

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the year Ended March 31, 2021	For the year Ended March 31, 2020	For the year Ended March 31, 2021	For the year Ended March 31, 2020
I Revenue from operations	60,561.96	56,694.56	62,573.60	58,435.34
II Other Income	199.16	88.75	219.85	128.82
III Total Revenue (I + II)	<b>60,761.12</b>	<b>56,783.31</b>	<b>62,793.45</b>	<b>58,564.16</b>
IV Expenses				
a Cost of materials consumed	<b>48,277.51</b>	43,019.54	49,343.97	43,691.44
b Purchase of stock in trade	-	-	-	-
c Changes in inventories of finished goods, work-in-progress and stock-in-trade	-1,238.29	-1,038.47	-1,231.24	-921.99
d Employee benefit expenses	2,433.87	2,639.87	2,811.50	2,984.54
e Finance Cost	2,127.42	2,116.68	2,134.48	2,122.14
f Depreciation and amortisation expense	1,560.55	1,443.96	1,601.11	1,475.51
g Other expenses	4,909.77	5,554.68	5,347.80	6,003.27
h Total Expenses	<b>58,070.83</b>	<b>53,736.27</b>	<b>60,007.62</b>	<b>55,354.91</b>
V Profit before exceptional and extraordinary items and tax (III-IV)	2,690.29	3,047.04	2,785.83	3,209.24
VI Exceptional Items	-	-	19.46	-19.46
VII Prior Period expenses	-	-	-4.37	-
VIII Profit before tax (V-VI)& extraordinary items	2,690.29	3,047.04	2,800.92	3,189.78
IX Extraordinary items	-	-	-	-
X Profit before tax (VII-VIII)	2,690.29	3,047.04	2,800.92	3,189.78
XI Tax expense:	622.94	408.39	663.02	448.46
XII Profit for the period - After Tax(IX-X)	<b>2,067.35</b>	<b>2,638.66</b>	<b>2,137.90</b>	<b>2,741.32</b>
XIII Earnings per equity share:				
(1) Basic (in Rs.)	12.93	16.51	12.93	16.96
(2) Diluted (in Rs.)	12.93	16.51	12.93	16.96
XIV Reserves and Surplus	31,530.38	29,339.70	33,647.68	31,393.67

#### 2. A LOOK INTO THE STATE OF AFFAIRS

The Financial year 2020-21 affected by unprecedented challenges posed by COVID-19 pandemic that adversely affected the business operations not only at the national but at the international level also which put the lives of the people at great risk. During the year, every Country was required to reorient its programs to contain the spread of the virus and one of such measures was lockdown pronounced by the Government,

which led to the suspension of business operations for some time and caused disruption in the supply chain. Even now, the impact still continues across the country by way of second wave. This situation led us to severely restrict our manufacturing operations in all the units, shutting down of offices and workplaces resulting in a financial stiffness. In these trying times, your Company has shown tremendous resilience and has come out with a recognisable performance in the financial year that has just concluded.

## DIRECTORS' REPORT (Contd.)

In the year 2020-21, your Company on a standalone basis has earned revenue of ₹.605.62 Crs and registered a growth of around 7% over the corresponding period of the year - 2019-20. The Wires and Cables division was the major contributor to the growth in the year.

However, the profitability of the Company has significantly suffered in the year due to increase in Prices of raw materials such as copper, plastics, steel and every other material throughout the year. Considering the likely impact of the competition in the market, your Company was able to pass on the price increase only to a limited extent in some of the product lines and consequently resulting in the margins getting reduced to the extent.

Your company's export markets showed viable signs of a strong recovery with substantial demand for our products coming in from developed countries. The Contribution from exports was 20% in FY21, as against 17.17% in FY20, mainly driven by higher exports to the US and other regions. Exports grew at 24.56% in FY21.

Your Company expects that the near-term market situation could still be somewhat unsettled given the on-going second wave of the pandemic and the continuance partial lockdowns in various parts of India. But based on demand recovery and positive indications from various OEMs and customers, your Company is quite optimistic about a profitable growth in the current year. Your company is well positioned to cater to any demand across the markets and is poised to take up any opportunities coming its way.

The domestic business and retail market started moving up and slowly catching up the Pre-Covid -19 level that reflects in Company's Switch Gear and Building segments business, being on a recovery path from the fourth quarter. Your Company is hopeful that in the current financial year, a demand for its products would continue to gain momentum despite some headwinds.

### 3. Standalone financial result

For reasons as stated above, the business in the first quarter of the FY21 was adversely impacted the revenues that have a big impact on the EBITDA and PAT for the full year. Hence, the results may not be directly comparable with the previous corresponding year.

The Company's standalone revenue stood at ₹.605.6 crores, up by 6.8% over that of the previous year. A strong demand for the Wire Harness products, Three Phase Transformers, Wires and Cables business altogether in the later part of the year offset the impact of COVID-19 on the first quarter.

EBITDA for FY 21 stood at ₹.61.8 crores compared to ₹.65.2 crores in FY 20, a decline of 5.2%, mainly

due to increase in raw material prices. Similarly, EBITDA margin in FY21 stood at 10.2% as against 11.5% in the previous corresponding period-squeezed by the rise in raw material prices and also higher contribution from the low yielding Wires and Cables business.

Profit After Tax at ₹. 20.67 crore in FY21 as against ₹. 26.39 crore in FY20 with a de-growth rate of 22% which was attributable to the substantial reversal of deferred tax amount of ₹.4 crores in FY20 due to adoption of New Tax Regime under Section 115BAA of the Income Tax 1961 and consequent reduction in the Tax Rates.

Your Company's focus will continue to remain on adding new high margin products, reach out to different markets with customized products and solutions in order to add new clients to grow our business and constantly looking for new opportunities for technical associations to strengthen our base for offering of products - existing and new.

Your Company would always strive to focus itself on adding new high margin products to its Portfolio, reach out to new geographies and offer Total Solutions to its customers besides strengthening the current revenue drivers, improving Return on Capital Employed, working capital cycle as well as constantly looking for the new opportunities for technical association in the emerging areas for developing components, parts etc., and charging stations for the Electric Vehicles.

#### a. Industrial switch gear Division

The industrial switch gear business is one the largest contributors to overall revenues of your Company. This division comprises of legacy products like Cam Operated Rotary Switches and Load Break Switches, apart from Toroidal Transformers, Relays, Wire Harness, Three Phase Dry Type Transformers, Contactors, Over Load relays & MCB's etc.,. During the year, this division made a 41% contribution to the total revenues of the Company.

The Company's new Wire Harness product has achieved a consistent growth rate ever since it was introduced in the market- mainly driven by the business from various existing OEMs. Wire Harness business grew at 122% year-on-year in FY21. Industrial Switch Gear division's EBITDA margin percentage stood at 14.6% for FY21 as against 15.4% in FY20. The Decline is mainly due to increase in Raw Material prices.

#### b. Wires and cables Division

There was an overall increase in demand across all sectors for Wires and Cables. Price increase coupled with a significant growth in volumes led to a 63% year-on-year increase for this division during Q4 of FY21. For Full year in FY21, the division had a

## DIRECTORS' REPORT (Contd.)

growth of 20%. This division's EBITDA stood at 7.7% for the year FY 21 and contributed 53% to the overall revenue of the Company.

### c. Building Products Division

This is the only segment where your Company has been operating on a B2C basis. The Portfolio under this Segment involves Distribution Boards, Modular Switches & Speciality Switches, Movement Sensors, Remote Switches, Single Phase Motors Switches, House Wires, MCB's etc.,. The building segment product division contributed around 5% to your Company's revenues in 2020-21.

The Consumer sentiment in the real estate market was relatively muted this year. However, the Company is seeing some signs of gradual recovery now which could help to increase the contribution from this segment to the overall revenues in the current year.

### d. Energy management Division

The energy management segment is an order driven business. This is a new technology-oriented business developed by your Company's in-house R&D team. Energy Management division, during the full year FY21, has contributed only 1% to the total revenues of the Company. There are no ongoing projects as of now and hence no revenues from this Division for Q3 and Q4 in FY 21.

### e. Pandemic and its impact on the affairs of the Company

As already indicated earlier, Covid-19 caused a huge impact both on the lives and livelihood of the people across the globe and posed unprecedented challenges for survival right from March 2020. Owing to this, business activities were severally hampered, the supply chain was heavily disrupted particularly during the first quarter of the financial year 2020-21 due to lockdowns and severe restrictions in the people movement.

As directed by the Government authorities, your Company suspended its Operational activities in all its Units in the first one and half months of the year, and thereafter for another one and half months, we were operating at 50% Capacity. During this period, the sales took a huge hit which cast its shadow on the full year's financial results. Subsequent to the Lock downs, all Units resumed operations in strict compliance with the Standard Operating Procedures and other Guidelines issued by the Government Authorities from

time to time we took the utmost care in protecting well being of the employees at all levels.

In its efforts to be a responsible employer, the company had reacted out to its employees with timely and periodical assistance - attending to the medical needs and recognizing their predicaments conducted Vaccination Drives across all its Units in the months of April and May 2021 and the employees were administered COVID Vaccine. The employees are strictly advised to follow all safety procedures during these pandemic times. Further, depending on the exigencies of the situation, the company is extending its help to its employees in a significant measure.

The Company, as mark of its support to the Government efforts in saving the lives of People from deadly Corona Virus, contributed ₹.25 Lakhs to Chief Minister's Public Relief Fund (CMPRF) during May 2021.

## 4. CONSOLIDATED FINANCIAL RESULT

i) Your company's consolidated revenue for the financial year 2020-21 was Rs.625.73 crores, which is not comparable with the previous year containing the results only for the period between date of acquisition of controlling stake in Kaycee in July 2019 and March 31, 2020. For your information, we would like to state that the affairs of the Subsidiary situated in the state of Maharastra were severely affected by a continuous period of lockdowns. As the result, the Subsidiary could only earn revenue of ₹.23 Crores in the year and its profitability and rate of return on capital employed came down considerably. However, the Subsidiary was able to maintain its dividend distribution pattern for the year and

ii) Further, your Company performed a detailed assessment of its liquidity position and the recoverability of the assets as on the balance sheet date and concluded that based on the indicators of future economic conditions, the carrying value of the assets would be recovered. Your Company believes that it had fully considered the possible impact of all the known events arising from COVID-19 pandemic in its assessment. However, the impact assessment of COVID-19 is a continuing process. Your Directors will continue to monitor any material changes to future economic conditions.

## 5. DIVIDEND

Your Board of Directors at their meeting held on June 15, 2021 considered the proposal of Dividend for the financial year ended March 31, 2021 and recommended a Dividend at the rate

## DIRECTORS' REPORT (Contd.)

of 16% i.e ₹. 1.60 per equity share of ₹. 10/- each for the financial year 2020-21 which will involve a cash outgo of ₹.255.72 Lakhs.

The above recommended dividend, if approved by you at the Annual General Meeting, will be payable to all eligible shareholders whose name appears on the relevant date, within the stipulated time as permitted under the Provisions of the Companies Act, 2013.

**NOTE:-** As announced in the Union Budget in February 2020, the Dividend is now taxable in the hands of the recipient, and the Company is required to deduct the TDS from the Dividend payment to the shareholders exceeding ₹.5,000/- at the rate of 10%, and 20% for Non PAN Shareholders.

### 6. CAPITAL STRUCTURE AND OTHER RELATED ISSUES

#### Amendment to the Memorandum and Articles of Association

During the year under review, your Company has not amended any Provisions in the Memorandum and Articles of Association.

### 7. CORPORATE GOVERNANCE

As required under Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance are attached to this report as Annex: 1

### 8. RESERVES

Your Board of Directors, as a prudent policy, in the absence of specific provisions in the Companies Act 2013 and Rules made there-under, have transferred ₹.50.00 Lakhs to the General Reserve Account. Now, your Company has General Reserve of ₹. 2,008.46 Lakhs as at March 31, 2021.

### 9. LIQUIDITY

**a)** The Company has adequate cash and cash equivalents in its Books as at March 31, 2021 taking care of all current liabilities comfortably.

**b)** Further, your Company performed a detailed assessment of its liquidity position and the recoverability of the assets as on the balance sheet date and concluded that based on the indicators of future economic conditions, the carrying value of the assets would be recovered. Your Company believes that it had fully considered the possible impact of all the known events arising from COVID-19 pandemic in its assessment. However, the impact assessment of COVID-19 is a continuing process. Your Directors will continue to monitor any material changes to future economic conditions.

### 10. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year, the nature of the business of your Company Manufacturing of Electrical Installation Products- has not changed.

### 11. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

Though there was a localised Lockdown imposed by the State Government during the month of May and June 2021 to contain the Covid -19 in its second wave, the operations of the Company have not been significantly impacted and affected the financial position during the period between the end of the financial year of the Company to which the Financial statements relate and the date of this report.

### 12. 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 orders were passed by any Court in India or by any Regulator or by Tribunal affecting the going concern status and Company's operations in future, during the year under review and also upto the date of this report.

### 13. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

The Company has put in place adequate internal financial controls over financial reporting. These are reviewed periodically and made part of work instructions or processes in the Company. The Company continuously tries to automate these controls to increase its reliability.

The Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015. Changes in policies, if any, are approved by the Audit Committee in consultation with the Statutory Auditors.

The Company has identified inherent reporting risks for each major element in the financial statements and put in place controls to mitigate the same. These risks and the mitigation controls are reviewed periodically in the light of changes in business, IT systems, regulations and internal policies. Corporate accounts function is involved in designing large process changes as well as validating changes to IT systems that have a bearing on the books of account.

## DIRECTORS' REPORT (Contd.)

The Company periodically conducts a physical verification of inventory, fixed assets and cash on hand and matches them with the books of accounts. No discrepancies were found during the year under review.

The Company, in preparing its financial statements, makes judgements and estimates based on sound policies and uses external agencies to verify/validate them as and when needed and appropriate. The basis of such judgements and estimates are also approved by the Audit Committee of the Board of Directors of the Company in consultation with the Statutory Auditors of the Company. The company has a well-

run internal audit system manned by competent external agencies. The system periodically reports to the Audit Committee any significant changes or non-confirmation to procedures.

The Company has a Code of Conduct applicable to all its employees as well as Board of Directors along with a Whistle Blowing Policy Mechanism.

## 14. DETAILS OF SUBSIDIARY/JOINT VENTURES / ASSOCIATE COMPANIES

Your Company has one Subsidiary Company - M/s.Kaycee Industries Ltd, Mumbai which is engaged in the business of manufacturing of electrical installation products.

## THE FINANCIAL PERFORMANCE OF SUBSIDIARY COMPANY FOLLOWS AS UNDER

(₹ in Lakhs)

Particulars	31st March 2021	31st March 2020
1 Revenue from operations	<b>2,271.62</b>	<b>2,342.68</b>
2 Operating Expenses		
a Cost of materials consumed	1,326.42	1,169.37
b Changes in inventories of finished goods, work-in-progress	7.05	(79.67)
c Employee Benefit Expenses	377.64	471.45
d Other Expenses	438.03	540.03
3 Total Operating Expenses (a+b+c+d+e)	<b>2,149.14</b>	<b>2,101.18</b>
4 Operating Profit (1-3)	<b>122.48</b>	<b>241.50</b>
5 Other Income	34.95	17.65
6 Finance cost	7.06	6.75
7 Depreciation and Amortisation Expenses	40.57	41.99
8 Profit before Tax (4+5-6-7)	<b>109.80</b>	<b>210.41</b>
9 Provision - Covid 19 for Inventory and Receivable	(15.09)	19.46
10 Tax Expenses	40.08	52.95
11 Profit after Tax (8-9-10)	<b>84.81</b>	<b>138.00</b>
12 Other Comprehensive Income	(0.83)	(8.13)
13 Total Comprehensive Income (11+ 12)	83.98	129.87
14 Share Capital	63.47	63.47
15 Reserves and Surplus	1,421.37	1,356.44
16 Net Worth of the Company	1,421.37	1,419.91
17 Book Value of the shares (in Rs.)	<b>2,237.14</b>	<b>2,237.14</b>
18 Earnings per share (in Rs.)	<b>133.62</b>	<b>217.43</b>

## 15. DEPOSITS

During the Financial year under the review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

## 16. STATUTORY AUDITORS

In terms of Proviso to Section 139 (1) of the Companies Act 2013, and with the approval of the

shareholders at their meeting held on August 10, 2019, M/s. JDS Associates, Chartered Accountants, have been appointed as the Statutory Auditors of the Company, for a term of Five years immediately after conclusion of the 34<sup>th</sup> Annual General Meeting till the conclusion of the 39<sup>th</sup> Annual General Meeting for the financial year 2023-24.

## DIRECTORS' REPORT (Contd.)

### 17. INVESTMENTS MADE BY THE COMPANY

The Company has adequate measures to review the significant impact by way of any increase/ decrease of the fair value of the investments and accordingly being dealt with in the financial statements of the Company. During the reporting period, there was no significant variance in the fair value of the Investments.

### 18. AUDITORS' REPORT

The Independent Audit Report along with the Annexure as prescribed under Companies (Auditors' Report) Order 2015 as issued by the Auditors' are appended in this Annual Report. The Auditors have not made any qualification / adverse remarks, based on the auditing on the accounts and transactions of the year.

### 19. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OF THE COMPANIES ACT 2013

There were no instances of fraud reported by the Auditors to the Central Government or to the Audit Committee of the Company as indicated under the provisions of Section 143 (12) of the Companies Act, 2013.

### 20. MAINTENANCE OF COST RECORDS UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013

Pursuant to the provisions of Section 148 (1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company was required to maintain cost records. Accordingly, the Company has duly made and maintained the Cost Records as mandated by the Central Government

### 21. EXTRACT OF THE ANNUAL RETURN

The Annual Return in Form No. MGT 7 forms part of the Board's report given in the company's website [www.salzergroup.net](http://www.salzergroup.net) in compliance with Rule 12(1) of the Companies (Management and Administration) Rules, 2014.

### 22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo given as Annex: 2 herewith separately.

### 23. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a CSR Committee of the Board of Directors and has adopted a CSR Policy. The same is posted in the Company's website [www.salzergroup.net](http://www.salzergroup.net). A report in the prescribed format detailing the CSR expenditure for the year 2020-21 is attached herewith as Annex: 3 and forms a part of this report

The Chief Financial Officer has certified that the funds disbursed have been utilized for the purpose and in the manner approved by the Board for the FY2020-2021

### 24. DIRECTORS:

#### A) Changes in Directors and Key Managerial Personnel

During the year under the review, the following changes took place in the Board's Composition

- (i) Mr.L.Venkatapathy, Independent and Non-Executive Director, retired from the Board on September 12, 2020 following the completion of his second tenure of five years.
- (ii) Mr.Otto Eggimann, Independent and Non-Executive Director, retired from the Board on May 24, 2020 after completion of his term and
- (iii) Mr. D.Vishnu Rangaswamy, who was appointed on the Board as an additional director (designated as Non-Executive and Non Independent Director) on February 06, 2020, was regularized by the shareholders at their 35<sup>th</sup> Annual General Meeting in accordance with Section 160 of the Companies Act 2013.

Presently, your Board is having 11 members comprising of Four Executive Directors, Two Non-Executive and Non Independent Directors and Five Independent Directors

#### B) Retirement by Rotations

Mr. P.Ramachandran and Mr. D.Vishnu Rangaswamy, Directors of the company, who are the retiring Directors in the ensuing 36<sup>th</sup> Annual General Meeting, offer themselves to get re-appointed in pursuance of Section 152 of the Companies Act 2013 read with Article 178 of the Articles of Association of the Company.

#### C) Declaration by the Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. The Board has optimum composition of the Independent and Non Independent Directors.

#### D) Formal Annual Evaluation

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as: -

## DIRECTORS' REPORT (Contd.)

- Board dynamics and relationships
- Information flows
- Decision-making.
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees' effectiveness

### Peer evaluation

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the corporate governance report.

### E) Committees of the Board.

Currently, the Board has five committees: the Audit Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee, Stakeholders Relationship Committee, and the Risk Management Committee. A detailed note on the composition of the Board and its committees is provided in the corporate governance report section of this Annual Report.

### 25. LISTING REGULATIONS

Your Company has duly complied with various Regulations as prescribed under SEBI (Listing obligations and Disclosures) Regulations 2015.

### 26. MEETINGS

The details in respect of the Meeting of the Board of Directors, Audit Committee and all other sub Committee are given in the Corporate Governance Report.

### 27. WHISTLE BLOWING POLICY MECHANISM

A whistle blowing policy mechanism has been in place providing opportunity to Directors/Employees

- To access in good faith, to the Audit Committee in case they observe unethical and improper practices or any other wrongful conduct in the Company,
- to prohibit managerial personnel from taking any adverse personnel action against those employees and
- to provide necessary safeguards for protection of employees from reprisals or victimization

This policy applies to all directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy

To report such incidents, practices etc., the concerned Employees / Directors can contact / report to

#### Office of the Audit Committee (Compliance Officer)

E-Mail : baskarasubramanian@salzergroup.com

Contact No. 0422 4233614

#### Office of the Managing Director

E-Mail : rd@salzergroup.com

Contact No.0422-4233612

#### Office of Joint Managing Director and Chief Financial Officer

E-Mail : rajesh@salzergroup.com

Contact No.0422-4233610

During the year under review, no complaint was received by the above officers under whistle blowing policy mechanism with respect to the performance of the company and other related matters.

### 28. PREVENTION OF SEXUAL HARASSMENT AT THE WORK PLACE

The Company has constituted an Internal Committee (IC) in all the Units to consider and resolve all sexual harassment complaints reported by women. The constitution of the IC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, the Committee has not received any complaint.

### 29. NOMINATION AND REMUNERATION COMMITTEE

The purpose of the committee is to screen and to review individuals qualified to serve as executive directors, non-executive directors and independent directors, consistent with policies approved by the Board, and to recommend, for approval by the Board, nominees for election at the AGM.

The committee also makes recommendations to the Board on candidates for

- (i) nomination for election or re-election by the shareholders; and
- (ii) any Board vacancies that are to be filled.

It also reviews and discusses all matters pertaining to candidates and evaluates the candidates. The Nomination and Remuneration Committee coordinates and oversees the annual self-evaluation of the Board and of individual directors.



## DIRECTORS' REPORT (Contd.)

The nomination and remuneration committee's charter and policy are available on our website.

### 30. POLICY ON THE DIRECTORS APPOINTMENT AND REMUNERATION

In accordance with the Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015 read with Salzer's Policy for Nomination and Remuneration, the Board is having an optimum combination of the executive, non-executive and independent directors. As of March 31, 2021, the Board has eleven members, four of whom are Executive Directors; two are Non-Executive and Non-Independent member and five Independent Directors. One non-executive and non-independent member of the Board is a woman. The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on its website.

We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

### 31. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

#### During the year under review,

- During the year, the Company has not granted/taken loans, unsecured, from or to Companies, firms or other parties, listed in the Register maintained under section 189 of the Companies Act, 2013 ('the Act'), the terms and conditions are not prima facie prejudicial to the interest of the Company during the course of its business and
- The investments in other bodies corporate are well within the limit as prescribed under Section 186 of the Companies 2013.

### 32. RELATED PARTY TRANSACTIONS

All the transactions of the Company with related parties are at arms' length and have taken place in the ordinary course of business. None of the transactions with related parties is a material transaction. Since there are no transactions that are not in arms' length and material in nature, disclosure under AOC 2 does not arise. A copy of the Related Party Transaction Policy is available at the Company's website [www.salzergroup.net](http://www.salzergroup.net)

### 33. INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be

followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities. The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website [www.salzergroup.net](http://www.salzergroup.net)

### 34. MANAGERIAL REMUNERATION

- A) The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 i.e
- No employee of the Company throughout the Financial year was in receipt of remuneration for that year which, in the aggregate, for Rupees one Crore and two Lakhs rupees and
  - No employee of the Company for a part of the Financial year was in receipt of remuneration for any part of year which, in the aggregate, for Rupees Eight Lakhs and Fifty Thousand per month
- B) The Company does not have such director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company receiving any remuneration or commission from any Holding Company or Subsidiary Company of such Company.

Details pursuant to section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and are annexed herewith as Annex: 4.

### 35. SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Companies Act, 2013, the Board of Directors, at their meeting held on June 18, 2020, appointed Mr. G Vasudevan, B.Com, LLB & FCS, M/s.G V Associates, Company Secretaries (Certificate of Practice No. 6522), as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2020-21 in terms of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report for the financial year ended 31st March, 2021 is set out in the Annex: 5 to this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except the following one

## DIRECTORS' REPORT (Contd.)

### Observation in the Report

The Annual Report 2020-21 contains only the Managing Director certification instead of both Chief Executive Officer and Chief Financial Officer

### Management comments

Since the Company does not have any Chief Executive Officer, the Managing Director has been certifying Compliance Report as a person virtually acting as the Chief Executive Officer of the Company and

Due to some typo error, the certification of the Chief Financial Officer was left out inadvertently in the Report. This is purely a printing error and does not bear any significance on the Compliance.

### 36. COMPLIANCE ON SECRETARIAL STANDARDS

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

### 37. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year, the Company has transferred the unclaimed and unpaid dividends of ₹.3,49,176/-. Further, 8988 corresponding shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF rules. The details are available on our website at [www.salzergroup.net](http://www.salzergroup.net)

### 38. RISK MANAGEMENT POLICY

Risk management is attempting to identify and manage threats that could severely impact or bring down the organization. Generally, this involves reviewing operations of the organization, identifying potential threats to the firm and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats. In order to tackle such risks emanating during the course of business operation, the Board of Directors, constituted Risk Management Committee with an objective of identifying the potential threats that are likely to impact the growth of the organization and evolve suitable measure strategically to mitigate such identified Risks.

Accordingly, the operating management review the risk profile which has got impact on the performance of the company in accordance with the policy of the company on Risk Management and also in compliance with the relevant regulations thereof on a periodical basis.

### 39. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's discussion and analysis is set out in this Annual Report as Annex: 6

### 40. COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Directors, on the recommendation of the Audit Committee and subject to the approval of the Members, have appointed CMA Mr.A.R.Ramasubramania Raja, Practicing Cost and Management Accountant, as the Cost Auditor of the Company for the Financial Year 2021-22 to conduct the audit on the Maintenance of Cost Records of the Company and submit the report to the Central Government with the due approval of the Board of Directors within the stipulated time.

### 41. POLICIES OF THE COMPANY

The Company is committed to a good corporate governance and has consistently maintained its organizational culture as a remarkable confluence of high standards of professionalism and building shareholder equity with principles of fairness, integrity and ethics.

The Board of Directors of the Company have from time to time framed and approved various Policies as required by the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations. These Policies and Codes are reviewed by the Board and are updated, if required.

Some of the key policies adopted by the Company are as follows:

- a) Policy on Materiality of Related Party Transactions
- b) Corporate Social Responsibility Policy
- c) Insider Trading Policy
- d) Nomination and Remuneration Policy
- e) Policy on Related Party Transactions
- f) Risk Management Policy
- g) Policy on prevention of sexual harassment at workplace
- h) Whistle Blower Policy

## DIRECTORS' REPORT (Contd.)

- i) Policy on payment of remuneration to Non-Executive Directors
- j) Policy on Familiarization Program for the Non-Executive Directors
- k) Policy on Determination of materiality of events/information
- l) Policy for Preservation of Records
- m) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- n) Policy on Subsidiary & Material Subsidiary Company

### 42. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, your Directors make the following statements:

- that in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit and loss of the company for that period;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;

The Management and the Board believe that it has taken into account all the possible impact of events arising from COVID 19 pandemic in the preparation of the financial statements including the ability of the Company to continue as going concern. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration.

- that internal financial controls are being followed by the company and that such internal financial controls are adequate and were operating effectively.
- that systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively

### 43. CREDIT RATINGS

During the year under review, the credit ratings have reaffirmed as '**CRISIL A/Stable**' for **long term borrowing** and '**CRISIL A1**' for **short term borrowings**.

### 44. INDUSTRIAL RELATIONS

During the year under review, industrial relations at the Company's all units have continued to remain cordial and peaceful.

### 45. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR - Not Applicable

### 46. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF - Not Applicable

### 47. CAUTIONARY STATEMENT

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

### 48. ACKNOWLEDGEMENTS

Your Directors place on record their deep sense of appreciation and gratitude to the Shareholders, various Government Agencies, Canara Bank, Union Bank of India, ICICI Bank, Citi Bank NA, M/s. Axis Bank, M/s. HDFC Bank, M/s. Larsen & Toubro Limited - Marketing Associates, CRISIL, M/s. GNSA Infotech Ltd, (Registrar & Share Transfer agent) for their continued support and co-operation. Your Directors also wish to record their appreciation for the dedicated services being rendered by the employees at all levels.

For and on behalf of the Board

Place : Bengaluru  
Date : June 15, 2021

**N RANGACHARY**  
CHAIRMAN  
DIN : 00054437

# ANNEXURE-1

## CORPORATE GOVERNANCE REPORT

(As Required under Regulation 34(3) of SEBI (LODR) Regulations 2015)

### 1. COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE.

The Philosophy of Corporate Governance is transparency, full disclosure, independent monitoring the state of affairs and being fair to all the stakeholders, which is scrupulously being adopted by the company not only to comply with the statutory requirements but also to go well beyond that and to attain a high level of transparency and accountability in the functioning of the Company to enhance the value to all the stakeholders.

### 2. BOARD OF DIRECTORS

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges read with Regulation 17 of SEBI (LODR) Regulation 2015, your Board has optimum combination of Executive and Non-Executive Directors. The Board is headed by a Non-Executive Chairman. Executive Directors includes Managing Director also. The composition of Board of Directors is as under:

#### COMPOSITION

The Board headed by the Non-Executive Chairman, comprises 11 Directors from varied disciplines like Engineering, Finance, Banking, Capital Market, Management, Administration sectors.

The Company is having the office of the Chairman and office of the Managing Director / CEO separately by different individuals.

#### Composition of the Board as on March 31, 2021

Category	No of Directors
<b>Executive Director</b> (Managing Director, Joint Managing Director, Whole-time Director & Director (Corporate Affairs) & Company Secretary	4
<b>Non Executive &amp; Independent</b> Directors including the Chairman	5
<b>Other Non Executive &amp; Non Independent Directors</b>	2

### PROFILE OF DIRECTORS

#### 1. Shri.N.Rangachary, Non-Executive Independent Chairman

Shri.N.Rangachary, Chairman of the company, aged 83 years, possesses appropriate skills, integrity, experience and knowledge, inter alia, in the field of Finance including the Management Accounting and Costing, Taxation, Insurance and Company Law

matters and Corporate Governance. In the Opinion of the Board, Shri.Rangachary Nambi Iyengar fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement.

Shri Rangachary Nambi Iyengar is an IRS officer having over 42 years of experience under the Government of India, Ministry of Finance. He is also a Fellow Member of all the three Professional Bodies viz., the Institute of Chartered Accountants of India, the Institute of Cost and Works Accountants of India, the Institute of Company Secretaries of India. He has also served as a Chairman of Central Board of Direct Taxes and also first Chairman of Insurance Regulatory and Development Authority (IRDA) from 1997 till June 2003 and retired. He is an awardee of International Insurance Man for the year 1999. Further, he was also an advisor to the Government of Andra Pradesh Finance department during the period 2002-2008. He is a Honorary Member of Indian Institute of Actuary.

#### 2. Shri.R.Doraiswamy, Managing Director

Shri.R.Doraiswamy, Managing Director of the company, aged 78 years basically a graduate in electrical engineering and a technocrat entrepreneur being the core promoter of Salzer Electronics Limited and other Salzer Group Companies for manufacture of electrical installation products, comparable with the international quality standards, both for industrial and domestic segments. He has got wide experience in design, development and manufacture of electrical installation products, having served in leading industrial manufacturing company like Lakshmi Machine Works Limited, Reiter Machine Works, M/s. Brown Boveri Baden, And M/s. Sorecher + Schve Arrow, both in India and Switzerland respectively, for over two decades. He is having good business acumen and expertise in Industrial and Business Management with wide contacts globally.

#### 3. Shri.D.Rajeshkumar, Joint Managing Director & Chief Financial Officer

Shri.D.Rajeshkumar, Joint Managing Director & Chief Financial Officer of the company, aged 50 years, is a graduate in Electrical Engineering with Post Graduation in Business Administration, a technocrat turned into an industrialist. Mr.D.Rajeshkumar did his post graduation in Business Management in USA and has taken over

## ANNEXURE-1 (Contd.)

as Managing Director of erstwhile Salzer Controls Limited and was at the helm of the Management of Salzer Controls Limited for over a period of 5 years. On merger of Salzer Controls Limited with Salzer Electronics Limited, he has occupied the position of Joint Managing Director in Salzer Electronics Limited, virtually acting as CEO of the concern. He is a young and energetic entrepreneur and is managing the Salzer group of companies under the guidance of Mr. R. Doraiswamy, his father, being the Promoter of Salzer group of companies.

### 4. **Dr.(Mrs.)Rajeshkumar Thilagam, Non-Executive Woman Director**

Dr.(Mrs.)Rajeshkumar Thilagam, aged 49 years, is a Doctor by profession, having MBBS & DGO qualification. Presently, engaged in practice and managing affairs of the K R Health Care Private Limited, a multi specialty 50 bedded hospital. She is spouse of Mr.D.Rajesh Kumar, Joint Managing Director of the Company, having wide and rich knowledge on the administration of the business affairs and ability to take strategic decisions in any given situation.

### 5. **Shri.N.Jayabal, Non-Executive Independent Director**

Shri.N.Jayabal, aged 77, is an Electrical Engineer, having wide overseas experience for about three decades and with good international contacts. He is also a Director in M/s.Salzer Exports Limited. His association on the Board of Directors of the Company has contributed to improve the market share for the products of the Company in the Global Market.

### 6. **Shri.P.Ramachandran, Whole Time Director**

Shri.P.Ramachandran, aged 73 years, who is a Graduate in Economics with wide experience in the field and good contacts both in domestic and international markets, have contributed to achieve the performance and corporate objectives of the company all these years. He is also a Director in M/s. Salzer Securities Holdings Limited.

### 7. **Shri.Nirmal Kumar M Chandria, Non-Executive Independent Director**

Shri.Nirmal Kumar M Chandria, aged 61 years, having graduation in Commerce and is an Industrialist and Promoter of a Company in Aluminium Sector and associated himself with leading industries. He is a Director of M/s. Nirmal Aluminium Industries Ltd, M/s. Nirmal Insulations P Ltd, M/s. Motichand Poonjabhai and Brothers Pvt Ltd & M/s. Parsvir Alloys P Ltd.

### 8. **Shri.P.K.Shah, Non-Executive Independent Director**

Shri.P.K.Shah, aged 78 years, is a graduate and also basically a business man and financier for the last more than 3 decades in Bangalore. He is associated with Salzer Electronics Limited for the last 22 years and his business acumen and expertise in financial aspects contributed for the growth of the company all these years. He is also a Partner of M/s. Suk Electronics and Proprietor of M/s. Jayashree Industrial Accessories.

### 9. **Shri.L.Venkatapathy, Non-Executive Independent Director**

Shri. L.Venkatapathy, aged 91 years, was the Chief Executive Officer of one of the leading Textile Machinery Manufacturer in the South viz., Textool Company Ltd, Coimbatore. He is associated with Salzer Electronics Limited for the last 31 years as a Director. He has a vast expertise in General Management and Administration as well as in depth knowledge in finance, which helped the company in its growth.

### 10. **Shri.V.Sankaran, Non-Executive Independent Director**

Shri.V.Sankaran, aged 78 years, is an Independent and Non Executive Director on the Board of Directors for the last 18 years and holds a Master's Degree in Commerce and is an Associate Member of both the Institute of Cost & Works Accountants of India and the Institute of Company Secretaries of India. He also holds a Postgraduate Diploma in Management Accounting from Jamnalal Bajaj Institute of Management Studies, Bombay (University of Bombay). He is well known in the Financial Services Industry. He has over 41 years of experience in reputed companies in various areas of Finance and General Management. Mr.Sankaran is a Director of Smile Electronics Limited.

### 11. **Shri.S.Baskarasubramanian, Director (Corporate Affairs) & Company Secretary**

Shri. S.Baskarasubramanian, aged 78 years, who is a graduate in Commerce and qualified Company Secretary and a Fellow member of Institute of Company Secretaries (FCS) of India, is having wide experience in the field of Company Law matters / Corporate Affairs. He is at present employed in your Company as Director (Corporate Affairs) & Company Secretary.

## ANNEXURE-1 (Contd.)

### 12. Shri.Vishnu Rangaswamy, Non-Executive NonIndependent Director

Shri.Vishnu Rangaswamy, aged 45 years is a Non Resident Indian, who is a B.Tech graduate and having a post graduation of Master of Business

Administration from Southern New Hemisphere University of USA. Presently working as President in Global Technical Talent (GTT), USA, one of the leading Manpower Recruitment Firm in US.

### POSITION OF BOARD OF DIRECTORS

Directors	Category	Attendance Particulars		No. Of Membership In The Boards Of Other Companies
		Board meeting	Last Agm (12.09.2020)	
N.Rangachary *,@	Non-Executive Independent Chairman	4	√	6
R.Doraiswamy #,@	Managing Director	4	√	6
D.Rajeshkumar #,@,%	Joint Managing Director & Chief Financial Officer	4	√	7
Dr.(Mrs.)Rajeshkumar Thilagam	Non-Executive Woman Director <sup>1</sup>	4	√	7
N.Jayabal *,#,@	Non-Executive Independent Director	4	√	2
P. Ramachandran	Whole-time Director Marketing	4	√	2
L.Venkatapathy ^	Non-Executive Independent Director 1	2	√	1
Nirmal Kumar K Chandria #	Non-Executive Independent Director	4	√	4
P.K.Shah \$	Non-Executive Independent Director	5	√	0
V.Sankaran *,\$,%	Non-Executive Independent Director	4	√	1
D.Vishnu Rangaswamy	Non-Executive Independent Director	1	X	5
S.Baskarasubramanian *,#,@,%	Director (Corporate Affairs) & Company Secretary	4	√	0

\* Members of Audit Committee

# Members of the Shareholders / Investors Grievance Committee

\$ Members of the Nomination and Remuneration Committee

@ Members of CSR Committee

% Members of Risk Management Committee

^ Relinquished from his office of Directorship on completion of his second tenure of five years from 12.09.2020

### MEETING OF THE BOARD OF DIRECTORS

During the year under report, Four Board meetings were held on 18.06.2020, 12.08.2020, 03.11.2020 & 04.02.2021.

## ANNEXURE-1 (Contd.)

### Inter-se relationships between Directors of the Company.

Sl. No.	Name	Position	Inter-se relationships
1	Mr. R. Doraiswamy	Managing Director	Father of Mr.D.Rajeshkumar, Joint Managing Director and CFO and Mr.Vishnu Rangaswamy and father-in-law of Dr.(Mrs.)Rajeshkumar Thilagam, Director
2	Mr. D. Rajeshkumar	Joint Managing Director & Chief Financial Officer	Son of Mr.R.Doraiswamy, Managing Director, husband of Dr.(Mrs.)Rajeshkumar Thilagam, Director and brother of Mr.Vishnu Rangaswamy, Director
3	Dr. (Mrs.) Rajeshkumar Thilagam	Director	Wife of Mr.D.Rajeshkumar, Joint Managing Director & Chief Financial Officer and Daughter-in-law of Mr.R.Doraiswamy, Managing Director
4	Mr. Vishnu Rangaswamy	Director	Son of Mr.R.Doraiswamy, Managing Director, and brother of Mr.D.Rajeshkumar, Joint Managing Director & Chief Financial Officer

### FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. The Chairman and Managing Director also have a one to one discussion with the newly appointed Director to familiarize him with the Company's operations.

The company's policy on the familiarization of business operation and the strategies on the management policies to ensure the value addition to all the stakeholders of the company and also the

practice of good corporate governance are available on the Company's website [www.salzergroup.net](http://www.salzergroup.net). Accordingly, the Directors during their meetings on quarterly basis as per the requirements of the regulations in force, are reviewing the performance of the company, the systems and standards being adopted by the company to ensure the growth of the performance and value addition including the financial control measure being adopted by the company to safe guard the interest of the company. In this connection, they are also visiting various units of the company periodically to get an indepth and first-hand information on the standards and systems being followed by the respective units in discharging their performance. They are also reviewing the presentation of various functional heads of the company periodically during their meetings.

### The Company has identified the following skill sets on its Board with reference to its Business and Industry:

Name of the Director	Expertise in specific functional area
Mr. N.Rangachary	An IRS Officer with professional qualification of all the three professional institutions ICAI, ICWA, ICSI with more than 50 years of experience in finance, taxation & Insurance and allied fields.
Mr. R.Doraiswamy	Industrialist with requisite technical skill set - Electrical Engineering graduation having more than 50 years of entrepreneur exposures.
Mr. D.Rajeshkumar	Industrialist with Electrical Engineering graduation with Post graduation in Management of Business Administration and having entrepreneur experience of more than 25 years both in finance and technical skill required for the growth of the company.
Dr. (Mrs.) Rajeshkumar Thilagam	Graduation in Medical profession with exposure in business management and entrepreneurship for more than 15 years.
Mr. N.Jayabal	Graduation in Engineering with overseas experience in engineering industries and marketing for more than 40 years, which helps the company to formulate its strategy in export business.

## ANNEXURE-1 (Contd.)

Name of the Director	Expertise in specific functional area
Mr. P. Ramachandran	Exposure in Business Management for more than 40 years, and his knowledge in managing the manufacture of Cables and Wires having good potential for Industrial and domestic purposes.
Mr. L.Venkatapathy	Having wide exposure in finance and finance controlling measures with business management exposure having managed leading engineering industry for more than 50 years.
Mr. Nirmalkumar M Chandria	Industrialist in the aluminum sector having good entrepreneurial exposure in managing the core business corporate and his experience and knowledge helps the company in formulating the policy decision.
Mr. P.K.Shah	Having Good knowledge and exposures in Business financing and corporate matters over 50 years.
Mr. V.Sankaran	Has wide in-depth knowledge and exposures in Accounts, finance, Costing and Taxation, and Management of Corporate Affairs for more than 50 years
Dr. Otto Eggimann	He is having knowledge in engineering in the field of Textiles, Automobiles and Electrical. Besides he is well conversant with the Global Marketing Exposure with wide overseas contacts
Mr.Vishnu Rangaswamy	He is an Engineering graduate B.Tech with Post graduation in Business Administration from Southern New Hemisphere University of USA. He is managing identifying and developing the human skill set required by various corporates particularly the industries in ITES like IBM, Oracle, Microsoft, etc., and have a good exposure in human resources development with strong skills in the management of enterprise talent engagement initiatives, client services & talent acquisition, team mentoring and management, Executive Search, Technical Recruiting.
Mr. S.Baskarasubramanian	He is a graduate in Commerce and fellow member of Institute of Company Secretaries of India having over 30 years of post-qualification experience in company law matters and corporate affairs and having good exposure in legal, finance and corporate affairs.

Based on the disclosures received from all the independent directors and also in the opinion of the Board, the Independent directors fulfill the conditions specified in the Companies Act, 2013, the Listing Regulations, are independent of the Management.

### COMMITTEES OF DIRECTORS:

The Board has constituted the following mandatory committee viz. Audit Committee, Stakeholders' (Investors) Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, and the minutes of the meeting have also been placed before the meeting of Board of Directors for their review and taking on record.

#### 1. AUDIT COMMITTEE:

The Audit Committee consisting of the following independent Directors met four times on 18.06.2020, 12.08.2020, 03.11.2020 & 04.02.2021 during the year under review, to consider the financial performance of the Company as well as compliance of Accounting Standards, Company Law/ Stock Exchange provisions,

adequacy of Internal Control system, etc, and found satisfactory.

#### Terms of reference:

- 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.
- Oversee 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 and removal of external auditor, fixation of audit fee and also approval for payment for any other services.



## ANNEXURE-1 (Contd.)

- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on :
  - ✓ Any changes in accounting policies and practices.
  - ✓ Major accounting entries based on exercise of judgment by management.
  - ✓ Qualifications in draft audit report.
  - ✓ Significant adjustments arising out of audit.
  - ✓ The going concern assumption.
  - ✓ Compliance with stock exchange and legal requirements concerning financial statements.
  - ✓ Any related party transactions i.e, transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.
- Reviewing with the management, external and internal auditors on the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, 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 any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before commences, nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk policies.
- 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 creditors.

### Composition and attendance :

Composition of Audit Committee and attendance of each Director during the meetings held in financial year 2020-21 are given below:

Sl. No.	Committee Members	Designation in the Committee	Designation in the Board	No. of Meetings attended
1	Mr. V. Sankaran	Chairman of the Committee	Non Executive Independent Director	4
2	Mr. N. Rangachary	Member	Non Executive Independent Director	4
3	Mr. L. Venkatapathy *	Member	Non Executive Independent Director	2
4	Mr. N. Jayabal	Member	Non Executive Independent Director	4
5	Mr.Nirmal Kumar M Chandria #	Member	Non Executive Independent Director	2
6	Mr. S.Baskarasubramanian	Secretary to the Committee	Director (Corporate Affairs) & Company Secretary	4

\*, # The Committee reconstituted on 12.08.2020 and inducted Mr.Nirmal Kumar M Chandria as the member of the Committee in place of Mr.L. Venkatapathy stepped down from the member of Audit Committee from 12.09.2020.

## 2. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee with the following members met twice on 18.06.2020 & 23.01.2021 during the year under review,

### Terms of reference:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with laid down criteria,
2. To recommend to the Board their appointment and removal,
3. To carry out evaluation of every director's performance.
4. To formulate the criteria for determining qualifications, positive attributes and independence of a director and
5. To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

## ANNEXURE-1 (Contd.)

6. To formulate the policies so as to ensure that
  - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) Remuneration to directors, KMPs 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.

### Composition and attendance :

Sl. No.	Committee Members	Designation in the Committee	Designation in the Board	No. of Meetings attended
1	Mr. V. Sankaran	Chairman of the Committee	Non Executive Independent Director	2
2	Mr. L. Venkatapathy *	Member	Non Executive Independent Director	1
3	Mr. N. Jayabal	Member	Non Executive Independent Director	2
4	Mr.Nirmal Kumar M Chandria #	Member	Non Executive Independent Director	1
5	Mr. S.Baskarasubramanian	Secretary to the Committee	Director (Corporate Affairs) & Company Secretary	2

\*, # The Committee reconstituted on 12.08.2020 and inducted Mr.Nirmal Kumar M Chandria as the member of the Committee in place of Mr.L. Venkatapathy stepped down from the member of Audit Committee from 12.09.2020.

Mr.S.Baskarasubramanian, Director (Corporate Affairs) & Company Secretary act as the Secretary to the Nomination and Remuneration Committee.

### FORMULATION OF POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION.

The Nomination and Remuneration Committee discussed and evolved a policy for selection of appointment of directors and their remuneration. The highlights of this policy are as follows:

#### Criteria for appointment of Whole-time / Executive / Managing Director / Non-Executive Independent Director / KMP and Senior Management Personnel

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. Appointment of Independent Directors is subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules there-under.
4. The Company shall appoint or continue the employment of any person as Whole-time Director as per the relevant provisions of the Companies Act, 2013 read along with the relevant schedule and rules made thereunder.

### Remuneration

#### Remuneration to Whole-time / Executive / Managing Director

The Whole-time Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus by way of commission on net profit being computed as per regulations and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

#### Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the prior approval of the Central Government.

#### Provisions for excess remuneration

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

## ANNEXURE-1 (Contd.)

### REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR

**Sitting Fees** - The Non-executive Independent Directors and Non-executive Non Independent Directors of the Company shall be paid sitting fees as per the applicable Regulations. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further the boarding and lodging expenses shall be reimbursed to the Directors for their travelling on company's business.

**Profit-linked Commission** - The profit-linked Commission shall be paid to the Directors within the monetary limit approved by the shareholders of the Company, subject to the regulations thereof, on the net profits of the Company being computed.

**Stock Options** - Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.

### REMUNERATION TO KMP AND SENIOR MANAGEMENT PERSONNEL

The KMP and Senior Management Personnel of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as approved by the Committee/ Board. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

#### Composition and attendance :

Sl. No.	Committee Members	Designation in the Committee	Designation in the Board	No. of Meetings attended
1	Mr. N. Jayabal	Chairman	Non Executive Independent Director	4
2	Mr. D. Rajeshkumar	Member	Joint Managing Director and Chief Financial Officer of the company	4
3	Mr. L. Venkatapathy *	Chairman	Non Executive Independent Director	1
4	Mr.Nirmal Kumar M Chandria #	Member	Non Executive Independent Director	3
5	Mr. S.Baskarasubramanian	Secretary to the Committee	Director (Corporate Affairs) & Company Secretary	4

\*, # The Committee reconstituted on 12.08.2020 and inducted Mr.Nirmal Kumar M Chandria as the member of the Committee in place of Mr.L.Venkatapathy stepped down from the member of Audit Committee from 12.09.2020 Mr.N.Jayabal has been appointed as Chairman of the Committee.

The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

Type of Complaints	Number of Complaints
Non-Receipt of Annual Reports	0
Non-Receipt of Dividend Warrants	2
Non-Receipt of Share Certificates	8
Status of share Certificate - transfer to IEPF	4
<b>TOTAL</b>	<b>14</b>

As on March 31, 2021, no complaints were outstanding.

### EVALUATION

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval.

### 3. STAKEHOLDER (INVESTORS) RELATIONSHIP COMMITTEE:

The Stakeholder's (Investors) Relationship Committee of the Board met four times on 30.06.2020, 30.09.2020, 31.12.2020 & 31.03.2021 and reviewed system of handling investor's complaints, redressal of Grievance, etc., and found that during the year under review the Investors/shareholders complaints have been redressed then and there to the satisfaction of the investors. The Committee also noted that there are no investors / shareholders complaints pending redressal as on 31.03.2021.

#### Terms of reference:

The Committee focuses primarily on monitoring expeditious redressal of investors / stakeholders grievances and also functions in an efficient manner that all issues / concerns of stakeholders are addressed / resolved promptly.

The Committee also deal with share registry works such as considering and approving the transfer, transmission of shares being held in physical form / issue of duplicate / remat of shares on the request of the shareholders. Such other duties and functions as may be required for such services to the investors.

## ANNEXURE-1 (Contd.)

### 4. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board at its meeting held 10.05.2014.

#### Terms of reference:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013;

2. Recommend the amount of expenditure to be incurred on the activities referred to in clause 3;
3. Monitor the Corporate Social Responsibility Policy of the company from time to time; and
4. Such other activities as may be prescribed by the Board from time to time."

The Committee considered, at its meeting held on 18.06.2020 the actual expenditure under CSR along with its Annual Report for the year 2019-20 and also considered and approved the budget to be spent during the year 2020-21 pursuant to the regulations in force.

### Composition and attendance :

Sl. No.	Committee Members	Designation in the Committee	Designation in the Board	No. of Meetings attended
1	Mr. N. Rangachary	Chairman	Non Executive Independent Director & Chairman of the Company	1
2	Mr. R. Doraiswamy	Member	Managing Director of the company	1
3	Mr. D. Rajeshkumar	Member	Joint Managing Director and Chief Financial Officer of the company	1
4	Mr. N. Jayabal	Member	Non Executive Independent Director	1
5	Mr. S. Baskarasubramanian	Secretary to the Committee	Director (Corporate Affairs) & Company Secretary	1

### 5. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee has been reconstituted by the Board, met on 11.11.2014 met during the year under review.

#### Terms of reference:

1. Assessment of the Company's risk profile and key areas of risk in particular,
2. Formulating suitable Risk Management Policies taking care of all foreseeable risks that may likely affect the business growth,
3. Recommending to the Board for adopting risk assessment procedures on various matters
4. Determining the sufficiency of the Company's internal control system.
5. Assessing and recommending to the Board acceptable levels of risk,
6. Monitoring compliance with Company Policies.
7. Reviewing the nature and level of insurance coverage of the assets
8. Co-ordination with the Statutory Auditors to ascertain the Compliance level of Accounting Policies and Standards
9. Discussing the results of the internal audit with the Company's auditors;
10. Inquiring if there have been any significant disagreements between management and the Company's auditors;
11. Monitoring management's response to the Company's auditors' recommendations that are adopted and
12. Such other duties as committee thinks fit for execution of the policies.

The Committee at its meeting held on 06.02.2020 reviewed the business risks based on the company's policies and the management strategies to combat the impact of the risk related to the business of the company both internal and external and also taken on record the continuous review by the operating management and actions taken thereof to safeguard the interests of the company without any prejudice for the mutual benefit of all stakeholders.

**ANNEXURE-1 (Contd.)**
**Composition and attendance :**

Sl. No.	Name of the Members	Position in the Committee	Position in the Company	No. of Meetings attended
1	Mr. D.Rajeshkumar	Chairman	Joint Managing Director and Chief Financial Officer	1
2	Mr. R. Doraiswmay	Member	Executive Managing Director	1
3	Mr. V. Sankaran	Member	Independent Non Executive Director	1
4	Mr. N. Jayabal	Member	Independent Non Executive Director	1
5	Mr. P. Ramachandran	Member	Executive Non-Independent Director	1
6	Mr. S.Baskarasubramanian	Secretary to the Committee	Director (Corporate Affairs) & Company Secretary	1
7	Mr. P. Sivakumar	Member	Asst. Vice President (Marketing) - Unit I	1
8	Mr. M.Lakshminarayana	Member	Vice President (Operations) - Unit II	1
9	Mr. B.Mahendran	Member	Gen. Manager (Operations) - Unit I	1
10	Mr. S.Venkatachalam	Member	Asst. Gen. Manager (Commercial) - Unit II	1
11	Mrs. R.Menaka	Member	Asst. Gen. Manager (Accounts) - Unit I	1

**6. GENERAL BODY MEETINGS**

Information regarding last 3 years General Body meetings are given below:

Location	Nature of Meeting	Day	Date	Time	Special resolution passed
Registered office of the company at Samichettipalayam, Coimbatore- 47	33 <sup>rd</sup> AGM	Saturday	22/09/2018	11.30 am	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr.P.Ramachandran, as a Whole time Director for a further term of Five years</li> <li>2 Increase in borrowing Powers of the Board from Rs. 125 Crs to Rs.200 Crs</li> <li>3 Creation of charges on the movable and immovable properties of the Company, both present and future in respect of borrowings under section 180(1)(a) of the Companies Act, 2013</li> </ol>
Registered office of the company at Samichettipalayam, Coimbatore- 47	EGM	Monday	25/03/2019	10.00 am	<ol style="list-style-type: none"> <li>1. Constitution of Mr.N.Rangachary as an Independent Director of the company.</li> <li>2. Constitution of Mr.P.K.Shah as an Independent Director of the company.</li> <li>3. Constitution of Mr.V.Sankaran as an Independent Director of the company.</li> <li>4. Constitution of Mr.N.Jayabal as an Independent Director of the company.</li> <li>5. Constitution of Mr.L.Venkatapathy as an Independent Director of the company.</li> <li>6. Re-appointment of Mr.N.Rangachary as an independent Director of the company for the second term of five consecutive years.</li> <li>7. Re-appointment of Mr.Nirmal Kumar M Chandria as an independent Director of the company for the second term of five consecutive years.</li> </ol>

**ANNEXURE-1 (Contd.)**

Location	Nature of Meeting	Day	Date	Time	Special resolution passed
					8. Re-appointment of Mr.P.K.Shah as an independent Director of the company for the second term of five consecutive years. 9. Re-appointment of Mr.V.Sankaran as an independent Director of the company for the second term of five consecutive years. 10. Re-appointment of Mr.N.Jayabal as an independent Director of the company for the second term of five consecutive years.
SAGARI Hall, the Grand Regent, Hotel The Residency, Coimbatore-18	34 <sup>th</sup> AGM	Saturday	10/08/2019	11.30 am	Appointment of Mr.S.Baskarasubramanian (DIN:00003152) as a Director (Corporate Affairs) & Company Secretary.
As permitted by MCA & SEBI conducted through VC / OAVC	35 <sup>th</sup> AGM	Saturday	12/09/2020	11.30 am	No special resolution has been passed in this AGM.
Electronics Voting (e-voting)	Postal Ballot		24.02.2021 - 25.03.2021		Re-appointment of Mr.R.Doraiswamy as the Managing Director of the Company for another term of Five years

- ❖ In terms of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, the above resolutions were passed by way of both e-voting, Postal ballot and vote at the meeting, in the last AGM.
- ❖ There are no special resolutions to be passed in the ensuing Annual General Meeting.

**Special Business / Resolutions proposed to be transacted at the AGM scheduled on 13.09.2021:**

- i) To consider and approve the re-appointment of Mr.D.Rajeshkumar (DIN: DIN 00003126) as the Joint Managing Director and Chief Financial Officer ("JMD&CFO") for a term of office with retirement by rotation.
- ii) To ratify the remuneration payable to Mr.A.R.Ramasubramania Raja (M.No. 32458), appointed as Cost Auditors of the Company for FY 2021-22.

The Board appointed Mr.G.Vasudevan, a Practicing Company Secretary of M/s.G.V.Associates, Coimbatore as a Scrutinizer for e-voting and postal ballot in a fair and transparent manner.

**7. INDEPENDENT DIRECTORS' MEETING**

During the year under review, the Independent Directors met on March 5, 2021, inter alia discussed and reviewed the performance of the company and Board with respect to :

- i. The performance of non-independent directors and the Board as a whole;

- ii. the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

and found the affairs of the company were being carried out effectively in a satisfactory manner.

Accordingly, as authorized at the meeting, the Chairman and Chairman of the Audit Committee appraised and evaluated the performance of all the Directors including Executive / Whole Time Directors for the year under review and the Chairman's performance evaluated by the Board collectively.

All the Independent Directors of the Company got empanelled themselves in the Databank maintained and administrated by the Indian Institute of Corporate Affairs in terms of Circular dated October 22, 2019 issued by the Ministry of Corporate Affairs.

## ANNEXURE-1 (Contd.)

### MEANS OF COMMUNICATION

The Quarterly, Half Yearly and Annual Financial Results are published in leading Newspapers besides notifying to the Stock Exchanges where the Company's shares are listed as well as posted in the

Company's website for the benefit of all stakeholders. The Quarterly, Half yearly and Annual Financial Results of the Company are also available in the BSE website [www.bseindia.com](http://www.bseindia.com) and NSE website [www.nseindia.com](http://www.nseindia.com) and in company's website [www.salzergroup.com](http://www.salzergroup.com).

### GENERAL SHAREHOLDER INFORMATION

#### A) ANNUAL GENERAL MEETING

Day & Date	13 <sup>th</sup> September 2021, Monday
Time	11.30 AM
Venue	Registered Office of the Company
Mode	Video Conference / Other Audio Video Means (VC / OAVM)
Financial year	1st April, 2020 to 31st March, 2021
Date of Book Closure / Record Date	27.08.2021
Listing on Stock Exchanges	BSE Limited & National Stock Exchange of India Ltd (NSE)
STOCK / SCRIP CODE	517059 (BSE) & SALZERELEC (NSE)
Audited Financial Results Announced	15.06.2021
Announcement of Quarterly Results	18.06.2020, 12.08.2020, 03.11.2020 & 04.02.2021
Posting of Notice calling AGM and Annual Reports	All communications required to be sent to the shareholders are being sent only through the registered e-mail addresses of the shareholders as per recent notification issued by MCA. Accordingly, the Notice along with the audited annual accounts would be sent either through e-mail or could be downloaded from company's website <a href="http://www.salzergroup.net">www.salzergroup.net</a> .
Registered speaker	Shareholders who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number to <a href="mailto:baskarasubramanian@salzergroup.com">baskarasubramanian@salzergroup.com</a> or <a href="mailto:murugesan@salzergroup.com">murugesan@salzergroup.com</a> or <a href="mailto:geetha.r@salzergroup.com">geetha.r@salzergroup.com</a> on or before 05:00 P.M. IST on Wednesday, 8th September, 2021. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions only during the meeting ("AGM")
Despatch of Annual Report	Within the stipulated time Through e-mail
Date determining the shareholders for E-Voting	06.09.2021
Period of e-voting	08.09.2021 to 12.09.2021
e-voting Even No.	116847
CIN No.	L03210TZ1975PLC001535

**ANNEXURE-1 (Contd.)****B) MARKET PRICE DATA****SHARE TRADING DETAILS IN BSE LIMITED**

For the period: 1-Apr-2020 to 31-Mar-2021

**BSE Ltd**

(Amt in ₹.)

Month	Open	High	Date	low	Date	Closing
Apr '20	61.00	82.00	30.04.2020	59.70	03.04.2020	69.85
May '20	68.25	74.90	06.05.2020	59.45	22.05.2020	63.85
Jun '20	65.50	98.00	19.06.2020	64.75	01.06.2020	86.35
Jul '20	85.55	103.00	07.07.2020	80.00	20.07.2020	83.65
Aug '20	85.00	114.10	12.08.2020	82.35	03.08.2020	99.85
Sep '20	100.15	104.50	14.09.2020	89.00	22.09.2020	95.80
Oct '20	95.60	103.80	30.10.2020	90.00	16.10.2020	103.45
Nov '20	105.00	129.90	27.11.2020	97.90	05.11.2020	125.90
Dec '20	126.55	153.70	03.12.2020	116.35	18.12.2020	127.65
Jan '21	128.00	136.70	04.01.2021	109.50	27.01.2021	114.65
Feb '21	113.45	132.15	04.02.2021	112.15	23.02.2021	118.30
Mar '21	120.15	150.10	30.03.2021	115.00	09.03.2021	122.10

**NSE Ltd**

Month	Open	High	Date	low	Date	Closing
Apr '20	62.05	78.00	17.04.2020	59.15	03.04.2020	69.50
May '20	63.95	69.00	08.05.2020	59.35	27.05.2020	63.95
Jun '20	63.95	97.40	19.06.2020	63.95	01.06.2020	86.25
Jul '20	86.45	103.25	07.07.2019	80.50	16.07.2020	83.75
Aug '20	83.60	114.00	12.08.2020	82.10	03.08.2020	99.60
Sep '20	100.15	105.20	15.09.2020	88.60	22.09.2020	92.60
Oct '20	93.95	103.85	30.10.2020	90.00	05.10.2020	103.45
Nov '20	104.80	129.75	27.11.2020	97.50	05.11.2020	125.15
Dec '20	128.00	154.05	03.12.2020	99.55	12.12.2020	127.80
Jan '21	127.80	137.00	04.01.2021	109.20	27.01.2021	114.50
Feb '21	113.90	132.50	04.02.2021	112.55	23.02.2021	118.30
Mar '21	120.90	144.40	00.03.2021	117.00	08.03.2021	122.50

**TRADING VOLUME**

Month	BSE			NSE		
	Open	High	Trading volume	Open	High	Trading volume
Apr '20	61.00	82.00	93,772	62.05	78.00	2,52,916
May '20	68.25	74.90	1,08,852	63.95	69.00	3,58,678
Jun '20	65.50	98.00	4,63,939	63.95	97.40	19,36,954
Jul '20	85.55	103.00	3,87,904	86.45	103.25	17,52,243
Aug '20	85.00	114.10	2,51,117	83.60	114.00	23,23,483
Sep '20	100.15	104.50	66,914	100.15	105.20	3,39,808
Oct '20	95.60	103.80	74,471	93.95	103.85	8,17,354
Nov '20	105.00	129.90	4,83,166	104.80	129.75	43,23,416
Dec '20	126.55	153.70	5,44,702	128.00	154.05	36,00,634
Jan '21	128.00	136.70	1,44,702	127.00	137.00	11,86,829
Feb '21	113.45	132.15	1,22,235	113.90	132.50	12,90,244
Mar '21	120.15	150.10	3,69,786	120.90	144.40	35,11,846



## ANNEXURE-1 (Contd.)

### MARKET CAPITALIZATION

As on 31<sup>st</sup> March 2021, the market capitalization of the company stood at Rs. 195.15 Crores as per BSE and at Rs. 195.79 Crores as per NSE.

### Share Price performance in Comparison to Broad based indices - BSE & NSE as on 31.03.2021

#### Salzer - Vs - Sensex

Month	Sensex growth %	Salzer growth %
3 Month	3.55	23.62
6 Month	12.90	32.86
9 Month	41.62	82.75
1 Year	46.83	74.80

#### Salzer - Vs - Nifty

Month	Nifty growth %	Salzer growth %
3 Month	4.48	23.62
6 Month	14.07	32.86
9 Month	41.80	82.75
1 Year	48.99	74.80

### C) REGISTRAR & SHARE TRANSFER / DEMAT AGENTS

Company's share transfer Registry works both for Demat and Physical forms are being undertaken by M/s. GNSA Infotech Private Limited, Nelson Chambers, 'F' Block, 4<sup>th</sup> Floor, # 115, Nelson Manickam Road, Aminthakarai, Chennai 600 029., Tel: 044-42962025, e-mail: info@gnsaindia.com.

The shares of the Company are dematerialised and registered in Central Depository Services (India) Ltd (CDSL) and National Securities Depository Ltd (NSDL) under ISIN No.: INE457F01013.

### D) SHARE TRANSFER SYSTEM

The Company's share transfer / transmission works, both physical and electronic form, are being done by M/s. GNSA Infotech Private Limited, Chennai.

**As per SEBI regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities in physical mode will not be processed with effect from 1<sup>st</sup> April 2019.**

In view of the above, the members holding shares in physical form are requested to consider converting their holdings to dematerialize and to avail various benefits of dematerialisation and to eliminate all risks associated with physical shares and for ease of portfolio management.

Application for transmission / transposition of share held in physical form are received both at the Registered office of the Company and at the office of the Registrar / Share Transfer Agent of the Company and if the documents are found to be in order, the transmission / transposition work is completed and the share certificate are returned within the stipulated time as per the Regulations.

To consider transmission / transposition of shares, the committee meets at least once in 15 days.

The Shares held in the demat form are electronically traded in the depositories and the Registrar and Transfer Agents of the Company periodically receive from the depositories the beneficiary holdings, to enable them to update their records.

### E) DISTRIBUTION SCHEDULE (As on 31.03.2021)

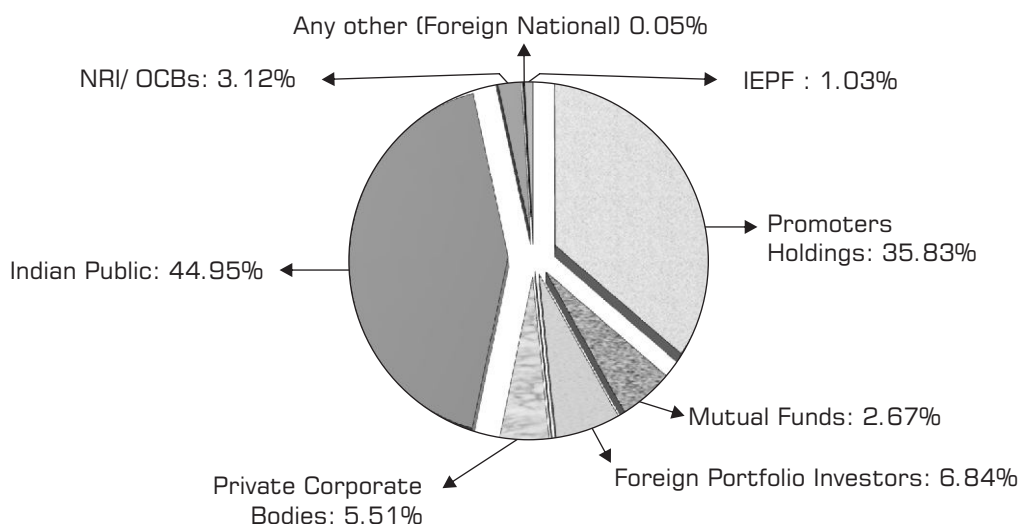
Range	No. of Folios	No. of Shares	% of holding
Up to - 5000	19688	4660959	29.16
5001 - 10000	96	714569	4.47
10001 - 20000	57	760402	4.77
20001 - 30000	19	489798	3.06
30001 - 40000	10	332953	2.08
40001 - 50000	7	315042	1.97
50001 - 100000	11	804974	5.04
100001 & above	20	7904040	49.45
<b>TOTAL</b>	<b>19908</b>	<b>15982737</b>	<b>100%</b>

## ANNEXURE-1 (Contd.)

### F) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2021

Category		No. of Shares held	Percentage of Share Holding
<b>A</b>	<b>Promoter's holding</b>		
1	Promoters		
	Indian Promoters	4972262	31.11%
	Foreign Promoters	754500	4.72%
2	Persons acting in concert	-	-
	<b>Sub-Total</b>	<b>5726762</b>	<b>35.83%</b>
<b>B</b>	<b>Non-Promoters Holding</b>		
3	Institutional Investors		
a	Mutual Funds	426548	2.67%
b	Foreign Institutional investors / Banks, Financial Institutions, Insurance companies (Central/State Govt, Institutions / Non-Government Institutions)	1092708	6.84%
	<b>Sub-Total</b>	<b>1519256</b>	<b>9.51%</b>
4	Others		
	Private Corporate Bodies	881337	5.51%
	Indian Public	7184474	44.95%
	NRIs / OCBs	498648	3.12%
	Any other (Foreign Collaborator/National)	7804	0.05%
	IEPF	164456	1.03%
	<b>Sub-Total</b>	<b>8736719</b>	<b>54.66%</b>
	<b>Grand Total</b>	<b>15982737</b>	<b>100.00%</b>

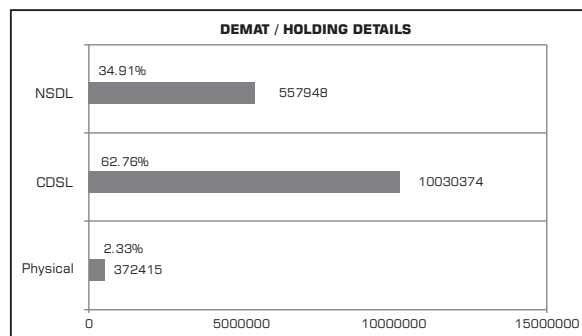
### DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2021



### G) DEMAT INFORMATION (AS ON 31.03.2021)

	No. of Shares Dematerialized	% of Total Capital
<b>CDSL</b>	10030374	62.76%
<b>NSDL</b>	5579948	34.91%
<b>PHYSICAL</b>	372415	2.33%
<b>TOTAL</b>	15982737	100%

## ANNEXURE-1 (Contd.)



### H) CREDIT RATINGS OBTAINED BY THE ENTITY

Long Term Rating	CRISIL A/Stable (Reaffirmed)
Short Term Rating	CRISIL A1 (Reaffirmed)

### I) NOMINATION FACILITY

As provided in the provisions of the Companies Act, 2013 as the case may be, nomination facility is available for the shares held in a Company. The nomination form along with instruction shall be provided to the members on request.

### J) PLANT LOCATION

Unit - I : Samichettipalayam, Coimbatore - 641 047

Unit - II : Chinnamaddampalayam, Coimbatore 641 019.

Unit - III : # 2, Gudalur Village Samichettipalayam, Coimbatore - 641 047

Unit - IV : No.863, Coimbatore Main Road, Bettathapuram, Coimbatore 641 104

Unit - V : No.882/3, Coimbatore Main Road, Bettathapuram, Coimbatore 641 104

### K) ADDRESS FOR CORRESPONDENCE

All correspondence should be addressed to:

The Managing Director / Company Secretary,

Salzer Electronics Ltd, Samichettipalayam,

Coimbatore - 641 047 CIN No. L03210TZ1985PLC001535

**Website:** The Company's website [www.salzergroup.com](http://www.salzergroup.com) contains a separate dedicated section "Investors" where shareholders information is available. The Annual Report of the Company along with Directors' Report, Auditors' Report and Balance Sheet and Statement Profit & Loss are also available on the website in a user-friendly manner.

e-mail : [investor\\_relations@salzergroup.com](mailto:investor_relations@salzergroup.com)

Compliance Officer id : [baskarasubramanian@salzergroup.com](mailto:baskarasubramanian@salzergroup.com)

Phone: 0422 4233600 / 0422 4233614

The Company has exclusive e-mail id: [investor\\_relations@salzergroup.com](mailto:investor_relations@salzergroup.com) for investor services.

## 8. DISCLOSURES

### ❖ Informations Under Clause 36(3) Of Sebi (LODR) Regulation 2015 In Respect Of Directors Being Appointed / Re-appointed:

The following Directors are being re-appointed in this general body meeting, whose profiles are given in the Notice calling the Annual General Body meeting.

1. Mr. P. Ramachandran

2. Mr. Vishnu Rangaswamy

### ❖ Disclosure on materially significant related party transactions that may have potential conflict with the interest of company at large.

During the period under review, the Company had no transactions with the related parties.

## ANNEXURE-1 (Contd.)

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 48 of Financial Statements, forming part of the Annual Report.

The related party transactions dealt with in the financial statements of the company for the year 2020-21 have been in the ordinary course of business of the company and at arms' length basis without prejudices and detrimental to the interest of the company. The Materiality of the related party transaction policy is displayed on the Company's website viz. [www.salzergroup.net](http://www.salzergroup.net)

❖ **Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.**

Nil

❖ **Equity shares in suspense account**

The Company does not have any of its securities lying in suspense account arising out of public / bonus / right issues as at 31.03.2021. Hence, the provisions of particulars relating to aggregate number of shareholders viz-a-vis outstanding securities in suspense account and other related matters thereof does not arise

❖ **Whistle Blowing Policy Mechanism**

In order to ensure good Corporate Governance the company has appropriate mechanism for the employees to report on the matters relating to unethical behavior, actual or suspected fraud / dishonesty / violation / deviation of the Company's code of conduct or ethics policy and the mechanism / system provides safeguards against victimization of employees in the matter and also having direct access to the Chairman / Management / Chairman of the Audit Committee as the case may be. During the year under review, no such instances were reported and no employee was denied access to the Audit Committee. The Whistle Blowing Policy Mechanism is displayed on the Company's website viz. [www.salzergroup.net](http://www.salzergroup.net)

❖ **Commodity price risk and Commodity hedging activities**

The Company has adequate risk assessment and minimization system in place including for commodities. The one of the main input raw material being Copper, having high volatility in the price, which would impact the business have been adequately taken care of by sourcing the material both inland and imports to ensure the risk of volatility and consequential pricing impact. The company has been combating this risk by following previous month average cost of copper in pricing its products. The Company had managed the foreign

exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports depending upon the exigencies of the business.

❖ **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

Does not arise as the Company has not raised any funds either through preferential allotment or qualified institutions placement, during the year, as specified under Regulations 32(7A).

❖ **Certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.**

The Certificate of Company Secretary in practice is annexed as a part of the Directors' report.

❖ **Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year.**

The Board considered all the recommendations of the committees wherever necessary and approved the same during the year under review.

❖ **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

Details relating to fees paid to the Statutory Auditors are given in Note No. 36 to the Financial Statements.

❖ **Prevention of Sexual Harassment at workplace**

The company is having suitable policy for prevention of sexual harassment at workplace and the working environment and atmosphere are being closely monitored and no such incident was reported during the year under review.

- number of complaints filed during the financial year - **Nil**
- number of complaints disposed of during the financial year - **Nil**
- number of complaints pending as on end of the financial year - **Nil**

During the year under review the working environment in the company remained cordial.

### COMPLIANCES:

- ❖ Pursuant to the provisions of the Companies Act, 2013, the annual accounts for the period under review have been prepared as per the requirements of the said revised Schedule-III.

## ANNEXURE-1 (Contd.)

- ❖ All applicable accounting standards have been followed in the preparation of Annual Accounts and there are no material deviation;
- ❖ All such accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the Statement of Profit & Loss of the Company for the year ended on that date;
- ❖ Proper and sufficient care has been taken for the 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 fraud and other irregularities;
- ❖ The annual accounts have been prepared on a going concern basis ;
- ❖ The Company is having appropriate systems to ensure the compliance of all laws applicable to the Company;
- ❖ The Company is having appropriate system to ensure payment of statutory dues in time without any delay.
- ❖ Materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large.
  - None of the transactions with any of the related parties were in conflict with the interests of the Company.
- ❖ Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to the capital markets, during the last three years.
  - No penalties or strictures have been imposed by any regulatory authority on any matter related to capital markets during the last three years.
- ❖ Material non-listed subsidiary companies as defined in Regulations 23 of SEBI (LODR) Regulations 2015 with Stock Exchanges:
  - None.
- ❖ **CONFIRMATION OF COMPLIANCE**  
As required under the Listing Regulations 2015  
It is confirmed that the Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations 2015.  
The Statutory Auditors' Certificate that the Company has complied with the conditions of

Corporate Governance is annexed to the 'Report of the Board of Directors & Management Discussion and Analysis'.

## NON MANDATORY REQUIREMENTS

- ❖ **Chairman's Office**  
During the year under review, the Company has not maintained any office for Non-Executive Chairman. However, the Company has been reimbursing the Travelling and other out-of pocket expenses incurred by the Non-Executive Chairman in the performance of Company's business.
- ❖ **Audit Qualifications**  
There are no qualifications in the Auditors' Report to the Members on the Financial Accounts for the year ended 31.03.2021.
- ❖ **Shareholders' Right**  
The Quarterly, Half yearly and Annual Financial Results of the Company are published in the Newspapers, besides notifying to the Stock Exchanges, where the Company's Shares are listed [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com). The Quarterly / Half yearly and Annual Financial Results are also available in the Company's web-site : [www.salzergroup.com](http://www.salzergroup.com). The Audited Annual Report is also sent to every shareholders of the Company through their e-mail id registered with Company / RTA / Depositories.
- ❖ **Reminder to Investors**  
Reminders for unclaimed shares, unpaid dividend are sent to shareholders as per records every year as the case may be.
- ❖ **BSE Corporate Compliance & Listing Centre ('Listing Centre') & NEAPS**  
BSE's "Listing Centre" and NEAPS's are web-based applications designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the "Listing Centre" of BSE and of NEAPS.
- ❖ **SEBI Complaints Redress System (SCORES)**  
The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. During the fiscal 2020-21, the company has not received any complaints.
- ❖ **Other Non Mandatory Requirements**  
The other Non mandatory requirements will be implemented in due course as and when required and/or deemed necessary by the Board.

## ANNEXURE-1 (Contd.)

### SECRETARIAL AUDIT

A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-a-viz the issued and listed capital.

The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

As per the provisions of the Companies Act, 2013, the Secretarial Audit for the year 2021-21 have also been carried out by Mr.G.Vasudevan, Practicing Company Secretary of M/s.G.V. Associates, Coimbatore and accordingly his report

is appended to Directors' Report. (See Annexure-5) and the same has been approved by the Board at its meeting held on 15<sup>th</sup> June, 2021.

### Declaration

As provided under Reg.26(3) of SEBI (LODR) Regulations 2015, the Board Members and the members of Senior Management have confirmed compliance with the Code of Conduct.

For and on behalf of the Board

Place : Bangaluru  
Date : June 15, 2021

**N.RANGACHARY**  
CHAIRMAN  
DIN : 00054437

## CEO and CFO CERTIFICATION

We hereby certify

- that I have reviewed the financial statements and the cash flow statement for the year ended 31 March 2021 and that to the best of my knowledge and belief,
  - these statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - these statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- that there are, to the best of my knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- that I accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take to rectify the identified deficiencies and
- that I have informed the auditors and the audit committee that there are
  - Significant changes in internal control during the year, if any.
  - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any and
  - No instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
- that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.

For and on behalf of the Board

Place: Coimbatore  
Date : June 15, 2021

**R. DORAISWAMY**  
MANAGING DIRECTOR  
DIN : 00003131

**D. RAJESHKUMAR**  
JOINT MANAGING DIRECTOR &  
CHIEF FINANCIAL OFFICER  
DIN: 00003126

**ANNEXURE-1 (Contd.)****AUDITORS' CERTIFICATE ON COMPLIANCE OF  
CONDITIONS OF CORPORATE GOVERNANCE**

To

The Shareholders  
Salzer Electronics Ltd

1. We have examined the compliance of conditions of Corporate Governance by Salzer Electronics Ltd, for the year ended 31.03.2021 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that no investors' grievances are pending for a period exceeding one month, as on 31<sup>st</sup> March 2021 against the Company as per the records maintained by the Company.
5. 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.

In Terms Of Our Report Attached

Place: Coimbatore  
Date : June 15,2021

UDIN NO.: 20028346AAAAEG5469

For: **JDS ASSOCIATES**  
Chartered Accountants  
FRN: 008735S

**B. JAYARAM**  
Partner  
Memb.No. 028346

**ANNEXURE-1 (Contd.)****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS****(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI****(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To  
 The Members,  
 Salzer Electronics Limited  
 Samichettipalayam, Jothipuram Post, Coimbatore - 641047.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Salzer Electronics Limited having (CIN: L03210TZ1985PLC001535) and having registered office at Samichettipalayam, Jothipuram Post, Coimbatore 641047 (hereinafter referred to as 'the Company'), produced to us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have conducted online verification & examination of records, as facilitated by the Company, due to COVID -19 restrictions enforced by the government for the purpose of issuing this Certificate. 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) 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 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	DIN	Name of the Director	Designation	Original Date of Appointment as per MCA
1.	00003131	Doraiswamy Rangaswamy	Managing Director	08/01/1985
2.	00003106	Prafulchandra Kanthilal Shah	Independent Director	02/05/1986
3.	00003095	Venkatapathy*	Independent Director	17/12/1986
4.	00003134	Nirmalkumar Motichand Chandria	Independent Director	17/12/1986
5.	00003152	Sankaran Baskarasubramanian	Wholetime Director	01/10/1994
6.	00003111	Narayanaswamy Jayabal	Independent Director	28/12/1995
7.	01043572	Perumalreddiar Ramachandran	Wholetime Director	26/09/1998
8.	00003126	Rajeshkumar Doraiswamy	Wholetime Director	22/12/2001
9.	00003141	Veeraraghavan Sankaran	Independent Director	28/08/2002
10.	00054437	Nambi Iyengar Rangachary	Independent Director	01/03/2014
11.	00006783	Thilagam Rajeshkumar	Director	30/03/2015
12.	07791113	Otto Eggimann**	Independent Director	25/05/2017
13.	00793090	Doraiswamy Vishnurangaswamy	Director	06/02/2020

\* Retired w. e. f 12.09.2020

\*\* Resigned w. e. f 24.05.2020

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

**For G.V and Associates**  
 Company Secretaries

Date : June 29, 2021  
 Place : Coimbatore  
 ICSI UDIN : F006699C000538131

**G. Vasudevan**  
 FCS No.: 6699  
 CPNo.: 6522



## ANNEXURE-2

### Disclosure pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO.

##### A. CONSERVATION OF ENERGY

Energy conservation is an effort made to reduce the consumption of energy by using energy at a reduced level. This can be achieved either by using energy more efficiently or by reducing the amount of service used. Energy conservation is an integral part of the concept of eco-sufficiency. Energy conservation reduces the need for energy services and can result in increased environmental quality, national security and higher savings. It also lowers energy costs by preventing future resource depletion.

In this Direction, your Company has been conscious to achieve optimal energy efficiency across the Units and aims to employ continuous measurement of energy consumption and review its operating procedures periodically.

##### B. PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION:

###### RESEARCH & DEVELOPMENT:

Research and Development (R&D) plays a critical role in the innovation process. It's essentially an investment in technology and future capabilities which is transformed into new products, processes, and services. R&D is essential to maintain Competitive edge in the technology driven world. R&D would make the products to get transformed frequently in line with changing needs of the end users. Besides, new products with contemporary technologies and new features are being developed at our in-house R&D in order to gain the market share.

As stated in the Directors' Report, the recognition of in-house R & D by the Government of India, Ministry of Science and Technology, Department of Scientific and Industrial Research, (DSIR) New Delhi is being continuously maintained since 2004 and the present renewal of the recognition is valid upto 31.03.2024.

##### 1. Specific areas in which R&D was carried out by the Company.

The R&D wing of the Company has been working to achieve the following objectives:

- Sustainability of the quality standards comparable to the international standards.

- Ensuring process development on continuous basis, to be cost effective and cost competitiveness.
- Enlarging the utilities of the product by continuous improvement in specifications, design, etc.,
- Ensuring technological upgradation and know-how for the products of the Company.
- Developing new products to increase market share & profitability.

##### 2. Benefits derived as a result of the above R&D activities:

###### Major products developed by R&D and its significant benefits

##### 1. Energy Saver products

Energy Saver Product is one of the key developments from our R&D which has considerable penetrations in the Market. Your Company has already installed these products in various parts of our Country, especially in Tamil Nadu and proved its capabilities

###### Benefits

- Guaranteed operating efficiency of 97% (higher than industry standards) with the use of highly efficient Toroidal transformers
- Dynamic Voltage reduction: provides stabilized voltage to the lamps
- Automatic On/Off based on Sunrise/Sunset or on programmed timings
- Wireless control and monitoring through sophisticated web-based software
- Automatic bypass in case of tripping with manual changeover in case of maintenance or emergency
- Reduces operational, maintenance and running cost
- Reliable and safe changeover with On-Load tap changing
- Completely remote programmable ON/OFF timings, alert and energy saving settings
- Instantaneous alerts for critical fault conditions to your mobile phone

## ANNEXURE-2 (Contd.)

- Energy saving reports and lamp failure reports on daily, weekly and monthly basis for single, multiple or all devices
- Detection of Energy theft or leakage
- Maintains a high power factor of above 0.85
- Guaranteed operating life of 10 years: No moving parts ensuring long life
- Eco-friendly - First in India to adhere to RoHS compliance
- Reduces public inconvenience
- Lighting levels conforming to ISI Standards

### 2. Automated Meter Reading

#### Benefits.

- All consumer lines (Energy Meters) are connected with AMR modules
- All the AMR modules will communicate to a single IP, i.e. all the readings shall terminate at the central station
- Unpaid consumer accounts can be disconnected & re-connected from the central station itself
- Any tampering / fault occurrence of the meter can be found from the central station itself  
Hardware can be retrofitted to existing static energy meters
- Real-time data configurable for a frequency as less than 15/30 minutes is available in the Control Station
- Low implementation costs & Low Maintenance / Operating Cost
- AMR System becomes inherently expandable, i.e. addition of a new service at any point in the power line becomes plug n play
- Real-time data available

### 3. Electric Vehicle charging station:

- Low current AC charging stations for Two wheeler & Three wheeler
- High current DC charging stations for Car, Trucks, Heavy vehicles.
- Compact & sleek design
- Easily configurable, authentication and monitoring system as per user requirements with respect to power, time & cost
- Bluetooth interface with user's mobile phone
- Safety features as per regulatory requirements

4. **Other Products** -Energy saving Fan regulator, Electric vehicle charging stations, Brushless DC motors, Air conditioner Energy Saver, Disconnect switch, Ceiling Mount movement sensor, Touch cum remote switch, GE Earth Terminal, Bimetallic Overload Relay, Different Type of Sensors, Contactors and Overloaded relays upto 105 A, Definite purpose Contactors, Motor protection circuit breakers, DC isolators for PV applications, Brushless DC Motors, Data cables, Tinned Copper Wires etc., are developed by your R&D and are in different stage of testing and approval which will give considerable benefits on its usage.

### Technology Absorption, Adaptation & Innovation

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

- The Company signed technical licensing agreement with Austria-based Trafomodern, Austria so to use former technology and design and assistance, to manufacture dry type air cooled transformers, Chokes and inductors in India. Dry type transformers is a highly specialised and technical product with applications in Medium & large UPS, renewable energy business, railways, power generation and the marine industry. Trafomodern is one of the leading manufacturers of dry type transformers in Europe.
- The Company has setup state of the art manufacturing facility and commenced the production in 2017. This product has well received both in domestic and international markets and has got good potentials which would in turn improve the growth and profitability of the company.
- The Company signed a Distribution Agreement with IPD Group Limited of Australia a Leading Electrical distributor/Wholesaler and manufacturer in Australia for marketing and selling of Salzer Branded Electrical products for Solar Photovoltaic Applications in Australia and Newzeland. This understanding with IPD opens to the Company a Large New Market for its internationally tested and approved products.
- Your Company has also undertaken the development of Contactors for C3 Controls, USA who is one of the reputed manufacturer and supplier of the electrical goods worldwide. This product has already established its foothold in the domestic and international markets.
- Your company is contemplating for joint venture with an European giant for manufacture of Electric vehicle charging stations.

**ANNEXURE-2 (Contd.)**
**2. During the year under review the following expenditures were incurred with regard to R & D:**

• Capital Expenditure as additions to Plant & Machineries, Tools, Dies etc. ,	₹ 481.50 Lakhs
• New Products and Process development	₹ 175.75 Lakhs
• Salary and other expenses for R & D personnel	₹ 172.43 Lakhs

**4. Details of Imported Technology:**

• Technology Imported	For the manufacture of (i) CAM Operated Rotary Switches (ii) Toroidal Transformers (iii) Three phase try type transformer
• Year of Import	(i) 1985 (ii) 1995 / 2005 (iii) 2016
• Has the technology been fully absorbed	Yes, Fully absorbed.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

a) Foreign Exchange earned during the year	₹ 6,061.67 Lakhs
b) Foreign Exchange outgo	₹ 5,018.41 Lakhs

For and on behalf of the Board

Place : Bangaluru  
Date : June 15, 2021

**N.RANGACHARY**  
CHAIRMAN  
DIN : 00054437

## ANNEXURE-3

### ANNUAL REPORT ON CSR ACTIVITIES

forming part of Board's Report For Financial Year ending March 31,2021

#### 1. Brief outline on CSR Policy of the Company.

Social Responsibility is one of the many responsibilities of a Corporate to contribute something from its earnings for the development of the society without any anticipation. In this direction, your Company framed Up CSR Policy in line with Schedule VII of the Companies Act 2013 with main objectives of Eradicating hunger, poverty and malnutrition, promoting health care including

preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water and Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects

#### 2. THE COMPOSITION OF THE CSR COMMITTEE.

S. No	Name of Member	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. N Rangachary	Chairman Independent Director	1	1
2	Mr. R Doraiswamy	Managing Director	1	1
3	Mr. D Rajesh Kumar	Joint Managing Director & Chief Financial Officer	1	1
4	Mr. N. Jayabal	Independent Director	1	1
5	Mr. S Baskarasubramanian	Director (Corporate Affairs) & Company Secretary	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<https://www.salzergroup.net/investors.html>

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** The Impact assessment of CSR Project will arise only when the Company's average CSR obligation exceeds ten crore rupees in the three immediately preceding financial years,

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

S. 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 Rs)
1	2018-19	NILL	NILL
2	2019-20	NILL	NILL
3	2020-21	NILL	NILL
	<b>Total</b>	-	-

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

₹ In Lakhs

	2019-20	2018-19	2017-18
Last three years profit (in Rs.Lakhs)	3112.71	3218.24	3075.66
Average profit (in Rs.Lakhs)			3135.54
2% of the average Net Profit			62.71
Rounded Off			63.00

**ANNEXURE-3 (Contd.)**
**7. CSR Obligations for the Financial year**

a.	Two percent of average net profit of the company as per section 135(5)	₹ 63.00 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
c.	Total CSR obligation for the financial year (7a+7b-7c).	₹ 63.00 Lakhs

**8. CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹)	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	Amount	Date of transfer	Amount	Date of transfer
₹ 75.90 Lakhs	NIL	NIL	NIL	NIL	NIL

(b) Details of CSR amount spent against on-going projects for the financial year:

S. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
NIL												

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

S. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the Project. State & District	Amount spent for the projects	Mode of implementation	Mode of implementation Through implementing agency.	
							Name	CSR registration number
1	2	3	4	5	6	7	8	
					₹ In Lakhs			
1	Health care	Health	Yes	Coimbatore, Tamil Nadu	39.18	Both direct and implementing agency	Salzer Educational Medical Research Trust	CSR000 01068
2	Education	Education	Yes	Coimbatore, Tamil Nadu	11.48			
3	Rural development project	Rural developments	Yes	Coimbatore, Tamil Nadu	25.24			
<b>Total</b>					<b>75.90</b>			

(d) Amount spent in Administrative Overheads : NIL

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹. 75.90 Lakhs

(g) Excess amount for set off, if any

S. No	Particular	Amount ₹ in Lakhs
(i)	Two percent of average net profit of the company as per section 135(5)	63.00
(ii)	Total amount spent for the Financial Year	75.90
(iii)	Excess amount spent for the financial year [(ii)-(i)]	12.90
(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)]	12.90

**ANNEXURE-3 (Contd.)****9. (a) Details of Unspent CSR amount for the preceding three financial years:**

S. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹.)	Amount spent in the reporting Financial Year (in ₹.)	Amount spent in the reporting Financial Year (in ₹.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹.)
					Name of the Fund	Amount (in ₹.)	Date of transfer	
<b>NIL</b>								

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

S. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹.)	Amount spent on the project in the reporting Financial Year (in ₹.)	Cumulative amount spent at the end of reporting Financial Year (in ₹.)	Status of the project- Completed/ Ongoing
<b>NIL</b>								

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 : Nil

**(asset-wise details).**

(a) Date of creation or acquisition of the capital asset(s). - NIL

(b) Amount of CSR spent for creation or acquisition of capital asset. NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NIL

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NIL

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

For and on behalf of the Board

**N RANGACHARY**

Chairman of CSR Committee  
DIN :00054437

**R DORAISWAMY**

Managing Director  
DIN :00003131

**D. RAJESHKUMAR**

Joint Managing Director &  
Chief Financial Officer  
DIN: 00003126

Date : June 15,2021

Place : Coimbatore

## ANNEXURE-4

**DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>Position</b>	<b>Total Remuneration for FY 21 (₹ in Lakhs)</b>	<b>Ratio of Remuneration of the Director to the median Remuneration</b>
1	Mr. R. Doraiswamy	Managing Director	63.48	22.98
2	Mr. D. Rajeshkumar	Joint Managing Director & Chief Financial Officer	66.56	24.10
3	Mr. P. Ramachandran	Whole Time Director (Marketing)	16.77	6.07
4	Mr. S. Baskarasubramanian	Director (Corporate Affairs) & Company Secretary	14.56	5.27
5	Dr. Thilagam Rajeshkumar	Non Executive and Non Independent Directors	1.20	0.43
6	Mr. Vishnu Ranagaswamy	Non Executive and Non Independent Directors	0.30	0.11
7	Mr. N. Rangachary	Independent Directors	3.90	1.41
8	Mr. L. Venkatapathy **	Independent Directors	1.20	0.43
9	Mr. N. Jayabal	Independent Directors	1.20	0.43
10	Mr. Nirmal Kumar M.Chandria	Independent Directors	2.10	0.76
11	Mr. P.K. Shah	Independent Directors	1.50	0.54
12	Mr. V. Sankaran	Independent Directors	3.90	1.41
13	Mr. Otto Eggimann ***	Independent Directors	-	-

\*\* Vacated on September 12,2020

\*\*\* Vacated on May 24,2020

Note: Whole-Time Directors received remuneration by way of Salary, Allowances, Perquisites and Benefits and commission on net profit as approved by shareholders. Non-Whole Time Directors received Remuneration only by way of sitting fees for Meetings and Committee Meetings attended by them.

**ANNEXURE-4 (Contd.)**

- (ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Sl. No.	Name of the Director	Position	Total Remuneration for FY 21 (₹ in Lakhs)	Total Remuneration for FY 20 (₹ in Lakhs)	Increase %
1	Mr. R. Doraiswamy	Managing Director	63.48	65.62	-3%
2	Mr. D. Rajeshkumar	Joint Managing Director & Chief Financial Officer	66.56	64.68	3%
3	Mr. P. Ramachandran	Whole Time Director (Marketing)	16.77	16.24	3%
4	Mr. S. Baskarasubramanian	Director (Corporate Affairs) & Company Secretary	14.56	13.81	5%
5	Dr. Thilagam Rajeshkumar	Non Executive and Non Independent Directors	1.20	1.20	0%
6	Mr. Vishnu Ranagaswamy	Non Executive and Non Independent Directors	0.30	-	0%
7	Mr. N. Rangachary	Independent Directors	3.90	3.60	8.33%
8	Mr. L. Venkatapathy **	Independent Directors	1.20	2.40	-50.00%
9	Mr. N. Jayabal	Independent Directors	1.20	1.20	0%
10	Mr. Nirmal Kumar M.Chandria	Independent Directors	2.10	1.20	75.00%
11	Mr. P.K. Shah	Independent Directors	1.50	1.20	25.00%
12	Mr. V. Sankaran	Independent Directors	3.90	3.60	8.33%
13	Mr. Otto Eggimann ***	Independent Directors	-	-	-

\*\* Vacated on September 12,2020

\*\*\* Vacated on May 24,2020

- (iii) The percentage increase in the median remuneration of employees in the financial year : **-6%**
- (iv) The number of permanent employees on the rolls of company as at March 31,2021 : **568**
- (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 increase granted to employees other than managerial personnel is : **-6%**
- The increase granted to managerial personnel is: **2%**
- (vi) The key parameters for any variable component of remuneration availed by the directors :
- The Directors are not eligible for any variable compensation other than Commission as per the provisions of the Act.
- (vii) Affirmation that the remuneration is as per the remuneration policy of the Company It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Date : Jun 15, 2021

Place : Bangaluru

**N RANGACHARY**

Chairman

DIN :00054437



## ANNEXURE-5

### SECRETARIAL AUDIT REPORT

To

The Members,  
Salzer Electronics Limited,  
Samichettipalayam,  
Coimbatore 641047

Our Secretarial Audit Report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the 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. Wherever required, we have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For G.V and Associates**  
Company Secretaries

**G. Vasudevan**

Partner

FCS No. :6699

CPNo. :6522

Date: Jun 15, 2021

Place: Coimbatore

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**OF**  
**SALZER ELECTRONICS LIMITED**  
**For The Financial Year Ended March 31, 2021**

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]  
and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

To

The Members,  
Salzer Electronics Limited,  
Samichettipalayam,  
Coimbatore-641047.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Salzer Electronics Limited** (CIN: L03210TZ1985PLC001535), a listed entity having its registered office at Samichettipalayam, Coimbatore - 641047 (hereinafter called 'the Company' or SEL). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. We have conducted online verification & examination of records, as facilitated by the Company, due to COVID -19 restrictions enforced by the government for the purpose of issuing this report.

Based on our verification of **M/s. Salzer Electronics Limited (SEL)** 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2021 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place (with respect to statutory provisions listed hereunder) to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2021 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 thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings; **(Not Applicable to the company during the Audit Period)**
- (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) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - (d) Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015.
  - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the company during the Audit Period)**
  - (f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable to the company during the Audit Period)**

**ANNEXURE-5 (Contd.)**

- (g) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not Applicable to the company during the Audit Period)**
- (h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the company during the Audit Period)**
- (i) 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; **(Not Applicable to the company during the Audit Period)**
- (j) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the company during the Audit Period)**

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

- (i) Secretarial Standards 1, 2, 3 & 4 issued by The Institute of Company Secretaries of India.

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

- i) The Compliance Report annexed to Annual Report as per regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015, which is provided in public domain contains only Managing Director certification instead of both Chief Executive Officer and Chief Financial Officer certification.

We further report that

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

Adequate notice is given to all Directors to schedule the Board Meetings, 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 were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case maybe.

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

**For G.V and Associates**

Company Secretaries

**G. Vasudevan**

Partner

FCS No. :6699

CPNo. :6522

Date: Jun 15, 2021

Place: Coimbatore

ICSI UDIN: F006699C000442178

## ANNEXURE-6

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Forward looking statement -

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to “we”, “us”, “our”, “the Company”, “Salzer” are to Salzer Electronics Limited and its subsidiaries and associates.

#### Global Economic Overview

The global economy has been reeling under the impact of the COVID-19 pandemic over the last year, which has impacted almost all industries and geographies across the world. Lockdowns in various parts of the world to contain this pandemic further hampered businesses and supply chains, denting economic growth.

The World Bank states that global economic output is recovering from the recent collapse, albeit will remain below pre-pandemic trends for some period. The pandemic has exacerbated the risks associated with a decade-long wave of global debt accumulation. It is also likely to steepen the long-expected slowdown in potential growth over the next decade.

As per World Bank predictions, global output is expected to expand 4% in 2021 after a 4.3% contraction in 2020, but remain below pre-COVID projections. Downside risks include the possibility of a further resurgence of the virus, vaccination delays, more severe effects on potential output from the pandemic, and financial stress. The higher level of uncertainty highlights the role of policy-makers in raising the likelihood of better outcomes while warding off worse ones. Policy actions would need to balance the risks from large debts with those from premature fiscal tightening, while safeguarding health and education, improving governance, and enhancing debt transparency.

The collapse in global economic activity in 2020 is estimated to have been slightly less severe than previously projected, mainly due to shallower contractions in advanced economies and a more robust recovery in China. In contrast, disruptions to activity in the majority of other emerging market and developing economies were more acute than expected.

The near-term outlook remains uncertain, and different growth outcomes are still possible. A downside scenario in which infections continue to rise and the rollout of a vaccine is delayed could limit the global expansion to 1.6% in 2021. Meanwhile, in an upside scenario with successful pandemic control and a faster vaccination process, global growth could accelerate to nearly 5%.

Sources <https://www.worldbank.org/en/publication/global-economic-prospects>

<https://www.worldbank.org/en/news/press-release/2021/01/05/global-economy-to-expand-by-4-percent-in-2021-vaccine-deployment-and-investment-key-to-sustaining-the-recovery>

#### Indian Engineering & Electrical Sector

The Indian engineering sector accounts for about 3% of India's GDP. Rising domestic demand, increasing investment and growth opportunities, favourable government policies and global & domestic focus on establishing low cost plants have propelled the engineering sector to greater heights. The Government's 'Make in India' initiative has also supported this trend.

Over the last few years, India has emerged as a global engineering hub. Several international manufacturing companies have partnered with Indian firms in setting up successful engineering units across the country. Some of these include Alstom (France), Ansaldo (Italy), Babcock (UK), Colfax Corporation, GE (USA), Hitachi (Japan), Legrand (France), MHI (Japan), Schneider Electric (France), and Toshiba (Japan).

Some of the key reasons behind this include India's thriving development among the emerging economies, availability of skilled labour and relatively lower cost of production, compared with various developed markets.

One of the key areas of focus for domestic players has also been technology up-gradation. Several firms have formed strategic alliances with technology suppliers to upgrade their production and processing capabilities. With the entry of foreign players, competition has increased, spurring investment in technology to improve production quality and capacity. Increasingly, domestic players are securing the ISO 9000 accreditation to further strengthen their position in the global market.

A major sub-segment in India's engineering sector, is the electrical and power sector. India is fast becoming a major power-generation and -consumption nation among developing economies. The country is witnessing increasing demand for power due to increase in capacity utilisation, industrialization, urbanization and growing population.

Through reforms such as 'Power for all', the government plans to add 93 GW by 2022, this would fuel the demand for power transmission and distribution equipment. The Indian power and distribution transformer market is forecast to reach \$2.9 billion by 2022. The government is taking significant steps to strengthen the power transmission and distribution network and has undertaken initiatives such as UDAY for financial turnaround of power distribution companies.

#### Global Switchgear Industry

Switchgears are switching devices designed to protect, regulate & control power generation, transmission & distribution equipment and electric motor control systems. The global switchgear market is expected to grow from around \$100 billion in 2019 to \$155 billion by 2025.

## ANNEXURE-6 (Contd.)

Switchgears are located on both the low voltage and high voltage side of large power transformers in substations. A switchgear includes circuit breakers, fuses, and isolators. Besides stopping flow of current in a circuit manually, switchgear automatically regulates whenever there is an over current in the circuit or any other abnormal situation arises, thereby protecting valuable equipment.

Growing investments in renewable energy and rising demand for safe and secure control distribution systems and advanced monitoring units is triggering the demand for switchgears. Furthermore, replacement and modernization of aging electrical networks is also complementing the growth in the global switchgear industry. Other factors contributing to the rise in switchgear demand include innovations in smart grid technologies and growing focus towards environmental protection.

The global switchgear market is segmented based on insulation, installation, voltage, product, end user, and region. Based on insulation, the market can be segmented into air insulated, gas insulated and others.

The gas insulated segment is expected to hold the largest market share till 2025 on account of its use in various industries for fulfilling the high demand for energy. Based on installation, the market can be bifurcated into indoor and outdoor. The outdoor segment is expected to grow at a fast pace during this period owing to the widespread application in transmission and sub-transmission sectors.

Based on voltage, the market can be categorized into low, medium and high. The low voltage segment is expected to dominate the market during the forecast period. Based on end-user, the market can be divided into Transmission & Distribution Utilities, Industrial, Commercial, Residential and Others. The Transmission & Distribution utilities segment is anticipated to register high CAGR till 2025, as the segment is responsible for the generation, transmission, and distribution of electricity.

Region-wise, Asia-Pacific is expected to dominate the overall switchgear market followed by Europe, North America, Middle East & Africa and South America. Major players operating in the global switchgear market include Bharat Heavy Electricals Ltd., Mitsubishi Electric Corporation, CG Power and Industrial Solutions Limited, Siemens Aktiengesellschaft, General Electric Company, Eaton Corporation plc, ABB Ltd., Alstom SA, Schneider Electric SE, and Havells India Ltd. Several major companies are developing advanced technologies and launching new products in order to stay competitive in the market. Other competitive strategies include mergers & acquisitions.

Source - <https://www.prnewswire.com/news-releases/global-switchgear-market-is-expected-to-grow-from-around--100-billion-in-2019-to--155-billion-by-2025-300999308.html>

### Indian Switchgear Industry

In line with the global market trend, the Indian switchgear market is also witnessing a growth trajectory. Rapidly growing electrification need for remote areas along with rising electricity generation has positively affected the demand for various electrical equipment. Progressive targets by regional governments to deliver electricity to rural zones is set to benefit the switchgear industry.

Switchgears are readily installed in different residential, commercial, industrial and utility applications to ensure operational safety, cost-effective and uninterrupted operations. The current path in an electrical network is at times hindered due to break down of insulation layers leading to problematic fault or short circuit conditions. These erratic situations may lead to harmful consequences like equipment damage, fire and explosions, islanding and other failure. Switchgears are widely installed in low, medium and high voltage systems to deal with the abnormal operating levels in a variable network between load centers and generating stations.

Expanding transmission & distribution (T&D) networks have influenced the usage of switchgears across different regions. Asia Pacific region accounts for majority share owing to the presence of large industrial establishments like bulk manufacturing units. Europe occupies a substantial market position due to long standing distribution network along with increasing adoption of renewable technologies. North America switchgear market is set to grow at a considerable rate owing to the expansion of existing commercial and industrial infrastructure along with the construction of new grids for renewable power.

India's switchgear market is projected to grow at a CAGR of about 6.7% through during 2020-26, driven by rising development across residential, commercial and industrial end-use sectors. Moreover, electrification programs running across the country and development of T&D networks is further fueling growth in India's switchgear market. Additionally, with rising per capita income, demand for various electrical appliances like air conditioners, fridges, etc., is also growing, which in turn, is increasing the electricity consumption and the need of switchgears to regulate and control these appliances.

The government of India has planned to increase the transmission lines from 4,14,858 circuit kms to 4,78,132 circuit kms by 2022 which would expand the usage of switchgears in the power utilities segment over the upcoming years.

India's overall market for switchgears is forecast to grow over 7% by the end of 2023. Low Voltage Switchgear will lead the growth during this period. In Medium and High Voltage (HV) switchgear market, Medium Voltage (MV) custom built products are anticipated to be predominant for the forecast period. The MV and HV switchgear is anticipated to expand at a CAGR of around 8% during the five years to 2023.

## ANNEXURE-6 (Contd.)

With economic and infrastructure development, India's generation and consumption of power and electricity is steadily rising. The nation's power sector is one of the most diversified in the world sources of power generation range from traditional sources like coal, lignite, natural gas, oil, hydro and nuclear power to renewable non-conventional sources such as wind, solar, agricultural and domestic waste. Switchgears are applicable across all types of production and delivery of electricity to end users.

Sources <https://www.cxotoday.com/press-release/india-switchgear-market-size-is-projected-to-grow-at-a-cagr-of-6-7-during-2020-2026/#:~:text=According%20to%206Wresearch%2C%20India%20switchgear,market%20of%20switchgear%20in%20India>

<https://www.businesswire.com/news/home/20180717005790/en/India-Switchgear-LV-MV-HV-Market-Overview>

<https://www.techscienceresearch.com/report/india-switchgear-market/3044.html>

<https://www.fortunebusinessinsights.com/industry-reports/switchgear-market-100815>

<https://www.eprmagazine.com/industry-analysis/switchgear-industry-indispensable-part-of-indias-future/>

### Wires & Cables Industry

India is one of the key emerging markets worldwide, and is at the forefront of development in the Asia Pacific region, following China. Progress in infrastructure and technology is spurring demand for electricity in the country. This, in turn, is generating the need for development of quality electrical infrastructure supporting this growth, which bodes well for the wires and cables industry in India. Being one of the key sub-segments of the power sector, the wires and cables industry is witnessing a rising demand owing to the growth in power generation infrastructure.

Globally, the wires and cables market is expected to grow to approximately \$332.6 bn by 2026, from \$201.7 bn in 2018, at a CAGR of 6.45%. In India, this market comprises nearly 40% of the electrical industry and is growing at a CAGR of 15%, driven by growth in the power and infrastructure sectors. Moreover, global investors now consider India as a potential market for high voltage (HV) and extra high voltage (EHV) cables, based on the industrialization and urbanization trends.

Before the last Union Budget, the Cabinet approved a Rs. 12,195 cr PLI scheme for the telecom sector including localized production of core transmission equipment as well as access and customer premise products, routers and switches. The government aims to draw large overseas investments to help domestic companies seize the emerging opportunities and become dominant players in the export market.

As per a CRISIL report, in terms of volumes, the domestic wires and cables market grew at a CAGR of 22% over the last five years to reach about 17 million km in FY19, and is forecast to reach 27 million km by FY24, at a CAGR of 10%. Similar industry growth has been witnessed in value terms as well, as per the report. India has become a significant exporter of wires and cables, with double-digit annual growth of 12% during the 10 years to 2019.

Source <https://engmag.in/wire-and-cable-industry-to-register-significant-growth-in-next-five-years/>

### ABOUT SALZER ELECTRONICS LIMITED

Salzer Electronics Limited is among leading players offering Total and Customized Electrical Solutions in Switchgears, Wires & Cables and Energy Management business in India. The Company is the largest manufacturer of CAM Operated Rotary switches & Wire Ducts in India, with a market share of 25% & 20% respectively. The Company caters to a wide range of products with five In-house manufacturing facilities located in Coimbatore.

The Company has a wide distribution network locally and globally, exporting to more than 40 countries. In India, Salzer markets its products through its own distributors and more than 350 local distributors of L&T. The Company has a strong R&D team that focuses on developing and commercializing the technologies of the products, and as a result, can offer total customized electrical solutions to its customers.

### FINANCIAL OVERVIEW

The standalone financial performance of the Company for the financial year ended March 31<sup>st</sup>, 2021, is as follows:

Total revenue from operations at Rs. 605.6 crore for the year ended March 31<sup>st</sup>, 2021, as against Rs. 566.9 crore for the corresponding previous period, an increase of 6.8%, mainly driven by wire harness and three-phase transformers. The Contribution from Export Sales was 20%, driven by Industrial Switchgear Division.

The Breakup of revenue for the Electrical Installation Products:

- Industrial Switchgear 41.3% of net revenues
- Wires & Cables 52.8% of net revenues, YoY increase of 20%
- Buildings Products 5.4% of net revenues
- Energy Management 0.5% of net revenue

The raw materials consumed for the financial year ended March 31<sup>st</sup>, 2021 were Rs. 470.4 crore as against Rs. 419.8 crore for the corresponding previous period, an increase of 12%.

The staff expenses for the financial year ended March 31<sup>st</sup>, 2021 were Rs. 24.3 crore as against Rs. 26.4 crore for the corresponding previous period, a decrease of 7.8%.

## ANNEXURE-6 (Contd.)

The other expenses for the financial year ended March 31<sup>st</sup>, 2021 were Rs. 49.1 crore as against Rs. 55.5 crore for the corresponding previous period, a decrease of 11.6%.

The EBIDTA (earnings before interest, depreciation and tax) was Rs. 61.8 crore for the year ended March 31<sup>st</sup>, 2021, as against Rs. 65.2 crore for the corresponding previous period, a decrease of 5.2%

The depreciation for the financial year ended March 31<sup>st</sup>, 2021 was Rs. 15.6 crore, as against Rs. 14.4 crore for the corresponding previous period, an increase of 8.1%.

The EBIT (earnings before interest and tax) were Rs. 48.2 crore for the year ended March 31<sup>st</sup>, 2021, as against Rs. 51.6 crore for the corresponding previous period, a decline of 6.7%

The interest for the financial year ended March 31<sup>st</sup>, 2021 was Rs. 21.3 crore as against Rs. 21.2 crore for the corresponding previous period, an increase of 0.5%

The profit after tax for the financial year ended March 31<sup>st</sup>, 2021 was at Rs. 20.7 crore as against Rs. 26.4 crores for the corresponding previous period, a decline of 21.6%.

The EPS (Earning per Share) for the financial year ended March 31<sup>st</sup>, 2021 was Rs. 12.93 for a face value of Rs 10 per share, as against Rs. 16.51 for the corresponding previous period.

The consolidated Revenue for FY21 was Rs. 625.7 crore with EBITDA of Rs. 63.0 crores and PAT of Rs. 21.4 crores.

### RESOURCES AND LIQUIDITY

As on March 31<sup>st</sup>, 2021, the total net worth stood at Rs. 331.3 crore and total debt was at Rs. 199.5 crore.

The net debt to equity ratio of the Company stood at 0.57 as on March 31<sup>st</sup>, 2021.

### BUSINESS PERFORMANCE

Salzer primarily operates in four divisions, viz. Industrial Switchgears, Copper Business, Building division and Energy Savers.

#### Industrial Switchgear

This business division occupies the first place in contribution to the total business of the Company. This division includes transformers, terminal blocks, rotary switches, isolators, general purpose relays, wiring ducts, MPCBs, contactors, control panels, and overload relays etc. The products are mainly targeted for the Original Equipment Manufacturers (OEMs) like Engineering Conglomerates Larsen & Toubro Limited etc., Panel Builders, special Machine Manufacturers etc. The Company commenced its operation in 1985 with this division which now has both domestic and export markets considerably. These products have all the necessary international certifications like UL

(Underwriters Laboratories Inc), CSA (Canadian Standards Association), Intertek Semko certification and CE (Conformite Europeane).

During the year, this division posted revenue of Rs. 250.4 cr against Rs. 254.3 cr in FY20, and contributed 41.3% to the top-line.

#### Copper business

The copper division comes second in contribution to the business. In this division, Larsen and Toubro plays a major role in the off take. This vertical commenced some 16 years back and focusing more on domestic market. After few years of flat performance, the division witnessed robust recovery and during the year, the division reported business revenue of Rs. 320.1 cr as against Rs. 266.6 cr in FY20 with year on year rise of 20%.

The copper division includes wires and cables, flexible bus bars, enameled wires, bunched conductors and tinned wires.

#### Building Division

Salzer has a wide range of products under this division including modular switches, wires and cables, changeovers and MCBs. Modular Switches drives this division in a major way.

#### Some of the features are:

- Contemporary and aesthetically sleek switches - 10, 20 and 32 Amps AC
- Silver nickel contacts for enhanced electrical life
- Manufactured using high-grade engineering plastics
- Safety features: anti-spark shield and finger-protected switch terminals
- Specialty products viz. movement sensors, shock protectors, shaver sockets, key tag switch, programmable timers, remote switches and touch switches etc.

During the year, the Buildings Products business contributed 5.4% to total revenue.

#### Energy Savers

The energy saving division is a new business vertical and expects to further boost growth by focusing on the manufacturing and installation of energy saving and efficient products like street light controllers and energy saving panels. During the year, this division contributed 0.5% to the revenue.

#### Recent Lockdowns

In March-April 2020, Company had to temporarily shut down its manufacturing activity due to nationwide lockdown announced by Government of India amid the spread of COVID 19 virus. In April-May 2021 as well, the company was operating as partial capacity due to the local lockdown in the state.

## ANNEXURE-6 (Contd.)

### RISKS AND CONCERNS

The Company faces the following Risks and Concerns:

#### Commodity risk

A part of the business is substantially dependent on copper. Factors that could affect the copper business include rising copper prices. However, this increase in prices is passed on to the customer, and as the Company operates on a monthly average pricing mechanism, it does not expect to be significantly affected by this risk.

#### Competition Risk

This risk arising from more players wanting to be a part of this business. Like in most other industries, opportunity brings with itself competition. In each individual business division the Company faces different kinds of competition risk from both domestic manufacturers and bigger international companies. However, Salzer's strong reputation, its brand goodwill and ability to customize orders as per its customers has differentiated the Company from its competition. Over the years, the Company has expanded its presence geographically and added more customers. It also offers total and customized electrical solutions to its customers. As a result, the Company has achieved a 'Preferred Supplier' status with GE and Schneider who source their products from Salzer on a global basis. The Company also has a substantial advantage over others due to the superior quality of infrastructure, customer-centric approach and highly innovative approach. Thus, the Company does not expect to be significantly affected by this risk.

#### Regulatory Risk

If the Company is unable to obtain the required certifications and approvals for existing and new products, growth will be affected. However, the Company has all the necessary international certifications for existing products. Moreover, with the previous experience of obtaining the necessary certifications for new products, the Company does not expect this risk to affect it in the coming years.

#### Execution risk

The Company is planning to expand its product range as well as add technologically-advanced new products. The execution of the project is dependent on land purchase and project management skills. However, land acquisition is not a concern as the Company has a sufficient land-bank to increase capacity and support the addition of new products.

Concerns like unprecedented natural calamities, political/ social turmoil may remain. However, these threats are faced by the whole industry. With improved and efficient processes in place, the Company is well-positioned for sustainable growth.

#### Forex risk

Given the volatile global economy and fluctuations in the foreign exchange market, the Company does face forex risk. In order to mitigate this, hedging tools have been adopted to arrest the negative impact. Importantly, Salzer has a natural hedge having both import and export at appropriate value and as the result, any volatility in the forex market does not have a significant material impact on the business.

#### Risk from COVID-19

Continued spread of the pandemic, and potential lockdowns in various parts of the nation and world, could adversely impact the production and distribution of Company's products.

### OPPORTUNITIES

**Ongoing investments across commercial and residential sector will complement the industry statistics** Rising space constraints along with ongoing investments in R&D sector for the enhancement of smart and compact control equipment will further complement the industry scenario. Continuous investments across commercial and residential establishments including public and private apartments, offices, and restaurants will further fuel the product demand. Moreover, ease-of-operation, longer product life cycle and enhanced equipment safety are the essential features which will accelerate the product adoption.

**Growing inclination toward energy efficient systems will complement the industry outlook** Increasing demand for safe & reliable systems coupled with the increasing demand for HVDC systems across the T&D network will complement the demand DC switchgears. Expansion of extra high-tension transmission networks to cater to the growing energy demand across the manufacturing and industrial sector will further stimulate the product demand. In addition, rising fund allocation toward solar and offshore wind farms across developed and developing countries will further complement the switchgear market growth.

**Ageing Equipment in many countries** The installed base of switchgear in many countries either has exceeded or is nearing their recommended operational life. Such conditions provide good prospects for the replacement market. There are possibilities for switchgears to explode if at all they fail, causing potential damages to other equipment, facility and environment. This may involve liabilities such as compensation, environmental cleanup and legal action. Presently the nature of the load has changed to a large extent, mainly due to growth of electronic equipment that is being used. Therefore, in order to ensure high power quality, improved efficiency and to meet the load demand the existing aged switchgear should be replaced the new ones.



## ANNEXURE-6 (Contd.)

**Increase in Electricity Generation** The world electricity capacity is expected to grow over a period of time. There has been a trend of increasing re-location of industrial activity from developed economies to emerging economies such as China, India, Eastern Europe and Latin America. Such a trend arises because of two reasons. Firstly, the low-cost advantage that the companies can derive out of shifting some of their operations in these countries. Secondly there has been a growing domestic demand in these emerging economies for increased industrial and commercial production. To meet the growing demand for more power, countries will require increased investments in electricity infrastructure. Such growth in the installed capacity would require additional infrastructure investments in switchgears. Additionally, the upgradation of transmission and distribution infrastructure to meet the federal and state level energy efficiency mandate is likely to boost the demand for switchgears. The impact of this driver is expected to be medium in the short term and high in the medium and long term over a period of time.

### THREATS

- Competition from local and multinational players
- Execution risk
- Regulatory changes
- Raw Material Cost

### HUMAN RESOURCES

The company has proper human resource and industry relations policies, which are reviewed periodically. The human resource team conducts various training sessions for employee development on an ongoing basis. These development programs are aimed at augmenting employee potential and represent an integral part of the overall business goals. Besides, employees profile represents a well balanced mix of experience and youth.

As on March 31<sup>st</sup>, 2021, the Company had a workforce of 568 people on rolls.

### Way Ahead

The demand of electricity in India and globally is growing year-on-year, which will open new growth opportunities and demand for switchgear, transformers, wires and

cables. Currently, around 10% of India's export market is comprised of transformers. With the introduction of the "Make in India" initiative, the share of transformers is likely to grow in the near future. Several incentives have also been introduced for capacity addition in power generation, which are expected to significantly increase the demand for transformers and other electrical equipment in the coming years. With huge investments proposed across the power and infrastructure sectors, the transformers market in India is poised for strong growth. The excess capacity in the transformer industry in India, and entry of new players is further expected to increase competition in the market. This is also expected to lead to market consolidation over the next few years.

The government's focus on smart cities development is also expected to spur demand for electrical products that go into construction etc. and Salzer expects to capitalize on these opportunities. Besides, the Company also focuses on having technical tie-up's with globally renowned players to develop technically advanced products for its customers.

Salzer also works on sourcing global technologies to make products in India under the 'Make in India' initiative of the Government, in making products locally. The Company's tie-ups with global firms, for importing technologies to commercially produce various products, is a way of capitalizing this 'Make In India' initiative.

On another front, the market for electric vehicles (EV) is expected to rise globally as more and more nations encourage EVs over traditional fuel cars. Environmental concerns are leading to more stringent emission norms as well as expediting the adoption of EVs. A long-term growth outlook for electric vehicles (EV) would also spur demand for cables and switchgear products used in charging stations and related cables. It is in line with this vision that we have recently entered into two joint ventures to explore and penetrate this sector.

While the post-COVID-19 scenario remains uncertain in various regions, the domestic and global economies are gradually recovering from the impact of the pandemic. Based on this and our internal strengths and efficiencies, we are cautiously optimistic about the business prospects in the coming year.

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## STANDALONE INDEPENDENT AUDITOR'S REPORT

"To  
the Members of **SALZER ELCTRONICS LIMITED**  
**Report on the Standalone Ind AS Financial Statements**

### Opinion

We have audited accompanying standalone Ind AS financial statements of Salzer Electronics Limited ("**the Company**"), which comprise of the balance sheet as at March 31, 2021, the statement of Profit and Loss (Including other comprehensive income), the Statement of changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

### Basis of Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards

on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independent requirement that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the rules made there under, 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 audit opinion on the standalone Ind AS financial statements.

### Key audit matters

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

Sr.No	Key Audit Matter	Auditor's Response
1.	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"</p> <p>The application of this revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, this revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed the Company's process to identify the impact of adoption of the revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>- Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>- It is observed that transaction price charged is ex works price and revenue is booked at the time of dispatch of the goods.</li> <li>- The above method followed by the Company is in line with the provisions of Ind AS 115-'Revenue from contracts with customers'</li> </ul> <p><b>Conclusion:</b></p> <p>We agree with the management's evaluation.</p>

**STANDALONE INDEPENDENT AUDITOR'S REPORT (Contd.)**

Sr.No	Key Audit Matter	Auditor's Response
	<p>Accuracy of revenues and onerous obligations in respect of fixed price contracts.</p>	<p><b>Principal Audit Procedures</b></p> <p>In the process of verifying the accuracy of recognition of revenues of fixed price contracts, we have undertaken the following audit approach</p> <ul style="list-style-type: none"> <li>• Understood, evaluated and tested the key controls over the recognition of revenue from fixed price contracts. We selected a sample of transactions and</li> <li>- Agreed the applied tariff to the respective terms in the contract.</li> <li>- Tested revenue calculations and agreed the revenue recognized to the underlying accounting records.</li> </ul> <p><b>Conclusion:</b></p> <p>We agree with the management's evaluation.</p>
	<p>Assessment of carrying value of investments</p> <p>The Company has invested in listed equity instruments. We consider this a key audit matter given the relative significance of the value of investments.</p>	<p>Our procedures in relation to assessing the carrying value of investments include the following observations.</p> <ul style="list-style-type: none"> <li>- The equity investments are carried at fair value as on 31st March, 2021.</li> <li>- Due to market fluctuation, there has been significant value reduction in the equity investments.</li> <li>- The Company has also invested in equity oriented mutual funds, and the same has also been recognized at fair market value as on 31st March, 2021.</li> </ul> <p><b>Conclusion:</b></p> <p>We agree with the management's evaluation</p>
	<p>Impairment assessment of carrying value of Investment in Kaycee Industries limited</p> <p>The Company's investment in Kaycee Industries Limited, a subsidiary of the Company, aggregates to ₹ 16,59.82 Lakhs as at March 31,2021.</p> <p>Kaycee Industries Limited, is engaged in the business of manufacture and sale of Industrial Switchgears. The carrying value of investment is greater than the net worth of the subsidiary as at March 31, 2021 which is an indicator of potential impairment of this investment and accordingly an impairment assessment has been performed by the Management.</p> <p>This is a key audit matter as the investment is significant to the financial statements and Management judgement is required in certain key areas such as discount and growth rates in estimating future cash flows prepared by the Company (the Model) along with the Management's valuer to support the carrying value of its investment.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Understanding and evaluating the design and testing the operating effectiveness of key controls in relation to the impairment testing Model.</li> <li>- Assessing the Model and evaluating the independence, competence, capabilities and objectivity of the management's valuer.</li> <li>- Assessing the historical accuracy of the Company's forecasts by comparing the forecasts used in the prior year models with the actual performance in the current year.</li> <li>- Testing the mathematical accuracy of the underlying calculations and agreeing the forecasts for the ensuing year with the latest Board approved budgets.</li> <li>- Evaluating, along with the auditor's experts, the key assumptions such as discount rate and growth rate used in the Model.</li> <li>- Performing sensitivity tests on the Model for a range of certain assumptions, such as discount rate and growth rate.</li> </ul>

## STANDALONE INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr.No	Key Audit Matter	Auditor's Response
		<p>- Evaluating adequacy of the disclosures made in the financial statements.</p> <p>Based on the procedure performed , we did not identify any material exceptions in the impairment assessment carried out by the management in respect of the carrying value of its investment in Kaycee Industries Limited.</p> <p><b>Conclusion:</b> We agree with the management's evaluation</p>
	<p><b>Allowance for credit losses</b></p> <p>The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19. We identified allowance for credit losses as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses.</p> <p>Refer Note No: 12 to the Standalone Ind AS financial statements</p>	<p>Our audit procedures related to the allowance for credit losses for trade receivables and unbilled revenue included the following, among others: We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses. For a sample of customers: We tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information. We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.</p> <p><b>Conclusion:</b> We agree with the management's evaluation</p>

### Information other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the standalone Ind AS financial statement, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or other information obtained during the course of our audit or otherwise appear 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 Ind AS Financial Statements

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

## STANDALONE INDEPENDENT AUDITOR'S REPORT (Contd.)

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

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

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

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

A further description of the auditor's responsibilities for the audit of the standalone Ind AS financial statements is included in Annexure "A". This description forms part of our auditor's report.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our Audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of change in equity, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors,

none of the directors is disqualified as on March 31, 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 C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer No.42 to the standalone Financial statements
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

In Terms Of Our Report Of Even Date

For: **JDS ASSOCIATES**  
Chartered Accountants  
FRN: 008735S

Place: Coimbatore  
Date : June 15,2021

**B. JAYARAM**  
Partner

UDIN NO.: 21028346AAAAFT5161

Memb.No. 028346

## ANNEXURE "A"

### TO THE INDEPENDENT AUDITOR'S REPORT RESPONSIBILITIES FOR AUDIT OF STANDALONE IND AS FINANCIAL STATEMENTS

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism through- out the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the 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 Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In Terms Of Our Report Of Even Date

For: **JDS ASSOCIATES**  
Chartered Accountants  
FRN: 008735S

Place: Coimbatore  
Date : June 15,2021

**B. JAYARAM**  
Partner  
UDIN NO. : 21028346AAAAFT5161      Memb.No. 028346

## ANNEXURE "B"

### TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON STANDALONE IND AS FINANCIAL STATEMENTS OF M/s. SALZER ELECTRONICS LIMITED

**(Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone Ind AS financial statements of the Company for the year ended March 31st, 2021)**

#### (i) In respect of its Fixed Assets

- a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b. These fixed assets of the Company have been physically verified in a phased periodical manner, by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification
  - c. The title deeds of all the immovable properties of the Company Shown under Property, Plant and Equipment are held in the name of the company.
- (ii) According to the information and explanations given to us, the Physical verification of the inventory has been conducted by the management at reasonable intervals. The Company has maintained proper record of inventory and no material discrepancies were noticed on physical verification of inventories as compared to the books of records.
  - (iii) 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 during the financial year.
  - (iv) The Company has not granted loans, given guarantees and securities however made investments during the year in compliance with the provisions of section 185 and 186 of the Companies Act, 2013.
  - (v) The Company has not accepted any deposits during the year and therefore paragraph 3(v) of the Order is not applicable to the Company
  - vi) The Central Government has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act'2013. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however carried out a detailed examination of the cost records with a view to determine whether they are accurate and complete.

- (vii) According to the records of the Company, undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Services Tax, Customs Duty and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2021 for a period of more than six months from the date of being payable.

Details of dues of Income Tax, Goods and Services Tax, Customs Duty which have not been deposited as on March 31, 2021 on account of disputes are given below

Name of the Statute	Nature of Dues	Amount	Forum where the dispute is pending
Central Excise Act	Customs/ Excise Duty	₹ 97,68,260 (out of which ₹ 12,00,000 was paid under protest)	CESAT- APPEAL
Income Tax Act	Disputed Income Liability appeal	₹ 91,64,051 (out of which ₹ 15,00,000 was Deposited)	CIT- APPEAL

- (viii) The company has not borrowed loans from any financial institutions against issue of debentures.
- (ix) The Company did not raise any money by way of initial Public offer or further public offer (including debt instruments). However, the Company has availed a term Loan and applied for the purpose for which the Loan obtained for.
- (x) No fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our Opinion, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

## ANNEXUR "B" (Contd.)

- (xiv) During the year, the Company has not made any preferential allotment or Private Placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3 (xiv) of the order is not applicable.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly clause 3(xv) of the order is not applicable.

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

In Terms Of Our Report Of Even Date

For: **JDS ASSOCIATES**  
Chartered Accountants  
FRN: 008735S

Place: Coimbatore  
Date : June 15,2021

**B. JAYARAM**  
Partner

UDIN NO.: 21028346AAAAFT5161      Memb.No. 028346

## ANNEXURE "C"

### TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report to the members of the Company on the Standalone Ind AS Financial Statements for the year ended on 31st March, 2021).**

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

We have audited the internal financial controls over financial reporting of SALZER ELECTRONICS LIMITED ("**the Company**") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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



**ANNEXUR "C" (Contd.)**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

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

In Terms Of Our Report Of Even Date

For: **JDS ASSOCIATES**  
Chartered Accountants  
FRN: 008735S

Place: Coimbatore  
Date : June 15,2021

**B. JAYARAM**  
Partner  
UDIN NO.: 21028346AAAAFT5161      Memb.No. 028346

# STANDALONE BALANCE SHEET

## AS AT MARCH 31, 2021

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>I. ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and equipment	2	20,666.33	20,237.42
(b) Capital Work in progress	3	134.63	272.02
(c) Investment Property	4	0.77	0.77
(d) Intangible Assets	5	409.67	427.76
(e) Financial Assets			
i. Investments	6	1,726.47	1,747.23
ii. Trade Receivables	7	1,160.13	732.55
iii. Others	8	1,726.52	1,778.23
(f) Other Non-Current Assets	9	188.98	257.20
<b>Total Non-Current Assets</b>	<b>(1)</b>	<b>26,013.50</b>	<b>25,453.18</b>
<b>2 Current Assets</b>			
(a) Inventories	10	17,737.53	15,715.47
(b) Financial Assets			
i. Investments	11	390.17	225.43
ii. Trade Receivables	12	17,845.61	14,257.22
iii. Cash and Cash Equivalents	13	493.33	221.82
iv. Other Bank balances	14	556.59	664.81
v. Loans	15	1,841.33	2,408.25
vi. Others	16	34.17	50.49
(c) Other Current Assets	17	2,510.34	1,679.03
<b>Total Current Assets</b>	<b>(2)</b>	<b>41,409.07</b>	<b>35,222.52</b>
<b>TOTAL ASSETS</b>	<b>(1+2)</b>	<b>67,422.57</b>	<b>60,675.70</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
(a) Equity Share Capital	18	1,598.27	1,598.27
(b) Other Equity	19	31,530.38	29,339.72
<b>Total Equity</b>	<b>(1)</b>	<b>33,128.65</b>	<b>30,937.99</b>
<b>2 LIABILITIES</b>			
<b>(1) Non-current Liabilities</b>			
(a) Financial Liabilities			
Borrowings	20	1,626.68	1,777.61
(b) Provisions	21	2.98	59.05
(c) Deferred tax liabilities (net)	22	1,873.53	1,848.62
<b>Total Non-current Liabilities</b>	<b>(2)</b>	<b>3,503.19</b>	<b>3,685.28</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	23	18,327.88	15,590.75
ii. Trade Payables	24	5,880.88	5,040.29
iii. Others	25	488.60	500.79
(b) Other Current Liabilities	26	5,827.33	4,819.77
(c) Provisions	27	130.01	100.83
(d) Current Tax Liabilities (Net)	28	136.03	-
<b>Total current Liabilities</b>	<b>(3)</b>	<b>30,790.73</b>	<b>26,052.43</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>(1+2+3)</b>	<b>67,422.57</b>	<b>60,675.70</b>

Significant accounting Policies - Note : 1. The accompanying Notes are an integral part of the financial statements.

### N. RANGACHARY

Chairman  
(DIN :00054437)  
Bangaluru

### D. RAJESHKUMAR

Joint Managing Director &  
Chief Financial Officer  
(DIN: 00003126)

Coimbatore – 47  
June 15, 2021

### R. DORAISWAMY

Managing Director  
(DIN :00003131)

### S. BASKARA SUBRAMANIAN

Director (Corporate Affairs) &  
Company Secretary  
(DIN :00003152& FCS No.4605)

In terms of our report attached

For: **JDS ASSOCIATES**

Chartered Accountants

FRN: 008735S

### B. JAYARAM

Partner  
Memb.No. 028346

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

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>I. INCOME</b>			
Revenue From Operations	29	60,561.95	56,694.56
Other Income	30	199.16	88.75
<b>Total Income</b>		<b>60,761.11</b>	<b>56,783.31</b>
<b>II. EXPENSES</b>			
Cost of materials consumed	31	48,277.51	43,019.54
Changes in inventories of finished goods and work-in-progress	32	-1,238.29	-1,038.47
Employee benefit expenses	33	2,433.87	2,639.87
Finance Cost	34	2,127.42	2,116.68
Depreciation and amortisation expenses	35	1,560.55	1,443.96
Other expenses	36	4,909.76	5,554.68
<b>TOTAL EXPENSES</b>		<b>58,070.82</b>	<b>53,736.26</b>
<b>III. PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>2,690.29</b>	<b>3,047.05</b>
Exceptional items		-	-
<b>IV. PROFIT BEFORE TAX</b>		<b>2,690.29</b>	<b>3,047.05</b>
Tax Expense	37	622.94	408.39
<b>V. PROFIT AFTER TAX</b>		<b>2,067.35</b>	<b>2,638.66</b>
<b>VI. OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit or loss			
a. Re-measurement of post employment benefit obligations		47.10	-28.92
b. Change in fair value of FVOCI equity instruments		144.43	-93.80
c. Income Tax expenses on above		-48.21	30.89
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<b>143.32</b>	<b>-91.83</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>2,210.67</b>	<b>2,546.83</b>
<b>EARNINGS PER SHARE</b>	38		
- Basic after exceptional items		12.93	16.51
- Diluted after exceptional items		12.93	16.51

Significant accounting Policies - Note :1

The accompanying Notes are an integral part of the financial statements

In Terms Of Our Report Of Even Date

**N. RANGACHARY**

Chairman  
(DIN :00054437)  
Bangaluru

**R. DORAISWAMY**

Managing Director  
(DIN :00003131)

For: **JDS ASSOCIATES**

Chartered Accountants  
FRN: 008735S

**D. RAJESHKUMAR**

Joint Managing Director &  
Chief Financial Officer  
(DIN: 00003126)

**S. BASKARA SUBRAMANIAN**

Director (Corporate Affairs) &  
Company Secretary  
(DIN :00003152& FCS No.4605)

**B. JAYARAM**

Partner  
Memb.No. 028346

Coimbatore – 47  
June 15, 2021

# STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit/(Loss) after tax</b>	2,210.67	2,546.83
<b>Adjustments for:</b>		
Tax expenses	671.15	377.50
Depreciation and Amortisation	1,560.55	1,443.96
Interest Income	-34.18	-50.93
Finance Costs	2,127.42	2,116.68
(Gain)/Loss on Foreign Exchange Fluctuations (Net)	30.83	-11.93
Dividend Income	-25.42	-18.29
Profit on Sale of Investments	-10.93	15.00
(Profit)/Loss on Sale of Assets (Net)	-1.57	-
Fair Valuation of Investments	-144.43	93.80
Other Non-operating Income	-126.79	-22.59
Other Comprehensive Income	-47.10	28.92
<b>Operating Profit before working capital changes</b>	<b>6,210.20</b>	<b>6,518.95</b>
<b>Adjusted for working capital changes</b>		
Inventories	-2,022.06	-1,448.94
Trade and Other receivables	-4,144.12	511.79
Trade and Other Payables	1,865.13	-1,392.65
Other Liabilities	-25.85	-49.79
<b>Cash Generated from Operations</b>	<b>1,883.30</b>	<b>4,139.36</b>
Direct Taxes Paid	-486.91	-583.96
<b>Net Cash Flow from Operating Activities</b>	<b>1,396.39</b>	<b>3,555.40</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-1,974.82	-3,856.00
Reduction in Capital Work in Progress	137.39	334.07
Non-operating Income	126.79	22.59
Profit / (Loss) on Sale of Investments	10.93	-15.00
Investment in Mutual Funds and Equities (Net)	-20.31	-18.92
Proceeds from Sale of Fixed Assets	18.57	45.76
Profit/(Loss) on Sale of Assets	1.57	-
Investment in Subsidiary	-	-1662.16
Other Non- Current Investments	-20.74	56.44
Dividend Income	25.42	18.29
Interest Income	34.18	50.93
<b>Net Cash Used in Investing Activities</b>	<b>-1,661.02</b>	<b>-5,024.00</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Borrowings	2,737.11	2,030.76
Share Application/Allotment Money Received	-	-
Long term Borrowings	178.92	1,379.78
Repayment of Long Term Borrowings - Non Current	-329.86	-23.25
Interest and Finance Charges	-2,127.42	-2,116.68
(Gain)/Loss on Foreign Exchange Fluctuations (Net)	-30.83	11.93
Dividend and Dividend Tax Paid	-	-339.18
<b>Net Cash Generated from Financing Activities</b>	<b>427.92</b>	<b>943.36</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>163.29</b>	<b>-525.24</b>
Cash and Bank balances at the Beginning of the Year	886.63	1,411.87
<b>Cash and Bank balances at the End of the Year</b>	<b>1,049.92</b>	<b>886.63</b>

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard (Ind As) 7- Statement of Cash Flows.

## N. RANGACHARY

Chairman  
(DIN :00054437)  
Bangaluru

## R. DORAISWAMY

Managing Director  
(DIN :00003131)

In terms of our report attached

For: **JDS ASSOCIATES**  
Chartered Accountants  
FRN: 008735S

## D. RAJESHKUMAR

Joint Managing Director &  
Chief Financial Officer  
(DIN: 00003126)

## S. BASKARA SUBRAMANIAN

Director (Corporate Affairs) &  
Company Secretary  
(DIN :00003152& FCS No.4605)

## B. JAYARAM

Partner  
Memb.No. 028346

Coimbatore – 47  
June 15, 2021

## STANDALONE STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED MARCH 31, 2021

<b>A) EQUITY SHARE CAPITAL</b>		<b>As at 31-03-2021</b>
<b>Particulars</b>		<b>1,598.27</b>
Balance as at 31st March, 2020		-
Changes in equity share capital during the year		<b>1,598.27</b>
Balance as at 31st March, 2021		<b>1,598.27</b>

<b>Particulars</b>	<b>Reserve and Surplus</b>					<b>Total Equity</b>		
	<b>Share application money pending allotment</b>	<b>Capital Reserve</b>	<b>Securities Premium Reserve</b>	<b>General Reserve</b>	<b>Employee Stock option outstanding</b>		<b>Retained Earnings</b>	<b>Other Items of Other Comprehensive Income</b>
Balance as at 31/03/2020	-	80.67	12,630.14	1,958.46	-	14,675.03	-4.58	<b>29,339.72</b>
Profit for the year ended 31/03/2021	-	-	-	-	-	2,067.35	-	<b>2,067.35</b>
- Other Comprehensive income:	-	-	-	-	-	-	143.32	<b>143.32</b>
Transfer to other reserves (if any)	-	-	-	50.00	-	-50.00	-	<b>-</b>
Appropriations (if any)	-	-	-	-	-	-20.01	-	<b>-20.01</b>
Options exercised, pending allotment of shares	-	-	-	-	-	-	-	<b>-</b>
Premium against the allotment of shares	-	-	-	-	-	-	-	<b>-</b>
Dividend paid	-	-	-	-	-	-	-	<b>-</b>
<b>Balance as at 31/03/2021</b>	<b>-</b>	<b>80.67</b>	<b>12,630.14</b>	<b>2,008.46</b>	<b>-</b>	<b>16,672.37</b>	<b>138.74</b>	<b>31,530.38</b>

The accompanying Notes are an integral part of the financial statements

In Terms Of Our Report Of Even Date

**N. RANGACHARY**  
Chairman  
(DIN : 00054437)  
Bangaluru

**R. DORAISWAMY**  
Managing Director  
(DIN : 00003131)

For: **JDS ASSOCIATES**  
Chartered Accountants  
FRN: 008735S

**D. RAJESHKUMAR**  
Joint Managing Director &  
Chief Financial Officer  
(DIN : 00003126)  
Coimbatore – 47  
June 15, 2021

**S. BASKARA SUBRAMANIAN**  
Director (Corporate Affairs) &  
Company Secretary  
(DIN : 00003152 & FCS No. 4605)

**B. JAYARAM**  
Partner  
Memb.No. 028346

# STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## Significant Accounting Policies

### Note No. 1

#### i. Corporate Information:

SalzerEelctronics Limited, incorporated in January 1985, for manufacture of Electrical Installation Products and Components viz., CAM Operated Rotary switches, Selector Switches, Wiring Ducts, Voltmeter Switches, copper wires and cables and allied products addressing customers in the electrical equipment, power, medical equipment, automotive as well as renewable and uninterrupted power system spaces, in a single and unified segment. The company is listed in Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

#### ii. General Information and Statement of Compliance with Ind AS:

These standalone financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

These financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Board of Directors on June 15, 2021

#### iii. Basis of Preparation:

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India.

The Financial Statements have been prepared and presented on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as on the exchange date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, 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 in to 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 the basis stated above. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All amounts included in the financial statements are reported in lakhs of Indian rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

#### iv. Use of Estimates:

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these

Financial statements have been disclosed separately under the heading "Significant accounting Judgements, estimates and assumption".

## STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

### v. Current versus non-current classification

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

#### An asset is classified as current, when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

#### A liability is classified as current, when:

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

The entity classifies all other liabilities as non-current.

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

### vi. Foreign currency transactions

#### Functional and presentation currency

The financial statements are presented in Indian Rupee which is also the functional and presentation currency of the Company. All amounts have been rounded-off to the nearest rupee.

#### (a) Initial recognition

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

#### (b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

#### (c) Forward Contract

Premium/ Discount in respect of Forward Contract are amortized as expense/income over the period of contract. Exchange differences arising on forward contracts between the exchange rate on the date of transaction and the exchange rate prevailing at the year end is recognized in the Statement of Profit and Loss.

### vii. Property, Plant and Equipment:

Property, plant and equipment are stated at cost net of historical Indirect Taxes, including appropriate direct and allocated expenses less accumulated depreciation and impairment losses, if any. Increase/Decrease in rupee liability in respect of foreign currency liability related to acquisition of fixed assets is recognised as expense or income in the Statement of Profit and Loss. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end with the effect of any changes in estimate accounted for on a prospective basis. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

## STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)

Class of Assets	Useful Lives
Buildings	30 Years
Plant and Machinery	15 Years
Windmill	22 Years
Electrical Machinery solar	30 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years

An item of property ,plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any 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 recognised in the profit or loss.

### ix. Investment property:

Investment property is a property, being a land or a building or part of a building or both, held by the owner or by the lessee under a finance lease, to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business. Investment properties (if any), are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

### x. Intangible assets and amortization:

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Operating software is capitalised and amortised along with the related fixed asset.

The Company has used the following useful lives to amortise its intangible assets:

Class of Assets	Useful Lives
Computer software	3 Years
Internally Generated Intangible assets	3 Years

### xi. Research and Development Expenditure:

Research & Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. However, expenditure incurred at development phase, where it is reasonably certain that outcome of research will be commercially exploited to yield economic benefits to the Company, is considered as Property, plant and equipment or Intangible Asset and depreciated in accordance with the policies stated above.

### xii. Impairment of Non Financial assets:

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

### xiii. Inventories:

Inventories are carried at the lower of cost and net realizable value.

Cost includes all applicable costs incurred in bringing the properties to their present location and condition.

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

Cost of raw materials including consumables and stores & spares are determined on FIFO (First In First Out) Basis.

Cost of work-in-progress is valued at cost of materials and labor together with relevant factory overheads. The cost of work-in progress is determined on the basis of weighted average method.



## STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

The finished goods are valued at cost inclusive of excise duty (or) net realizable value whichever is less.

### xiv. 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.

### 1. Financial assets

#### Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

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

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

#### Debt instruments at amortized cost:

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

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

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

#### Debt instrument at FVTOCI:

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

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

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

#### Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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

#### Equity investments (other than investments in subsidiaries and joint ventures):

All equity investments within the scope of Ind AS 109, 'Financial Instruments', are measured at fair value either through statement of profit and loss or other comprehensive income. The Company makes an irrevocable election to present in OCI the subsequent changes in the fair value on an instrument-by-instrument basis. The classification is made on initial recognition.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI. Any gains or losses on de-recognition is recognized in the OCI and are not recycled to the statement of profit or loss.

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

#### De-recognition of Financial Assets:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized when:

## STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

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

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

### Investment in Subsidiaries, Associates and Joint ventures:

The Company's investment in equity instruments of Subsidiary is accounted for at cost as per Ind AS 27.

## 2. Financial Liabilities

### Initial recognition and measurement

All financial liabilities are recognized initially at fair value and transaction cost (if any) that is attributable to the acquisition of the financial liabilities is also adjusted.

### Subsequent measurement

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

#### a. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### b. Trade and other payables

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortized cost unless designated as fair value through profit and loss at the inception.

#### c. Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the profit or loss.

#### De-recognition of Financial Liabilities:

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

## 3. 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## 4. Compound Financial Instruments:

A financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and is subsequently measured at amortized cost. The residual value is recognized as equity component of other financial instrument and is not re-measured after initial recognition.

## STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognized directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortized using effective interest method.

### xv. 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 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.

### xvi. Fair value measurement:

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

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

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

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

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

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

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

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

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

### xvii. Revenue Recognition:

#### a. Revenue from sale of goods and services:

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers.

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer, which is mainly upon delivery, the amount of revenue can be measured reliably and the recovery of consideration is probable. Revenue from the sale of goods includes excise and other duties which the Company pays as a principal but excludes amounts collected on behalf of third parties, such as goods and service tax (GST) and value added tax, as applicable.

Export Benefits are recognized as revenue when the right to receive credit as per the terms of the entitlement is established in respect of exports made.

Revenue from services is recognised in the periods in which the services are rendered.

#### b. Revenue from Projects

Revenue from fixed Price Contracts, where the performance obligation is satisfied over the period of time and where there is no un-certainty as to measurement or collectability of consideration is

## STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

recognized as per the percentage of completion method in accordance with the IND AS 115. Under the percentage of completion method, revenue is recognised in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. The amount recognised is net of goods and service tax (GST), service tax and other amounts collected from the customer in the capacity of an agent, as applicable. In cases where the total project cost is estimated to exceed the total estimated revenue from a project, the loss is recognised immediately.

Contract costs include the estimated material costs, installation costs and other directly attributable costs of the project.

Contract revenues represent the aggregate amounts of fair value of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion.

The estimates for contract costs are reviewed by the management periodically and the cumulative effect of the changes in these estimates, if any, are recognized in the period in which these changes may be reliably measured.

### c. Dividend:

Income from dividends are recognized when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Final dividend on shares are recorded as a liability on the date of approval by the shareholders at the annual general meeting and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors

### b. Interest Income:

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. The expected cash flows are reassessed on a yearly basis and changes, if any, are accounted prospectively.

### e. Other Operating Revenue:

Other Operating revenue comprises income from ancillary activities incidental to the operations of the company and are recognized when the right to receive the income is established as per the terms of the contract.

### xviii. Leases:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Assets acquired under lease where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease is capitalized at the inception of the lease at lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

### xix. Employee benefits

#### 1. Short Term and other long term employee benefits:

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

## STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Compensated leave absences are encashed by employees at year end and no carry forward of leave is permitted as per the leave policy.

### 2. Post-Employment Benefits

#### a. Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Superannuation Fund. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

#### b. Defined Benefit Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in OCI in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment.

#### xx. Share Based Payments Arrangements

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of the equity settled share based payment transactions are set out in the Note No.40.

#### xxi. Borrowing costs:

Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs are charged to statement of profit and loss.

#### xxii. Provisions:

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of

embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### Provision for warranty:

Provision for expected cost of warranty obligations are recognized based on management's best estimate of the expenditure required to settle the obligations which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidents.

#### xxiii. Contingent liabilities and Contingent Assets:

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

Contingent Assets are not recognized but are disclosed when the inflow of economic benefits are probable.

#### xxiv. 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. Partly paid equity shares (if any) are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares if any.

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.

## STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

### xxv. Taxes on Income:

Tax expense comprises of current and deferred tax.

#### a. Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in other comprehensive income / equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### b. Deferred tax

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

### xxvi. Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### xxvii. Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Executive Officer (CEO), who is the Chief Operating Decision Maker (CODM), to make decisions about resources to be allocated to the segments and assess their performance. Information reported to the CODM for the purpose of resource allocation and assessment of segment performance focuses on the type of goods or services delivered or provided.

The Company is primarily engaged in manufacturing of wide range of electrical installation products including devices for energy efficiencies services which all fall under One segment by name Electrical Installation Products for any reporting requirements.

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

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

The following are the areas of estimation uncertainty and critical judgments that the management has made in the process of applying the Company's accounting policies:

#### a) Recognition of deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

**STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)****b) Revenue recognition, contract costs:**

The Company uses the percentage of completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its contractual projects. The percentage of completion is measured by reference to the stage of the projects and contracts determined based on the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred to the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

**c) Provision and contingent liability:**

On an ongoing basis, the Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements.

**d) Useful lives of depreciable assets:**

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2021 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

**e) Evaluation of indicators for impairment of assets:**

The evaluation of applicable indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**f) Defined benefit obligation:**

Management's estimate of the Defined Benefit obligation is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the obligation amount and the annual defined benefit expenses.

**g) Fair value measurements:**

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**

**Note No. 2 PROPERTY, PLANT AND EQUIPMENT**

(₹ in Lakhs)

Particulars	Freehold Land	Building	Plant & Equipment	Furniture & Fixtures	Electrical Machinery Solar	Vehicles	Windmill	Total
Deemed Cost								
<b>As at March 31, 2020</b>	<b>2,973.36</b>	<b>3,132.20</b>	<b>17,586.00</b>	<b>526.08</b>	<b>269.95</b>	<b>105.80</b>	<b>110.26</b>	<b>24,703.65</b>
Additions during 31/03/2020	-	407.32	1,429.29	54.77	22.50	13.08	8.55	1,935.51
Disposal during 31/03/2020	-	-	-	-8.66	-	-9.91	-	-18.57
<b>As at March 31, 2021</b>	<b>2,973.36</b>	<b>3,539.52</b>	<b>19,015.29</b>	<b>572.19</b>	<b>292.45</b>	<b>108.97</b>	<b>118.81</b>	<b>26,620.59</b>
Accumulated Depreciation								
<b>As at March 31, 2020</b>	-	<b>346.37</b>	<b>3,796.10</b>	<b>196.30</b>	<b>52.63</b>	<b>43.89</b>	<b>30.94</b>	<b>4,466.23</b>
Depreciation charged during the year	-	117.39	1,291.50	57.86	16.09	12.67	7.61	1,503.12
Disposals during 31/03/2020	-	-	-	-5.21	-	-9.88	-	-15.09
<b>As at March 31, 2021</b>	-	<b>463.76</b>	<b>5,087.60</b>	<b>248.95</b>	<b>68.72</b>	<b>46.68</b>	<b>38.55</b>	<b>5,954.26</b>
<b>Net Carrying amount</b>								
As at March 31, 2020	2,973.36	2,785.83	13,789.90	329.78	217.32	61.91	79.32	20,237.42
As at March 31, 2021	<b>2,973.36</b>	<b>3,075.76</b>	<b>13,927.69</b>	<b>323.24</b>	<b>223.73</b>	<b>62.29</b>	<b>80.26</b>	<b>20,666.33</b>

Details of properties pledged as security - Refer Note No. 20

**Note No. 3 CAPITAL WORK IN PROGRESS**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Work in Progress	134.63	272.02
<b>Total</b>	<b>134.63</b>	<b>272.02</b>

**Note No. 4 INVESTMENT PROPERTY**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Freehold Land	0.77	0.77
<b>Total</b>	<b>0.77</b>	<b>0.77</b>



**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**
**Note No. 5 INTANGIBLE ASSETS**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Software</b>		
Opening Balance	192.55	226.59
Add: Additions during the year	39.34	12.07
Less: Deductions/ Adjustments during the year	-	-
Less: Amortization for the year	57.43	46.11
Closing Balance	<b>174.46</b>	<b>192.55</b>
<b>Goodwill</b>		
Opening Balance	235.21	235.21
Add: Additions during the year	-	-
Less: Deductions/ Adjustments during the year	-	-
Less: Amortization for the year	-	-
Closing Balance	<b>235.21</b>	<b>235.21</b>
<b>Total</b>	<b>409.67</b>	<b>427.76</b>

**Note No. 6 NON-CURRENT INVESTMENTS**

(₹ in Lakhs)

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
	No.	Amount	No.	Amount
<b>TRADE INVESTMENTS</b>				
Measured at Fair value through Other Comprehensive Income				
(i) Quoted equity shares, fully paid up.				
Bank of India, of ₹ 10/- each (31.03.2020 -Rs.77.25, 31.03.2021- Rs.67.85)	2300	1.56	2300	1.78
(ii) Quoted equity shares in subsidiary (Valued at cost)				
Kaycee Industries Ltd. 100/-each (Book cost per share As at 31.03.2021-Rs.3490.99)	47,546	1,659.82	47,546	1,662.16
<b>Total (i)</b>		<b>1,661.38</b>		<b>1,663.94</b>
(ii) Unquoted equity shares, fully paid up				
Salzer Technologies, of ₹ 10/- each	83,250	8.33	83,250	8.33
Salzer Spinners Ltd, of ₹ 10/- each	18,65,500	55.97	18,65,500	55.97
Jayachandar Windfarm Pvt Ltd	7,960	0.79	6,430	0.64
Mythra Vayu (Manjira Pvt Ltd)	-	-	1,83,500	18.35
<b>Total (ii)</b>		<b>65.09</b>		<b>83.29</b>
<b>GRAND TOTAL</b>		<b>1,726.47</b>		<b>1,747.23</b>

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
	Amount	Amount
Aggregate value of quoted investments	1,661.38	1,663.94
Market value of quoted investments	1,285.30	1,219.91
Aggregate value of unquoted investments	65.09	83.28
Aggregate value of impairment in the value of investments		

## NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)

### Note No. 7 TRADE RECEIVABLES

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	1,160.13	732.55
Doubtful	-	-
<b>Sub Total</b>	<b>1,160.13</b>	<b>732.55</b>
Less: Allowance for expected credit losses (Refer Note No. 46)	-	-
<b>Total</b>	<b>1,160.13</b>	<b>732.55</b>

### Note No. 8 OTHER FINANCIAL ASSETS

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Financial Assets at amortized cost</b>		
Security Deposits	177.26	183.34
Unbilled Revenue*	1,549.26	1,594.89
<b>Total</b>	<b>1,726.52</b>	<b>1,778.23</b>

\* Unbilled revenue represents revenue from projects in respect of performance obligations completed in accordance with IndAS 115 but customers are yet to be billed pending receipt of certification from independent agency.

### Note No. 9 OTHER NON-CURRENT ASSETS

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Advance for capital expenses	188.98	257.20
<b>Total</b>	<b>188.98</b>	<b>257.20</b>

### Note No. 10 INVENTORIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Raw Material (including goods in transit)	5,446.29	4,737.56
Packing Materials	172.43	150.38
Trading Materials	115.30	62.31
Work in progress	7,680.36	8,004.27
Finished Goods	4,323.15	2,760.95
<b>Total</b>	<b>17,737.53</b>	<b>15,715.47</b>

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**
**Note No. 11 CURRENT INVESTMENTS**

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No.	Amount	No.	Amount
<b>INVESTMENTS</b>				
Measured at Fair value through OCI				
(i) In Mutual Funds, quoted				
State Bank of India - Infrastructure Fund	82,945	36.51	82,945	17.74
ICICI Prudential Discovery Fund	1,21,939	31.14	1,21,939	19.53
Sundaram BNP Paribas Select Mid Cap	1,07,651	41.10	1,07,651	23.51
Aditya Birla Sunlife Frontline Equity Fund	1,32,877	38.53	1,32,877	23.47
HDFC Top 200 Fund	69,623	30.41	69,623	20.27
Canara Robeco Capital Protection Oriented Fund	2,00,000	24.75	2,50,000	27.56
Canara Rebeco Emerging Equities - Regular Growth	14,002	18.09	14,002	10.50
ICICI Pru Real Estate Portfolio	-	-	-	0.40
Aditya Birla Sunlife Mutual Fund	13,541	15.13	13,541	9.70
Kodak Select Focus Fund	61,710	16.75	-	-
IDFC Sterling Equity Fund	71,464	16.75	71,464	7.75
Union Large & Midcap Fund	-	-	99,990	18.90
Nippon India Large Cap Fund	87,373	15.02	87,373	8.96
Nippon India Multi Cap Fund	97,767	31.57	97,767	18.14
Canara Rebeco Equity Hybrid Fund	3,009	6.34	3,009	4.31
Canara Rebeco Equity Hybrid Fund - Folio -1066591931	3,009	6.34	3,009	4.31
ICICI Prudential Discovery Fund Growth	3,757	7.24	61,009	10.38
Sundaram Mid Cap Fund Regular Growth	866	4.98	-	-
Aditya Birla Frontline Equity Fund Growth	2,546	7.15	-	-
Aditya Birla Frontline Equity Fund Growth	899	8.42	-	-
HDFC Top 100 Fund Growth	1,253	7.20	-	-
Nippon India Large Cap Fund	14,999	6.08	-	-
Nippon India Multi Cap Fund - Growth	4,527	5.10	-	-
State Bank Of India Magnum Midcap Fund Growth	4,970	5.35	-	-
Kotack Std Multicap Fund Growth	2,128	0.58	-	-
Kotak Std Multicap Fund Growth	18,424	8.28	-	-
IDFC Sterling Fund Growth	2,085	1.36	-	-
<b>Total</b>		<b>390.17</b>		<b>225.43</b>

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No.	Amount	No.	Amount
Aggregate value of quoted investments		390.17		225.42
Market value of quoted investments		<b>390.17</b>		<b>225.42</b>

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**

**Note No. 12 TRADE RECEIVABLES**

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	17,920.48	14,382.60
Doubtful	-	-
<b>Sub Total</b>	<b>17,920.48</b>	<b>14,382.60</b>
Less: Allowance for expected credit losses (Refer Note No. 46)	74.87	125.38
<b>Total</b>	<b>17,845.61</b>	<b>14,257.22</b>

**Note No. 13 CASH AND CASH EQUIVALENTS**

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
- In Current Accounts	447.12	176.15
Deposits(with original maturity of 3 months or less)	40.64	35.00
Cash on hand	5.57	10.67
<b>Total</b>	<b>493.33</b>	<b>221.82</b>

**Note No. 14 OTHER BANK BALANCES**

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
<b>Earmarked Balances</b>		
- In Unpaid Dividend Accounts	25.99	29.70
- In Margin money and Bank Guarantee	408.49	314.35
<b>Others</b>		
- Deposit (with original maturity of more than 3 months)	122.11	320.76
<b>Total</b>	<b>556.59</b>	<b>664.81</b>

**Note No. 15 LOANS**

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Loans and Advances to related parties (Refer Note No. 48)	130.72	324.23
Loans and Advances to employees	214.92	215.35
Loans-Others	1,495.69	1,868.67
<b>Total</b>	<b>1,841.33</b>	<b>2,408.25</b>

**Note No. 16 OTHER FINANCIAL ASSETS**

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Financial Assets at amortized cost</b>		
Security Deposits	-	-
Windmill Income receivable	0.28	-
Energy Saver Deposit Receivable	33.89	50.49
<b>Total</b>	<b>34.17</b>	<b>50.49</b>

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**
**Note No. 17 OTHER CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Unsecured, considered good</b>		
<b>(a) Advances other than capital advances</b>		
Advances to Suppliers	730.95	443.50
<b>(b) Others</b>		
Prepaid expenses	71.79	52.40
Balances with statutory/government authorities	1,120.97	779.84
Other Receivables - Statutory	586.63	403.29
<b>Total</b>	<b>2,510.34</b>	<b>1,679.03</b>

**Note No. 18 EQUITY SHARE CAPITAL**
**Authorized Share Capital**

(₹ in Lakhs)

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
1,90,00,000 equity shares of ₹ 10/- each	1,90,00,000	1900.00	1,90,00,000	1900.00
10,00,000 non-cumulative convertible preference shares of ₹ 10/- each	10,00,000	100.00	10,00,000	100.00
<b>Total</b>		<b>2000.00</b>		<b>2000.00</b>
<b>Issued and Subscribed Capital</b>				
Equity Share Capital	1,59,82,737	1598.27	1,59,82,737	1598.27
<b>Total</b>	<b>1,59,82,737</b>	<b>1598.27</b>	<b>1,59,82,737</b>	<b>1598.27</b>

**a. Reconciliation of shares outstanding at the beginning and at the end of the period**

(₹ in Lakhs)

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the period	1,59,82,737	1,598.27	1,59,82,737	1,598.27
Add: Shares issued during the period				
Less: Shares bought Back	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>1,59,82,737</b>	<b>1,598.27</b>	<b>1,59,82,737</b>	<b>1,598.27</b>

**b. Terms/ Rights attached to the Equity Shares**

- Only Equity Shares of Rs. 10/- are outstanding and each holder of Equity Shares is entitled to one vote per share. The company declares and pays Dividend in Indian Rupees and
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

**b. Shares held by Holding Company or Ultimate Holding Company NIL**
**c. Shareholders holding more than 5% shares**

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Sundaram Mutual Fund	4,26,548	5.67%	8,98,736	5.62%
Salzer Magnetic Wires Ltd	10,30,000	6.44%	10,30,000	6.44%
HMG Globetrotter	9,63,024	6.03%	9,63,024	6.03%

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**

**Note No. 19 OTHER EQUITY**

(₹ in Lakhs)

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Capital Reserve	80.67	80.67
Securities Premium	12,630.14	12,630.14
General Reserve	2,008.46	1,958.46
Retained Earnings	16,672.38	14,675.03
Other Comprehensive Income	138.73	-4.58
<b>Total</b>	<b>31,530.38</b>	<b>29,339.72</b>

**Note No. 20 BORROWINGS (NON-CURRENT)**

(₹ in Lakhs)

<b>Particulars</b>	<b>Effective Interest Rate</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Term Loans			
Secured			
a. From Banks			
<b>i) HDFC Bank</b>			
Phase 2 Term Loan*	6.2(9.85-3.65)	435.00	600.00
<b>ii) Union Bank of India</b>			
Phase 2 Term Loan**	9.70	1,191.68	1,177.61
<b>Total</b>		<b>1,626.68</b>	<b>1,777.61</b>

Notes

\* Security : Assets purchased under the Term Loans, Extension of the equitable mortgage of Land and Building of the Company (Unit III) and guaranteed by Mr. R Doraiswamy, Managing Director and Mr. D Rajesh Kumar, Joint Managing Director & CFO

Terms of the repayment : Plant and Machinery Term Loan Repayable within 29 EMIs of ₹. 15,00,000.00

\*\* Building, Plant and Machinery Term Loan

Secured by the First Charge as Land and Building, Plant and Machinery of Unit IV and Gunaranteed by Mr. R Doraiswamy, Managing Director and Mr. D Rajesh Kumar, Joint Managing Director & CFO

Terms of the repayment : Plant and Machinery Term Loan Repayable within 50 EMIs of ₹. 23,55,128.00 and 1 EMI of ₹. 14,11,600.00

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**
**Note No. 21 PROVISIONS**

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Liability towards LIC Group Gratuity Scheme	-	56.23
Provision for Premium payable	2.98	2.82
<b>Total</b>	<b>2.98</b>	<b>59.05</b>

**Note No. 22 DEFERRED TAX LIABILITES (NET)**

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax liability</b>		
- On Fixed Assets	1,569.91	1,569.91
- On Research and Development Expenses	906.56	785.36
- On Revenue Recognition / ECL	38.97	38.97
- On Employee Benefit Expenses	28.60	28.60
<b>Less: Deferred tax Asset</b>		
- On Employee Benefit Expenses	37.86	26.00
- On Fixed Assets	603.89	548.22
- On Revenue Recognition / ECL	28.76	-
<b>Total</b>	<b>1,873.53</b>	<b>1,848.62</b>

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**

**Note No. 23 BORROWINGS (CURRENT)**

(₹ in Lakhs)

Particulars	Interest Rate	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>			
<b>a. Secured Loan from Banks</b>			
<b>i) Canara Bank</b>			
Cash Credit: Secured by: Hypothecation of Inventories and Book Debts of Unit-I	9.85	1,604.07	1,727.71
<b>ii. City Bank</b>			
Cash Credit: Secured by: Hypothecation of Inventories and Book Debts of Unit-II	10.25	-	501.57
Pre-shipment Loan: Secured by: Hypothecation of Inventories and Book Debts of Unit-II	L+ 1.50	-	2,756.50
Post-shipment Loan: Secured by: Hypothecation of Inventories of Unit-II		-	368.55
<b>iii. HDFC Bank</b>			
Cash Credit: Secured by: Hypothecation of Inventories and Book Debts of Unit-II	8.75	4,009.26	-
Pre-shipment Loan: Secured by: Hypothecation of Inventories and Book Debts of Unit-II	L+ 1.50	3,110.34	-
<b>iv) ICICI Bank</b>			
Cash Credit: Secured by: Hypothecation of Inventories and Book Debts of Unit-II	9.75	-	2,833.08
Pre-shipment Loan: Secured by: Hypothecation of Inventories and Book Debts of Unit-II		-	459.61
<b>v) HDFC Bank</b>			
Cash Credit: Secured by: Hypothecation of Inventories and Book Debts of Unit-III	8.75	892.27	1,002.09
<b>vi) Union Bank of India</b>			
Cash Credit: Secured by: Hypothecation of Inventories and Book Debts of Unit-IV	8.95	3,903.41	2,606.45
Buyer's Credit: Secured by: hypothecation of Inventories and Book Debts of Unit-IV	L+ 1.00	1,487.51	312.17
<b>vii. Axis Bank</b>			
Cash Credit: Secured by hypothecation of Inventories and Book Debts of Unit-V	9.35	-	1,023.02
<b>viii) HDFC Bank</b>			
Cash Credit: Secured by: Hypothecation of Inventories and Book Debts of Unit-V	9.00	1,572.57	-
Letter of Credit : Secured by: Hypothecation of Inventories and Book Debts of Unit-V	5.25	748.45	-
<b>Sub Total</b>		<b>17,327.88</b>	<b>13,590.75</b>
<b>(B) Unsecured From Banks</b>			
Loans repayable on demand HDFC	8.10	-	2,000.00
Loans repayable on demand ICIC	8.10	1,000.00	-
<b>Sub Total</b>		<b>1,000.00</b>	<b>2,000.00</b>
<b>Total</b>		<b>18,327.88</b>	<b>15,590.75</b>



**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**
**Note No. 24 TRADE PAYABLES**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
	Current	Current
Trade payable - Micro and small enterprises	-	-
Trade payable - Other than Micro and small enterprises	5,880.88	5,040.29
<b>Total</b>	<b>5,880.88</b>	<b>5,040.29</b>

There are no interest amounts paid / payable to Micro, Small and Medium Enterprises. The information in relation to dues to Micro Enterprises and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors.

**Note No. 25 OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Current maturities of long- term debt	462.62	471.09
Unclaimed dividends	25.98	29.70
<b>Total</b>	<b>488.60</b>	<b>500.79</b>

**Note No. 26 OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Statutory Dues	397.66	244.51
Advance from Customers	40.02	10.22
Creditors for capital goods	342.18	380.89
Creditors for expenses	5,047.47	4,184.15
<b>Total</b>	<b>5,827.33</b>	<b>4,819.77</b>

**Note No. 27 PROVISIONS**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Provision for Employee Benefits - Gratuity (Refer Note No. 39)	-	-
Provision for Warranty	130.01	100.83
<b>Total</b>	<b>130.01</b>	<b>100.83</b>

The Company gives warranties for its products undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. The provision for warranty claims represents the present value of the Management's best estimate of the future outflow of economic benefits that will be required under the Company's obligations for warranties under sale of goods legislations. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality

**Note No. 28 CURRENT TAX LIABILITY**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Current tax Liability - [Net of Advance Tax IT]	136.03	-
<b>Total</b>	<b>136.03</b>	<b>-</b>

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**

**Note No. 29 REVENUE FROM OPERATIONS**

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>(a) Sale of products (excluding GST)</b>		
Sales - Domestic	53,946.69	48,983.18
Sales - Exports	6,073.32	7,088.54
<b>Sub Total</b>	<b>60,020.01</b>	<b>56,071.72</b>
<b>(b) Sale of Services</b>		
Technical Services	1.08	0.47
<b>Sub Total</b>	<b>1.08</b>	<b>0.47</b>
<b>Gross Revenue from Sale of Products and Services</b>	<b>60,021.09</b>	<b>56,072.19</b>
<b>(c) Other operating revenue</b>		
Conversion Charges Received	52.56	122.25
Income by Power Generation	61.85	68.73
Duty Drawback Income	109.62	96.12
MEIS License Sales	96.08	174.17
Interest Received against Non-current Receivables - PPP	220.75	161.10
<b>Sub Total</b>	<b>540.86</b>	<b>622.37</b>
<b>TOTAL</b>	<b>60,561.95</b>	<b>56,694.56</b>

**Note No. 30 OTHER INCOME**

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Interest from Bank Deposits	34.18	50.94
Foreign Exchange Rate Differences	-	11.93
Dividend received against short term investments	11.16	13.41
Dividend received against Investments (Kaycee)	14.27	4.88
Net gain/loss on sale of investment	10.93	-
Insurance Claim Received	0.26	-
Profit on Sale of Assets	1.57	-
Income from Derivatives	-	-15.00
Rental Income Received	4.00	3.82
Other Non-operating income (net of expenses)	122.79	18.77
<b>TOTAL</b>	<b>199.16</b>	<b>88.75</b>

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**
**Note No. 31 COST OF MATERIAL CONSUMED**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Raw Materials Consumption</b>		
Opening Stock	4,737.56	4,396.28
Add: Purchases	46,580.11	40,923.72
Less: Closing Stock	5,446.29	4,737.56
<b>Sub Total</b>	<b>45,871.38</b>	<b>40,582.44</b>
<b>Trading Materials Consumption</b>		
Opening Stock	62.31	65.12
Add: Purchases	1,560.26	1,467.36
Less: Closing Stock	115.31	62.31
<b>Sub Total</b>	<b>1,507.26</b>	<b>1,470.17</b>
<b>Packing Materials Consumption</b>		
Opening Stock	150.38	78.38
Add: Purchases	920.93	1,038.93
Less: Closing Stock	172.44	150.38
<b>Sub Total</b>	<b>898.87</b>	<b>966.93</b>
<b>TOTAL</b>	<b>48,277.51</b>	<b>43,019.54</b>

**Note No. 32 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Opening Stock</b>		
Work-in-progress	8,004.27	6,865.41
Finished Goods	2,760.95	2,861.34
<b>Sub Total</b>	<b>10,765.22</b>	<b>9,726.75</b>
<b>Less: Closing Stock</b>		
Work-in-progress	7,680.36	8,004.27
Finished Goods	4,323.15	2,760.95
<b>Sub Total</b>	<b>12,003.51</b>	<b>10,765.22</b>
<b>Net (increase)/decrease in inventory</b>	<b>-1,238.29</b>	<b>-1,038.47</b>

**Note No. 33 EMPLOYEE BENEFIT EXPENSES**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and Wages including Bonus	2,097.63	2,291.85
Contribution to Provident and other funds	125.57	127.68
Workmen and Staff Welfare Expenses	161.69	175.00
Gratuity	48.98	45.34
<b>TOTAL</b>	<b>2,433.87</b>	<b>2,639.87</b>

**Note No. 34 FINANCE COSTS**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest Expenses	1,262.15	1,732.43
(b) Other Borrowing cost	865.27	384.25
<b>TOTAL</b>	<b>2,127.42</b>	<b>2,116.68</b>

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**

**Note No. 35 DEPRECIATION AND AMORTISATION EXPENSES**

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
(a) Depreciation on Property, Plant and Equipment	1,503.11	1,397.85
(b) Amortisation on Other Intangible Assets	57.44	46.11
<b>TOTAL</b>	<b>1,560.55</b>	<b>1,443.96</b>

**Note No. 36 OTHER EXPENSES**

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Consumptions of Store and Spares	145.07	149.34
Freight and Forwarding Charges	804.56	750.09
Power and Fuel	810.24	799.27
Repairs -		
Buildings	19.68	27.26
Machinery	260.04	296.42
Others	89.36	108.30
Subcontracting Expenses	1044.25	1,625.47
Contract Labour Expenses	444.89	460.50
Advertisement Expenses	2.75	8.19
Audit Fees (Refer Note No.36.1)	18.75	18.75
Director's Sitting Fees	15.30	15.30
Donation	7.10	6.44
RMU Project Expenses	212.60	-
General Expenses	36.97	62.60
Insurance	46.14	40.96
Foreign Exchange Realisation Difference	30.83	-
Management system Expenses (ISO9000 & OSHAS)	8.36	4.68
Postage, Telephone & Telegram	17.07	27.65
Printing & Stationery	27.26	40.07
Rates and Taxes	39.58	39.87
Rent	33.32	13.06
Research & Development Expenses	175.75	167.36
Warranty Expenses	30.13	28.04
Sales Promotional Expenses	228.98	377.85
Subscription & Periodicals	25.80	27.35
Technical/Professional Fee	82.29	246.20
Travelling and Conveyance	60.08	76.24
CSR Expenses (Refer Note No.44)	75.90	14.40
Expected Credit Loss	30.17	33.08
Royalty	10.11	3.95
loss on sale of Assets / Investments	-	2.03
Bad Debts	76.43	83.96
<b>Total Other Expenses</b>	<b>4,909.76</b>	<b>5,554.68</b>

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**
**Note No. 36 1. AUDITOR REMUNERATION**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) For Statutory Audit	8.50	8.50
(b) For Tax Audit	2.50	2.50
(c) For Other Services	7.75	7.75
<b>TOTAL</b>	<b>18.75</b>	<b>18.75</b>

**Note No. 37 TAX EXPENSES**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Current Tax</b>		
Current tax on profit for the year	598.03	583.96
Change/ (Credit) in respect of current tax for earlier years	-	-49.90
<b>TOTAL (A)</b>	<b>598.03</b>	<b>534.06</b>
<b>B. Deferred Tax</b>		
Origination and reversal of temporary differences	24.91	-125.67
Change in respect of deferred tax for earlier years	-	-
<b>TOTAL (B)</b>	<b>24.91</b>	<b>-125.67</b>
<b>Tax expense recognized in Statement of Profit and Loss</b>	<b>622.94</b>	<b>408.39</b>
<b>TOTAL (A)+(B)</b>		
Tax expense recognized in Other Comprehensive Income	48.21	-30.89
<b>Total Tax Expense</b>	<b>671.15</b>	<b>377.50</b>

**The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows:**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current Tax</b>		
Taxable profit for the year	2,690.29	3,047.05
Applicable income tax rate	25.00%	25.17%
Expected income tax	677.15	766.94
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:	-	-
Income exempt from tax	-121.19	-213.02
Expenses disallowed in determining the tax profit	26.70	11.95
Investment allowances	-	-
Unrecognized deferred tax assets	-	-
Others	40.28	-157.48
<b>Tax expense recognised in Statement of Profit and Loss A/c</b>	<b>622.94</b>	<b>408.39</b>

## NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)

### Note No. 38 EARNINGS PER SHARE

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/(Loss) after tax and exceptional items	2,067.35	2,638.66
Less: Notional Preference Dividend		
Profit/(Loss) after tax and exceptional items attributable to equity share holders	2,067.35	2,638.66
Add: Exceptional items (net of tax)		
Profit after tax but before exceptional items attributable to equity share holders	2,067.35	2,638.66
Add: Exceptional items (net of tax)		
No. of Equity shares outstanding		
Add: Shares to be issued pursuant to merger		
Weighted Average no. of equity shares outstanding during the year for Basic EPS	159.82	159.82
Add: Shares to be issued pursuant to Employee Stock Option Scheme		
Weighted Average no. of equity shares outstanding during the year for Dilutive EPS	159.82	159.82
Basic Earnings/(Loss) per share after tax and exceptional items (in ₹)	12.93	16.51
Diluted Earnings/(Loss) per share after tax and exceptional items (in ₹)	12.93	16.51

### Note No. 39 GRATUITY

The details of various employee benefits provided to employees are as under:

#### A. Defined Contribution and other plans

Particulars	(₹ in Lakhs)	
	March 31, 2021	March 31, 2020
Employer's Contribution to PF	118.20	110.94
Employer's Contribution to ESIC	10.50	13.59
Employer's Contribution to Superannuation fund	4.18	3.15
<b>TOTAL</b>	<b>132.88</b>	<b>127.68</b>

#### B. Defined Benefit plans

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation using the projected unit credit method as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India with whom the plan assets are maintained.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, salary risk and longevity risk.

**Investment Risk:** The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Longevity risk:** The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**
**Principal actuarial assumptions**

**Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:**

Particulars	(₹ in Lakhs)	
	March 31, 2021	March 31, 2020
Discount Rate	7.02%/6.36%	6.86%/6.66%
Expected Return on Assets	7.02%/6.36%	6.86%/6.66%
Salary Escalation	6.50%	6.50%
Attrition Rate	5.00%	5.00%

**Amount recognized in Profit and Loss for the year**

Particulars	(₹ in Lakhs)	
	March 31, 2021	March 31, 2020
Current Service Cost	46.56	45.83
Net Interest on Defined Benefit Obligations	2.42	1.69
Expenses recognized in the statement of profit and loss	48.98	47.52

**Recognized in Other Comprehensive Income for the year**

Particulars	(₹ in Lakhs)	
	March 31, 2021	March 31, 2020
Actuarial (Gain)/Losses due to Demographic Assumption changes in DBO	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-3.53
Actuarial gains/losses arising from changes in financial assumptions	12.50	56.51
Actuarial gains/losses arising from experience adjustments	34.60	-8.56
Amount recognized in OCI for the current period	47.10	44.42

**Change in present value of defined benefit obligation**

Particulars	(₹ in Lakhs)	
	March 31, 2021	March 31, 2020
Present value of obligations as at the beginning of the year	789.45	671.81
Current Service Cost	46.56	45.83
Interest on Defined Benefit Obligations	49.74	44.12
Actuarial (gain)/loss on plan obligation	-47.10	47.95
Benefits paid	-24.98	-20.26
Present value of obligations as at the end of the year	813.67	789.45

**Change in fair value of plan assets**

Particulars	(₹ in Lakhs)	
	March 31, 2021	March 31, 2020
Fair value of plan assets as at the beginning of the period	709.43	608.89
Return on plan assets	47.32	42.44
Contributions	82.81	74.83
Benefits paid	-21.73	-20.26
Actuarial gain/(loss) on plan assets	-	3.53
Fair value of plan assets as at the end of the period	814.58	709.43

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)****Net Asset/ Liability recognized in Balance Sheet**

(₹ in Lakhs)

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Present value of obligations	813.67		789.46	
Fair Value of Plan Assets	814.58		709.43	
Amount recognized	-0.91		80.03	

The actuarial valuation, as certified by LIC of India with whom the company has its defined group gratuity scheme, is adopted to determine the present value of the defined benefit obligations. For the year ended 31/03/2020, as the certification as per AS 19 of ICAI was not available till the finalisation of accounts and adoption by the Board, the profit and loss account and balance sheet were recognised based on the past experience, indicators and the contributions made and benefits paid. (Please refer note on accounts for the relevant year 2020). The difference arising out of the actuarial valuation and the assumptions made by the company were recognised in the accounts of the first quarter of the year 2021 and accordingly, the recognition for the year ended 31/03/2021 are based on the actuarial valuation as certified by LIC of India.

**Sensitivity Analysis**

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

(₹ in Lakhs)

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate by 1%	50.74	57.12	51.73	58.49
Salary Escalation rate by 1%	54.25	49.32	56.08	51.00
Attrition rate by 1%	2.28	3.16	2.28	1.22
Mortality rate by 10%	0.13	-	0.03	-

**Note No. 40 DIVIDENDS MADE**

(₹ in Lakhs)

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Cash dividends on equity shares declared and paid:				
Final Dividend for the financial year	-		255.72	
Dividend distribution tax	-		52.26	



**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**
**Note No. 42 COMMITMENTS AND CONTINGENT LIABILITIES**

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Towards Import Obligations under EPGC	1,944.05	2,797.30
Letter of Credit for import and purchase of Raw Materials	4,867.58	2,165.98
Obligation towards Bank Guarantee	277.30	513.98
Excise Protest Fund Liability	85.68	85.68

**Note No. 43 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

Particulars	March 31, 2021	March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-

The disclosure in respect of the amounts payable to Micro, Small and Medium enterprises as at 31 March 2021 has been made in the financial statements based on information received and available with the Company. Also, the Company has not received any claim for interest from any supplier as at the balance sheet date.

**Note No. 44 CSR EXPENDITURE**

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Gross amount required to be spent by the company during the year	63.00	58.59
Amount spent during the year	75.90	14.40

**NOTE No. 45 FAIR VALUE MEASUREMENTS**
**i. Financial instruments by category**
**The carrying value of financial instruments by categories as at 31 March 2021 were as follows:**

(₹ in Lakhs)

Particulars	Note	Amortised cost	FVTOCI	FVTPL	Total Carrying value	Total Fair value
<b>Financial Assets</b>						
Investments	6, 11	-	2,116.64	-	2,116.64	2,116.64
Trade Receivables	7, 12	19,005.74			19,005.74	19,005.74
Cash and Cash equivalents	13	493.33			493.33	493.33
Other bank balances	14	556.59			556.59	556.59
Loans	15	1,841.33			1,841.33	1,841.33
Other financial assets	8, 16	1,760.69			1,760.69	1,760.69
<b>Financial Liabilities</b>						
Borrowings	20, 23	19,954.56			19,954.56	19,954.56
Trade payables	24	5,880.88			5,880.88	5,880.88
Other financial liabilities	25	488.60			488.60	488.60

## NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)

The carrying value of financial instruments by categories as at 31 March 2020 were as follows:

(₹ in Lakhs)

Particulars	Note	Amortised cost	FVTOCI	FVTPL	Total Carrying value	Total Fair value
<b>Financial Assets</b>						
Investments	6, 11	-	1,972.66	-	1,972.66	1,972.66
Trade Receivables	7, 12	14,989.77			14,989.77	14,989.77
Cash and Cash equivalents	13	221.82			221.82	221.82
Other bank balances	14	664.81			664.81	664.81
Loans	15	2,408.25			2,408.25	2,408.25
Other financial assets	8, 16	1,828.72			1,828.72	1,828.72
<b>Financial Liabilities</b>						
Borrowings	20, 23	17,368.36			17,368.36	17,368.36
Trade payables	24	5,040.29			5,040.29	5,040.29
Other financial liabilities	25	500.79			500.79	500.79

### ii. Fair Value Hierarchy

The Company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) 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).
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2021

(₹ in Lakhs)

Particulars	Note	Level 1	Level 2	Level 3	Carrying value
<b>Financial Assets</b>					
At fair value through Other Comprehensive Income		-	-	-	-
<b>Investments</b>					
Investments - Non - current - Quoted	6, 11	390.17	1,661.39	-	2,051.56
Investments - Non - current - Unquoted	6	-	-	65.08	65.08
At fair value through Profit and Loss					
Investments	11	-	-	-	-
<b>Financial Liabilities</b>					
At amortised costs					
Borrowings	20, 23	-	19,954.56	-	19,954.56

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**
**Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2020**

(₹ in Lakhs)

Particulars	Note	Level 1	Level 2	Level 3	Carrying value
<b>Financial Assets</b>					
At fair value through Other Comprehensive Income		-	-	-	-
Investments - Non - current - Quoted	6, 11	225.43	1,663.94	-	1,889.37
Investments - Non - current - Unquoted	6	-	-	83.29	83.29
At fair value through Profit and Loss					
Investments - Current	11	-	-	-	299.68
<b>Financial Liabilities</b>					
At amortised costs					
Borrowings	20, 23	-	17,368.36	-	17,368.36

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings, trade payables and other current financial liabilities are a reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately.

**iii. Valuation technique used to determine fair value**

- The fair value of the financial assets and liabilities are at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings, trade payables and other current financial liabilities are a reasonable approximation of their fair values.
- The investment included in Level 3 hierarchy have been valued at cost approach to arrive at the fair values. The cost of unquoted investment approximate the fair value as there is a wide range of possible fair value measurement and the cost represents estimate of fair value within that range.
- The estimated fair value amounts as at March 31, 2020 have been measured as at that date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each year-end.
- There were no transfers between Level 1, Level 2 and Level 3 during the year.

**NOTE No. 46 FINANCIAL RISK MANAGEMENT**

The Company's businesses are subject to several risks and uncertainties including financial risks.

The Company's activities expose it to credit risk, liquidity risk, market risk - interest rate risk and foreign currency risk. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis, Credit ratings
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts
Market risk Interest rate risk	Long-term borrowings at variable rates	Cash flow forecasting, Sensitivity analysis
Foreign Currency risk	Recognised financial assets and liabilities not denominated in functional currency	Cash flow forecasting, Sensitivity analysis

## NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)

### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The company's credit risk generally arises from Cash and cash equivalents, trade receivables, and other financial assets.

### Credit Risk Management

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

Assets Group	Description of category	Particulars	Provision for expected credit loss *
Low credit risk	Assets where the counterparty has strong capacity to meet the obligations and where the risk of default is negligible or nil	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	12 month expected credit loss/life time expected credit loss
Moderate credit risk	Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong	Nil	12 month expected credit loss/life time expected credit loss
High credit risk	Assets where there is a high probability of default.	Nil	12 month expected credit loss/life time expected credit loss/fully provided for

\* Life time expected credit loss is provided for trade receivables.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

### Classification of Financial assets among risk categories:

(₹ in Lakhs)

Credit rating	Particulars	March 31, 2021	March 31, 2020
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	25,774.32	22,086.02
Moderate credit risk	Nil	-	-
High credit risk	Nil	-	-

### The loss allowance for trade receivables using expected credit losses for different ageing periods as at 31 March 2021 are as follows:

(₹ in Lakhs)

Particulars	Less than 6 months past due	More than 6 months past due	Total
Gross Carrying Amount	16,002.28	3,078.33	19,080.61
Loss allowance provision	-	-74.87	-74.87
Net	16,002.28	3,003.46	19,005.74

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**

The loss allowance for trade receivables using expected credit losses for different ageing periods as at 31<sup>st</sup> March 2020 are as follows: (₹ in Lakhs)

Particulars	Less than 6 months past due	More than 6 months past due	Total
Gross Carrying Amount	12,520.55	2,594.60	15,115.15
Loss allowance provision	-	-125.38	-125.38
Net	12,520.55	2,469.22	14,989.77

**Reconciliation of loss allowance for trade receivables**

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of the year	125.38	92.30
Additions during the year	30.17	33.08
Amounts written off during the year	80.68	-
Balance at the end of the year	74.87	125.38

The Company has Written off as Bad debt through Profit & Loss account, a sum of Rs.83.96 Lakhs, being trade receivables, instead of routing through provisions as the company decided to retain the provisions for the probable contingencies that may arise due to Covid - 19 Pandemic

**Exposure to customers having more than 5% of outstanding in respect of Trade Receivables.**

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
SCHNEIDER	3,009.99	1,661.80
NEWTEC CABLES	956.43	-
<b>TOTAL</b>	<b>3,966.42</b>	<b>1,661.80</b>

**Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the business, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Maturities of Financial Liabilities as at 31 Mar 2021 are as follows:**

Particulars	Less than 1 year	1-5 year	More than 5 year	Total
Borrowings	18,327.88	1,626.68	-	19,954.56
Trade Payables	5,880.88	-	-	5,880.88
Other financial Liabilities	462.62	17.18	8.80	488.60

**Maturities of Financial Liabilities as at 31 Mar 2020 are as follows:**

Particulars	Less than 1 year	1-5 year	More than 5 year	Total
Borrowings	15,590.75	1,777.61	-	17,368.36
Trade Payables	5,040.29	-	-	5,040.29
Other financial Liabilities	471.09	21.81	7.89	500.79

**Market Risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

## NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)

### Interest rate Risks

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. 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 borrowings are fixed rate borrowings and are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### Interest rate risk exposure

The following table provide the break-up of the co. fixed and floating rate borrowing

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Fixed Rate Borrowings	-	-
Floating Rate	20,417.18	17,839.45
<b>Total Borrowings</b>	<b>20,417.18</b>	<b>17,839.45</b>

### Interest Rate Sensitivity analysis:

The Sensitivity Analysis below have been determined based on the exposure to interest rate for Floating Rate Liabilities, assuming the amount of the liability outstanding at the year end was outstanding for the whole year:

If interest rate had been 100 basis points higher/lower and all other variable were held constant, the company's profit for the year ended 31.03.2021 would decrease/increase by ₹ 178.40 Lacs. (for the year ended 31.03.2020: decrease /increase by ₹ 147.68 Lacs). This is mainly attributable to the Company's exposure to interest rate on its variable rate borrowings.

### Foreign Currency Risk

The Company's exposure to currency risk relates primarily to the Company's operating activities including anticipated sales & purchase and borrowings where the transactions are denominated in a currency other than the Company's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at 31.03.2021 are as follows:

Particulars	US\$	GPB	EURO
Financial Assets	15,30,57,957.41	4,80,85,280.00	1,17,04,026.48
Financial Liabilities	3,87,09,929.76	-	5,86,201.36
Net exposure	11,43,39,886.45	4,80,85,280.00	1,11,18,041.00

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at 31.03.2020 are as follows:

Particulars	US\$	GPB	EURO
Financial Assets	32,54,851.73	5,15,869.73	-
Financial Liabilities	35,45,965.69	15,52,836.00	32,895.00
Net exposure	-2,91,113.96	-10,36,966.27	-32,895.00

### Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant.

Particulars	Impact on profit before tax			
	March 31, 2021		March 31, 2020	
	0.5 %	-0.5 %	0.5 %	-0.5 %
USD	5.72	-5.72	-0.01	0.01
GBP	2.40	-2.40	-0.05	0.05
EURO	0.56	-0.56	-	-

## NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)

### NOTE No. 47 CAPITAL MANAGEMENT

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt).

Net debt are non-current and current debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

The following table summarizes the capital of the Company:

Particulars	(₹ in Lakhs)	
	March 31, 2021	March 31, 2020
Non-Current Borrowings (Refer Note : 20)	1,626.68	1,777.61
Current Borrowings (Refer Note : 23)	18,327.88	15,590.76
Current Maturities of Long term Debt (Refer Note : 25)	488.60	200.79
Total Borrowings (a)	20,443.16	17,869.16
Cash and Cash equivalents (Refer Note : 13)	493.33	221.82
Other Bank Balances (Refer Note : 14)	556.59	664.81
Current Investments (Refer Note : 11)	390.17	225.43
Total Cash (b)	1,440.09	1,112.06
Net Debt (c) = (a)-(b)	19,003.07	16,757.10
Equity (Refer Note : 18)	1,598.27	1,598.27
Other Equity (Refer Note : 19)	31,530.38	29,339.72
Total Equity (d)	33,128.65	30,937.99
Total Capital (e) = (c)+(d)	52,131.72	47,695.09
Gearing Ratio = (c)/(e)	0.36	0.35

### NOTE No. 48 RELATED PARTY DISCLOSURES

#### i) Related party transactions

Related Party Relationships

#### ii) Key Management Personnel

- a. Mr. R. Doraiswamy - Managing Director
- b. Mr. D. Rajeshkumar - Joint Managing Director & Chief Financial Officer
- c. Mr. P. Ramachandran - Whole Time Director and
- d. Mr. S. Baskarasubramanian - Director (Corporate Affairs) & Company Secretary

#### iii) Subsidiary Company

- a. Kaycee Industries Limited

#### iv) Post-employment benefit plans

- a. Salzer Electronics Limited Employees Gratuity Trust

#### (v) Other related Parties

##### i. Board Members relative to Key Management Personnel

1. Dr. (Mrs.) Thilagam Rajeshkumar - Non Executive & Non Independent Director - Spouse of Mr. D Rajesh Kumar, Jt MD and CFO

## NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)

### ii) Enterprises Owned or significantly influenced by Key Managerial Personnel or their relatives

1. Salzer Exports Limited
2. Salzer Spinners Limited
3. SRVE Industries
4. K R Health Care Private Limited
5. S R V E Industries Limited &
6. K R Pharmacy

### iii) Trust under Common Control

- a. Salzer Educational Medical Research Trust

### Related Party Transactions

(₹ in Lakhs)

Particulars	Other Related Parties		Key Management Personnel		Subsidiary Company	
	March 31,2021	March 31,2020	March 31,2021	March 31,2020	March 31,2021	March 31,2020
Purchase of goods	166.96	10.05	-	-	0.59	0.43
Sale of goods	2217.46	2203.71	-	-	262.40	21.68
Purchase of Fixed Assets	223.23	70.80	-	-	-	2.08
Rendering of Services	-	502.08	-	-	-	-
Receiving of Services	288.58	21.79	-	-	-	-
CSR spent through Trust	29.90	6.87	-	-	-	-
Voluntary Contribution to trust	6.60	6.09	-	-	-	-
Managerial remuneration	-	-	161.37	160.34	-	-
Outstanding Receivables	130.72	324.23	-	-	-	-
Director Sitting Fees	1.80	1.20	-	-	-	-

### NOTE No. 49 SEGMENT INFORMATION

The Company is engaged in manufacture of Electrical Insatillation Products which is considered to be the only reportable business segment as per Ind AS 108, 'Segment Reporting'. The Company operates primarily in India and there is no other significant geographical segment. The Company has widespread customer base and hence the Company does not have any concentration risk.

**NOTE No. 50** Previous year figures have also been reclassified, regrouped, recast to conform to current year classification.

In terms of our report attached

#### N. RANGACHARY

Chairman  
(DIN :00054437)  
Bangaluru

#### D. RAJESHKUMAR

Joint Managing Director &  
Chief Financial Officer  
(DIN: 00003126)

Coimbatore – 47  
June 15, 2021

#### R. DORAISWAMY

Managing Director  
(DIN :00003131)

#### S. BASKARA SUBRAMANIAN

Director (Corporate Affairs) &  
Company Secretary  
(DIN :00003152& FCS No.4605)

For: **JDS ASSOCIATES**

Chartered Accountants  
FRN: 008735S

#### B. JAYARAM

Partner  
Memb.No. 028346



# Consolidated Financial Statement 2020 - 21

## FORM NO. AOC-1

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

### Part A : Subsidiaries

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

1.	Sl. No.	:	1
2.	Name of the Subsidiary	:	Kaycee Industries Limited
3.	The date since when subsidiary was acquired	:	July 11,2019
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	:	NA
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	:	INR
			(₹ in Lakhs)
			<b>As at</b>
			<b>March 31, 2021</b>
			<b>As at</b>
			<b>March 31, 2020</b>
6.	Share Capital		63.47
7.	Reserves & Surplus		1,421.37
8.	Total assets		2,069.21
9.	Total liabilities		2,069.21
10.	Investments		0.10
11.	Turnover		2,306.57
12.	Profit before taxation		124.88
13.	Provision for taxation		40.09
14.	Profit after taxation		84.80
15.	Proposed Dividend		30 %
16.	Extent of shareholding [In %] as at March 31		74.91 %
17.	Names of subsidiaries which are yet to commence operations		NIL
18.	Names of subsidiaries which have been liquidated or sold during the year		NIL

Since the Company does not have any associate Companies or Joint Ventures, the requirement of furnishing detail under Part B does not arise

For and on behalf of the Board

Date : June 15, 2021  
Place : Bangaluru

**N RANGACHARY**  
Chairman  
DIN :00054437

## CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

"To  
the Members of **SALZER ELECTRONICS LIMITED**  
**Report on the Consolidated Ind AS Financial Statements**

### Opinion

We have audited accompanying consolidated Ind AS financial statements of **Salzer Electronics Limited** ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise of the Balance Sheet as at March 31, 2021, the Consolidated statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of changes in Equity and the Consolidated Cash Flows Statement for the year ended on that date, and notes to the Consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated Ind AS Financial Statements:)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by The Companies Act, 2013 ("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 their consolidated state of affairs of the Group as at March 31, 2021, consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis of Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independent requirement that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the rules made there under, 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 audit opinion on the consolidated Ind AS financial statements.

### Key audit matters

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

Sr.No	Key Audit Matter	Auditor's Response
1.	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"</p> <p>The application of this revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, this revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed the Group's process to identify the impact of adoption of the revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>- Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>- It is observed that transaction price charged is exworks price and revenue is booked at the time of dispatch of the goods.</li> <li>- The above method followed by the Group is in line with the provisions of Ind AS 115-'Revenue from contracts with customers'</li> </ul> <p><b>Conclusion:</b></p> <p>We agree with the management's evaluation.</p>

## CONSOLIDATED INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr.No	Key Audit Matter	Auditor's Response
2.	Accuracy of revenues and onerous obligations in respect of fixed price contracts.	<p>In the process of verifying the accuracy of recognition of revenues of fixed price contracts, we have undertaken the following audit approach</p> <ul style="list-style-type: none"> <li>- Understood, evaluated and tested the key controls over the recognition of revenue from fixed price contracts. We selected a sample of transactions and</li> <li>- Agreed the applied tariff to the respective terms in the contract.</li> <li>- Tested revenue calculations and agreed the revenue recognized to the underlying accounting records.</li> </ul> <p><b>Conclusion:</b></p> <p>We agree with the management's evaluation</p>
3.	<p>Allowance for credit losses</p> <p>The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19. We identified allowance for credit losses as a key audit matter because the Group exercises significant judgment in calculating the expected credit losses.</p> <p>Refer Note No: 12 to the Consolidated Ind AS financial statements</p>	<p>Our audit procedures related to the allowance for credit losses for trade receivables and unbilled revenue included the following, among others: We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of the allowance for credit losses. For a sample of customers: We tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information. We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.</p> <p><b>Conclusion:</b></p> <p>We agree with the management's evaluation</p>
4.	<p><b>Assessment of carrying value of goodwill as per Ind AS 36 (Refer Note. 1 (vii) to the Consolidated financial Statements)</b></p> <p>The Group has a goodwill balance of ₹ 697.94 Lakhs as at March 31, 2021 relating to the acquisition of subsidiary, which is considered as a Cash Generating Unit (CGU). For the year ended March 31, 2021, the Group performed an assessment of the carrying value of goodwill as required under Ind AS 36 by:</p> <ul style="list-style-type: none"> <li>• Calculating the recoverable amount for CGU using a discounted cash flow model (DCF model).</li> <li>• Comparing the recoverable amount of the respective carrying amount of assets and liabilities. The preparation of discounted cash flows requires assumptions for projections of cash flows for a specific period, typically for 5 years. A terminal</li> </ul>	<p>Our audit procedures in relation to assessment of carrying value of goodwill arising on consolidation of subsidiary company, included the following:</p> <ul style="list-style-type: none"> <li>• Understood and performed procedures to assess the design and test the operating effectiveness of relevant controls related to the annual evaluation on assessment of carrying value of goodwill.</li> <li>• Together with auditor's valuation experts, evaluated the assumptions and methodologies used in the DCF models, in particular those relating to the cash flow projections used, discount rates and terminal growth rates applied, by: <ul style="list-style-type: none"> <li>a. Evaluating the reasonableness of the cash flow projections by comparing with the approved budgets, previous year performance and our knowledge and understanding of current business conditions.</li> </ul> </li> </ul>

**CONSOLIDATED INDEPENDENT AUDITOR'S REPORT (Contd.)**

Sr.No Key Audit Matter	Auditor's Response
<p>2. growth rate is applied in determining the terminal value. We considered the carrying value of goodwill as a key audit matter, considering its significance to the consolidated financial statements, and where applicable, the Management judgement involved in estimating future cash flows, particularly with respect to factors such as discount rates, cash flow projections and terminal growth rates</p>	<p>b. Determining a range of acceptable discount rates and terminal growth rates, with reference to valuations of similar companies and other relevant external data, and comparing this range to the discount rates and terminal growth rates adopted by the Company.</p> <p>c. Performing sensitivity tests on the DCF Model by analysing the impact of using other possible growth rates and discount rates within a reasonable and foreseeable range.</p> <p>d. Tested the arithmetical accuracy of the calculations carried out by the Management.</p> <p>Based on above procedures performed, we found the management's assessment of carrying value of goodwill to be reasonable.</p>

In prepa

**Other Matters**

We did not audit the financial statements of subsidiary Kaycee Industries Ltd., whose Ind AS financial statements reflect total assets of ₹. 2,069.21 Lakhs as at 31st March, 2021, total turnover of ₹.2,306.57 Lakhs and net cash flows amounting to ₹ 23.46 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of Profit of ₹ 113.54 Lakhs for the year ended 31<sup>st</sup> March, 2021, as considered in the consolidated financial statements, in respect of the subsidiary, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

**Information other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon**

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

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

thereon.

In connection with our audit of the consolidated Ind AS financial statement, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or other information obtained during the course of our audit or otherwise appear 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 Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated changes in equity and Consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and

## CONSOLIDATED INDEPENDENT AUDITOR'S REPORT (Contd.)

presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors are responsible for overseeing the Group's financial reporting process.

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

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

A further description of the auditor's responsibilities for the audit of the consolidated Ind AS financial statements is included in Annexure "A". This description forms part of our auditor's report.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our Audit, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated statement of change in equity, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated Ind AS financial statements,
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding company, none of the directors is disqualified as on March 31, 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 Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group Refer Note No. 42 to the consolidated Ind AS financial statements.
  - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts Refer Note No. 28 to the consolidated Ind AS financial statements.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

In Terms Of Our Report Of Even Date

For: **JDS ASSOCIATES**  
Chartered Accountants  
FRN: 008735S

Place: Coimbatore  
Date : June 15,2021

**B. JAYARAM**  
Partner

UDIN NO.: 21028346AAAAFV5846

Memb.No. 028346

## ANNEXURE "A"

### TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF SALZER ELECTRONICS LIMITED

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism through- out the audit. We also:-

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 Group'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 consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind

AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS 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.

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

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

In Terms Of Our Report Of Even Date

For: **JDS ASSOCIATES**  
Chartered Accountants  
FRN: 008735S

Place: Coimbatore  
Date : June 15,2021

**B. JAYARAM**  
Partner

UDIN NO.: 21028346AAAAFV5846

Memb.No. 028346

## ANNEXURE "B"

### **"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON CONSOLIDATED IND AS FINANCIAL STATEMENTS OF M/s. SALZER ELECTRONICS LIMITED**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report to the members of the Company on the Consolidated Ind AS Financial Statements for the year ended on 31st March, 2021).

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to the financial statements of Salzer Electronics Limited (hereinafter referred to as "the Company"), the holding company and its subsidiary company, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding company, its subsidiary company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

#### **Auditors' Responsibility**

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

financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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



**CONSOLIDATED INDEPENDENT AUDITOR'S REPORT (Contd.)****Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the respective companies 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.

In Terms Of Our Report Of Even Date

For: **JDS ASSOCIATES**  
Chartered Accountants  
FRN: 008735S

Place: Coimbatore  
Date : June 15,2021

**B. JAYARAM**  
Partner

UDIN NO.: 21028346AAAAFV5846      Memb.No. 028346

# CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2021

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>I. ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and equipment	2	20,938.83	20,520.31
(b) Capital Work in progress	3	134.63	272.02
(c) Investment Property	4	0.77	0.77
(d) Intangible Assets	5	1,107.35	1,140.92
(e) Financial Assets			
i. Investments	6	66.75	85.16
ii. Trade Receivables	7	1,160.13	713.51
iii. Others	8	1,728.23	1,779.93
(f) Other Non-Current Assets	9	229.76	303.92
<b>Total Non-Current Assets</b>	<b>(1)</b>	<b>25,366.45</b>	<b>24,816.54</b>
<b>2 Current Assets</b>			
(a) Inventories	10	18,098.94	16,060.73
(b) Financial Assets			
i. Investments	11	390.17	225.43
ii. Trade Receivables	12	18,844.05	15,209.90
iii. Cash and Cash Equivalents	13	529.85	234.88
iv. Other Bank balances	14	863.45	944.32
v. Loans	15	1,841.33	2,408.23
vi. Others	16	34.17	50.49
(c) Other Current Assets	17	2,522.65	1,717.83
<b>Total Current Assets</b>	<b>(2)</b>	<b>43,124.61</b>	<b>36,851.81</b>
<b>TOTAL ASSETS</b>	<b>(1+2)</b>	<b>68,491.06</b>	<b>61,668.35</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
(a) Equity Share Capital	18	1,598.27	1,598.27
(b) Other Equity	19	31,643.92	29,405.44
<b>Equity attributable to the Owners of the Company</b>		<b>33,242.19</b>	<b>31,003.71</b>
<b>Non Controlling interest</b>		405.49	389.95
<b>Total Equity</b>	<b>(1)</b>	<b>33,647.68</b>	<b>31,393.66</b>
<b>2 LIABILITIES</b>			
<b>(1) Non-current Liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	20	1,626.68	1,777.61
(b) Provisions	21	19.29	82.76
(c) Other Non Current Liabilities	22	24.09	23.84
(d) Deferred tax liabilities (net)	23	1,864.49	1,834.79
<b>Total Non-current Liabilities</b>	<b>(2)</b>	<b>3,534.55</b>	<b>3,719.00</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	24	18,327.88	15,625.76
ii. Trade Payables	25	6,316.39	5,409.12
iii. Others	26	492.80	505.20
(b) Other Current Liabilities	27	5,875.41	4,860.84
(c) Provisions	28	151.62	161.47
(d) Current Tax Liabilities (Net)	29	144.71	-6.70
<b>Total current Liabilities</b>	<b>(3)</b>	<b>31,308.81</b>	<b>26,555.69</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>(1+2+3)</b>	<b>68,491.06</b>	<b>61,668.35</b>

Significant accounting Policies - Note :1.The accompanying Notes are an integral part of the financial statements.

## N. RANGACHARY

Chairman  
(DIN :00054437) Bengaluru

## D. RAJESHKUMAR

Joint Managing Director &  
Chief Financial Officer  
(DIN: 00003126)

## R. DORAISWAMY

Managing Director  
(DIN :00003131)

## S. BASKARA SUBRAMANIAN

Director (Corporate Affairs) &  
Company Secretary  
(DIN :00003152& FCS No.4605)

Coimbatore – 47 June 15, 2021

In terms of our report attached

For: **JDS ASSOCIATES**  
Chartered Accountants  
FRN: 008735S

## B. JAYARAM

Partner  
Memb.No. 028346

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>I. INCOME</b>			
Revenue From Operations	30	62,573.60	58,435.34
Other Income	31	219.85	128.82
<b>Total Income</b>		<b>62,793.45</b>	<b>58,564.16</b>
<b>II EXPENSES</b>			
Cost of materials consumed	32	49,343.97	43,691.44
Changes in inventories of finished goods and work-in-progress	33	-1,231.24	-921.99
Employee benefit expenses	34	2,811.50	2,984.54
Finance Cost	35	2,134.48	2,122.14
Depreciation and amortisation expense	36	1,601.11	1,475.51
Other expenses	37	5,347.80	6,003.28
<b>TOTAL EXPENSES</b>		<b>60,007.62</b>	<b>55,354.92</b>
<b>III PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>2,785.83</b>	<b>3,209.24</b>
<b>IV a. Exceptional items</b>		-	-
Covid provision for inventory and receivables @ Kaycee		-19.46	-19.46
Prior Period Expenses		-4.37	-
<b>V PROFIT BEFORE TAX</b>		<b>2,800.92</b>	<b>3,189.78</b>
<b>VI Tax Expense</b>	38	663.02	448.46
<b>VII PROFIT AFTER TAX</b>		<b>2,137.90</b>	<b>2,741.32</b>
a. Attributable to Owners of the Company (Holding Co)		<b>2,051.69</b>	<b>2,711.33</b>
b. Attributable to Non-controlling Interest		86.21	29.99
<b>VIII OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit or loss			
a. Re-measurement of post employment benefit obligations		45.99	-43.37
b. Change in fair value of FVOCI equity instruments		144.43	-93.80
c. Net gain/ (loss) on sale of investments designated through OCI			
d. Income Tax expenses on above		-47.93	34.91
<b>IX TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<b>142.49</b>	<b>-102.26</b>
<b>X TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>2,280.39</b>	<b>2,639.06</b>
a. Attributable to Owners of the Company (Holding Co)		2,194.39	2,611.64
b. Attributable to Non-controlling Interest		86.00	27.42
<b>XI EARNINGS PER SHARE</b>	39		
- Basic and Diluted Before exceptional items (in ₹)		12.84	17.27
- Basic and Diluted after exceptional items (in ₹)		12.84	16.96

Significant accounting Policies - Note :1.The accompanying Notes are an integral part of the financial statements.

**N. RANGACHARY**  
Chairman  
(DIN :00054437) Bangaluru

**D. RAJESHKUMAR**  
Joint Managing Director &  
Chief Financial Officer  
(DIN: 00003126)

**R. DORAISWAMY**  
Managing Director  
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**S. BASKARA SUBRAMANIAN**  
Director (Corporate Affairs) &  
Company Secretary  
(DIN :00003152& FCS No.4605)  
Coimbatore – 47 June 15, 2021

In terms of our report attached  
For: **JDS ASSOCIATES**  
Chartered Accountants  
FRN: 008735S

**B. JAYARAM**  
Partner  
Memb.No. 028346

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) after tax	2,280.40	2,639.06
<b>Adjustments for:</b>		
Tax expenses	710.95	448.46
Depreciation and Amortisation	1,601.11	1,475.51
Interest Income	-51.04	-63.02
Finance Costs	2,134.48	2,122.14
(Gain)/Loss on Foreign Exchange Fluctuations (Net)	30.83	-12.59
Dividend Income	-11.16	-18.31
(Profit)/Loss on Sale of Investments	-10.93	-
(Profit)/Loss on Sale of Assets (Net)	-2.56	1.58
Fair valuation of investments	-144.43	-
Other Comprehensive Income	-45.99	-
Other Non-operating Income	-126.79	-7.59
<b>Operating Profit before working capital changes</b>	<b>6,364.87</b>	<b>6,585.24</b>
<b>Adjusted for working capital changes</b>		
Inventories	-2,038.21	-1,794.20
Trade and Other receivables	-4,250.69	-824.15
Trade and Other Payables	1,899.61	-167.98
Other Liabilities	-86.36	-
<b>Cash Generated from Operations</b>	<b>1,889.23</b>	<b>3,798.91</b>
Direct Taxes Paid	-511.61	-644.44
<b>Net Cash Flow from Operating Activities .....A</b>	<b>1,377.62</b>	<b>3,154.47</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in Subsidiary (Including Goodwill)	-	-1,662.16
Investment in Fixed Assets-Net	-1,856.07	-3,530.17
Sale of Fixed Assets	39.95	44.01
Non-operating Income	126.79	7.59
Investment in Mutual Funds and Equities	-20.31	-
Profit/ (Loss) on Sale of Fixed assets	2.56	-
Proceeds from Investments	10.93	56.34
Post Acquisition Profit from Subsidiary	47.83	65.74
Dividend Received	11.16	18.31
Interest Received	51.04	63.02
Other Non- Current Investments	-18.41	-4,937.32
<b>Net Cash Used in Investing Activities .....B</b>	<b>-1,604.53</b>	<b>-4,937.32</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Borrowings	2,702.11	2,065.76
Other Non-Current Assets	74.16	247.37
Long term Borrowings - receipts	-	1,356.53
Repayment of - Non Current Liabilities	150.93	23.84
Interest and Finance Charges	-2,134.48	-2,122.14
(Gain)/Loss on Foreign Exchange Fluctuations (Net)	-30.83	12.59
Dividend and Dividend Tax Paid	-19.04	-347.11
<b>Net Cash Generated from Financing Activities .....C</b>	<b>441.00</b>	<b>1,236.84</b>
<b>Net Increase in Cash and Cash Equivalents .....A+B+C</b>	<b>214.09</b>	<b>-546.01</b>
<b>ADD: Opening Cash and Cash Equivalents</b>	<b>1,179.20</b>	<b>1,725.21</b>
<b>Closing Cash balance</b>	<b>1,393.30</b>	<b>1,179.20</b>

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard (Ind As) 7- Statement of Cash Flows.

Significant accounting Policies - Note :1.The accompanying Notes are an integral part of the financial statements.

In terms of our report attached

**N. RANGACHARY**  
Chairman  
(DIN :00054437) Bengaluru

**R. DORAISWAMY**  
Managing Director  
(DIN :00003131)

For: **JDS ASSOCIATES**  
Chartered Accountants  
FRN: 008735S

**D. RAJESHKUMAR**  
Joint Managing Director &  
Chief Financial Officer  
(DIN: 00003126)

**S. BASKARA SUBRAMANIAN**  
Director (Corporate Affairs) &  
Company Secretary  
(DIN :00003152& FCS No.4605)  
Coimbatore – 47 June 15, 2021

**B. JAYARAM**  
Partner  
Memb.No. 028346

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED MARCH 31, 2021

<b>A) EQUITY SHARE CAPITAL</b>		As at 31-03-2021				
Particulars						
Balance as at 31st March, 2020			1,598.27			
Changes in equity share capital during the year			-			
Balance as at 31st March, 2021			1,598.27			
<b>B) OTHER EQUITY</b>						
Particulars	Reserve and Surplus					
	Capital Reserve	Securities Premium Reserve	General Reserve			
	Retained Earnings	Other Items of Other Comprehensive Income	Total Equity			
Balance as at 31/03/2020	80.67	12,630.14	1,958.46	14,740.75	-4.58	29,405.44
Profit for the year ended 31-03-2021	-	-	-	2,115.17	-	2,115.17
Other Comprehensive income:	-	-	-	-	143.32	143.32
Transfer to other reserves (if any)	-	-	50.00	-	-	-
Appropriations (if any)	-	-	-	-20.01	-	-20.01
Options exercised, pending allotment of shares	-	-	-	-	-	-
Premium against the allotment of shares	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
<b>Balance as at 31/03/2021</b>	<b>80.67</b>	<b>12,630.14</b>	<b>2,008.46</b>	<b>16,785.91</b>	<b>138.74</b>	<b>31,643.92</b>

The accompanying Notes are an integral part of the financial statements

In Terms Of Our Report Of Even Date

**N. RANGACHARY**  
Chairman  
(DIN :00054437)  
Bangaluru

**D. RAJESHKUMAR**  
Joint Managing Director &  
Chief Financial Officer  
(DIN: 00003126)

Coimbatore – 47  
June 15, 2021

**R. DORAISWAMY**  
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**S. BASKARA SUBRAMANIAN**  
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Company Secretary  
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For: **JDS ASSOCIATES**  
Chartered Accountants  
FRN : 008735S

**B. JAYARAM**  
Partner  
Memb.No. 028346

# CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31, 2021

## Significant Accounting Policies

### Note No. 1

#### i. Corporate Information:

Salzer Electronics Limited, incorporated in January 1985 under the provisions of Companies Act, 1956. The Group is engaged in manufacture of Electrical Installation Products and Components viz., CAM Operated Rotary switches, Selector Switches, Wiring Ducts, Voltmeter Switches, copper wires and cables and allied products addressing customers in the electrical equipment, power, medical equipment, automotive as well as renewable and uninterrupted power system spaces, in a single and unified segment. The Parent Company is listed in Bombay Stock Exchange Limited and National Stock Exchange of India Limited and Subsidiary Company is listed in Bombay Stock Exchange Limited only.

#### ii. General Information and Statement of Compliance with IND AS

These Consolidated financial statements ('financial statements') of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies during the periods presented.

These financial statements for the year ended 31 March 2021 were authorized and approved for issue by the Group's Board of Directors on June 18, 2021.

#### iii. Basis of Preparation:

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India.

The Financial Statements have been prepared and presented on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as on the exchange date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, 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 Group takes in to 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 the basis stated above. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All amounts included in the financial statements are reported in lakhs of Indian rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

#### iv. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities (including structured entities) controlled by the Group and its subsidiaries.

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. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the results and

## NOTE 5 TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively. The carrying amount of equity accounted investments are tested for impairment. The consolidated Ind AS financial statements of the Group include subsidiary which are incorporated in India in the table below

Name of the Subsidiary	% of Holding	Reporting Date
Kaycee industries Ltd	74.91%	31.03.2021

### iv) Use of Estimates:

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Group to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these

Financial statements have been disclosed separately under the heading "Significant accounting Judgements, estimates and assumption".

### v. Current versus non-current classification

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

#### An asset is classified as current, when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

#### A liability is classified as current, when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading,

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The entity classifies all other liabilities as non-current.

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

### vi. Foreign currency transactions

#### Functional and presentation currency

The financial statements are presented in Indian Rupee which is also the functional and presentation currency of the Company. All amounts have been rounded-off to the nearest rupee.

#### (a) Initial recognition

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

#### (b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

#### (c) Forward Contract

Premium/ Discount in respect of Forward Contract are amortized as expense/income over the period of contract. Exchange differences arising on forward contracts between the exchange rate on the date of transaction and the exchange rate prevailing at the year end is recognized in the Statement of Profit and Loss.

### vii) Property, Plant and Equipment:

Property, Plant and Equipment (PPE) is recognized when the cost of an asset can be reliably measured and it is probable that the entity will obtain future economic benefits from the asset.

Property, plant and equipment are stated at historical cost net of indirect taxes, including appropriate direct and allocated expenses less accumulated depreciation and impairment losses, if any. Increase/Decrease in rupee liability in respect

## NOTE 5 TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

of foreign currency liability related to acquisition of fixed assets is recognised as expense or income in the Statement of Profit and Loss. Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Property, plant and equipment represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end with the effect of any changes in estimate accounted for on a prospective basis. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

PPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and non-refundable purchase taxes). Subsequent expenditure relates to an item of PPE is capitalised if it meets the recognition criteria.

On the date of transition to Ind AS, barring Land which has been valued at Fair value, all other items of assets have been valued as per their 'deemed cost' in accordance with Ind AS 101.

Foreign exchange gain/loss arising on foreign currency denominated borrowing which are not hedged that were incurred to acquire PPE are recorded in the cost of the asset as per Ind AS 101 Para D13AA and Ind AS 21 Para 7A and depreciated over their remaining useful life. In respect of exchange gain/loss arising from foreign currency denominated borrowings which are hedged, accounting has been done based on hedge effectiveness either as derivate/cash flow hedge as per Ind AS 109.

### Depreciation:

The depreciable amount of PPE (being the Gross carrying value less the estimated residual value) is depreciated on a systematic basis over its useful life.

In respect of certain classes of PPE, the Group uses different useful life other than those prescribed in Schedule II to the Act. The useful life of such class of PPE has been ascertained based on technical review by a Chartered Engineer and assessment by the management as detailed in the following table:

Class of Assets	Useful Lives
Buildings	30 Years
Plant and Machinery	15 Years
Windmill	22 Years
Electrical Machinery solar	30 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any 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 recognised in the profit or loss.

### viii) Investment property:

Investment property is a property, being a land or a building or part of a building or both, held by the owner or by the lessee under a finance lease, to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business. Investment properties (if any), are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

### ix) Intangible assets and amortization:

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognised only if it is probable that future economic benefits that are



## NOTE 5 TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Operating software is capitalised and amortised along with the related fixed asset.

The Group has used the following useful lives to amortise its intangible assets:

Class of Assets	Useful Lives
Computer software	3 Years
Internally Generated Intangible assets	3 Years

### x. Research and Development Expenditure:

Research & Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. However, expenditure incurred at development phase, where it is reasonably certain that outcome of research will be commercially exploited to yield economic benefits to the Company, is considered as Property, plant and equipment or Intangible Asset and depreciated in accordance with the policies stated above.

### xi. Impairment of Non Financial assets

The Group periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash- generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

### xii) Inventories:

Inventories are carried at the lower of cost and net realizable value.

Cost includes all applicable costs incurred in bringing the properties to their present location and condition.

Net realizable value is the estimated selling price in

the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of raw materials including consumables and stores & spares are determined on FIFO (First In First Out) Basis.

Cost of work-in-progress is valued at cost of materials and labor together with relevant factory overheads. The cost of work-in progress is determined on the basis of weighted average method.

The finished goods are valued at cost inclusive of excise duty (or) net realizable value whichever is less.

### xiii) 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.

#### 1. Financial assets

##### Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

##### Subsequent measurement

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

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

##### Debt instruments at amortized cost:

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

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

## NOTE 5 TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

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

### Debt instrument at FVTOCI:

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

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

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

### Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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

### Equity investments (other than investments in subsidiaries and joint ventures):

All equity investments within the scope of Ind AS 109, 'Financial Instruments', are measured at fair value either through statement of profit and loss or other comprehensive income. The Group makes an irrevocable election to present in OCI the subsequent changes in the fair value on an instrument-by-instrument basis. The classification is made on initial recognition.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI. Any gains or losses on de-recognition is recognized in the OCI and are not recycled to the statement of profit or loss.

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

### De-recognition of Financial Assets:

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-recognized when:

- The rights to receive cash flows from the asset have expired, or
- 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 and 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.

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

### Investment in Subsidiaries, Associates and Joint ventures:

The Group's investment in equity instruments of Subsidiaries, is accounted for at cost as per Ind AS 27.

## 2. Financial Liabilities

### Initial recognition and measurement

All financial liabilities are recognized initially at fair value and transaction cost (if any) that is attributable to the acquisition of the financial liabilities is also adjusted.

### Subsequent measurement

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

#### a. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in

**NOTE 5 TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

profit or loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**b. Trade and other payables**

These amounts represent liabilities for goods or services provided to the Group which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortized cost unless designated as fair value through profit and loss at the inception.

**c. Other financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the profit or loss.

**d. De-recognition of Financial Liabilities:**

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

**3. 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**4. Compound Financial Instruments:**

A financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the

compound instrument and is subsequently measured at amortized cost. The residual value is recognized as equity component of other financial instrument and is not re-measured after initial recognition.

The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognized directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortized using effective interest method.

**xiv) 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 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.

**xv) Fair value measurement:**

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

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

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

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

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

## NOTE 5 TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

### xvi) Revenue Recognition:

#### a. Revenue from sale of goods and services:

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers.

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer, which is mainly upon delivery, the amount of revenue can be measured reliably and the recovery of consideration is probable. Revenue from the sale of goods includes excise and other duties which the Group pays as a principal but excludes amounts collected on behalf of third parties, such as goods and service tax (GST) and value added tax, as applicable.

Export Benefits are recognized as revenue when the right to receive credit as per the terms of the entitlement is established in respect of exports made.

Revenue from services is recognised in the periods in which the services are rendered.

#### b. Revenue from Projects

Revenue from fixed Price Contracts, where the performance obligation is satisfied over the period of time and where there is no un-certainty as to

measurement or collectability of consideration is recognized as per the percentage of completion method in accordance with the IND AS 115. Under the percentage of completion method, revenue is recognised in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. The amount recognised is net of goods and service tax (GST), service tax and other amounts collected from the customer in the capacity of an agent, as applicable. In cases where the total project cost is estimated to exceed the total estimated revenue from a project, the loss is recognised immediately.

Contract costs include the estimated material costs, installation costs and other directly attributable costs of the project.

Contract revenues represent the aggregate amounts of fair value of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion.

The estimates for contract costs are reviewed by the management periodically and the cumulative effect of the changes in these estimates, if any, are recognized in the period in which these changes may be reliably measured.

#### c. Dividend :

Income from dividends are recognized when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

Final dividend on shares are recorded as a liability on the date of approval by the shareholders at the annual general meeting and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors

#### d. Interest Income:

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. The expected cash flows are reassessed on a yearly basis and changes, if any, are accounted prospectively.

## NOTE 5 TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

### a. Other Operating Revenue:

Other Operating revenue comprises income from ancillary activities incidental to the operations of the Group and are recognized when the right to receive the income is established as per the terms of the contract.

### xvii) Leases:

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Assets acquired under lease where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such lease is capitalized at the inception of the lease at lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

### xviii) Employee benefits

#### 1. Short Term and other long term employee benefits:

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Compensated leave absences are encashed by employees at year end and no carry forward of leave is permitted as per the leave policy.

### 2. Post-Employment Benefits

#### a. Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to a separate entity. The Group makes specified monthly contributions towards Provident Fund and Superannuation Fund. The Group's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

#### b. Defined Benefit Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in OCI in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment.

### xix) Share Based Payments Arrangements

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

### xx) Borrowing costs:

Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs are charged to statement of profit and loss.

### xxi) Provisions:

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when

## NOTE 5 TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### Provision for warranty:

Provision for expected cost of warranty obligations are recognized based on management's best estimate of the expenditure required to settle the obligations which takes into account the empirical data on the nature, frequency and average cost of warranty claims and regarding possible future incidents.

### xxii) Contingent liabilities and Contingent Assets:

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

Contingent Assets are not recognized but are disclosed when the inflow of economic benefits are probable.

### xxiii) 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. Partly paid equity shares (if any) are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares if any.

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.

### xxiv) Taxes on Income:

Tax expense comprises of current and deferred tax.

#### a. Current income tax:

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

are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in other comprehensive income / equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### b. Deferred tax

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

### xxvi) Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

### Business Combination under common control

Common control business combination includes transaction, such as transfer of subsidiaries or business, between entities within a Group. Business combinations involving entities or business under common control are accounted for using the pooling of interest method. Under pooling of interest, the assets and liabilities of the combining entities are reflected at their carrying amount, the only adjustment that are made are to harmonise accounting policies.

## NOTE 5 TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

The financial information in the financial statement in respect of prior period are restated as if the business combination had occurred from the beginning of the preceding period in the financial statement, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only from that date.

The differences, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other asset and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

### xxvii) Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Executive Officer (CEO), who is the Chief Operating Decision Maker (CODM), to make decisions about resources to be allocated to the segments and assess their performance. Information reported to the CODM for the purpose of resource allocation and assessment of segment performance focuses on the type of goods or services delivered or provided.

The Company is primarily engaged in manufacturing of wide range of electrical installation products including devices for energy efficiencies services which all fall under One segment by name Electrical Installation Products for any reporting requirements.

### Significant accounting Judgments, estimates and assumptions:

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

revision and future periods if the revision affects both current and future periods.

### The following are the areas of estimation uncertainty and critical judgments that the management has made in the process of applying the Group's accounting policies

#### a) Recognition of deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

#### b) Revenue recognition, contract costs:

The Group uses the percentage of completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its contractual projects. The percentage of completion is measured by reference to the stage of the projects and contracts determined based on the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs. Use of the percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred to the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

#### c) Provision and contingent liability:

On an on-going basis, the Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements.

#### d) Useful lives of depreciable assets:

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2017 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

#### e) Evaluation of indicators for impairment of assets:

The evaluation of applicable indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

## NOTE 5 TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

### f) Defined benefit obligation:

Management's estimate of the Defined Benefit obligation is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the obligation amount and the annual defined benefit expenses.

### g) Fair value measurements:

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

## Note No. 2 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Building	Plant & Equipment	Furniture & Fixtures	Electrical Machinery Solar	Vehicles	Wind-mill	Computers	Office Equipments	Electrical Fittings	Total
Deemed Cost											
<b>As at March 31, 2020</b>	<b>2,973.37</b>	<b>3,113.51</b>	<b>15,341.43</b>	<b>414.80</b>	<b>232.45</b>	<b>79.46</b>	<b>87.13</b>	<b>55.57</b>	<b>33.89</b>	<b>6.02</b>	<b>22,337.62</b>
Additions during 31/03/2021	-	407.31	1,432.20	54.77	22.50	17.92	8.54	10.18	-	-	1,953.42
Disposal during 31/03/2021	-	-	21.38	8.66	-	9.91	-	-	-	-	39.95
<b>As at March 31, 2021</b>	<b>2,973.37</b>	<b>3,520.82</b>	<b>16,752.25</b>	<b>460.91</b>	<b>254.95</b>	<b>87.47</b>	<b>95.67</b>	<b>65.75</b>	<b>33.89</b>	<b>6.02</b>	<b>24,251.09</b>
Accumulated Depreciation											
<b>As at March 31, 2020</b>	-	<b>149.55</b>	<b>1,470.96</b>	<b>75.55</b>	<b>15.13</b>	<b>16.26</b>	<b>7.80</b>	<b>50.99</b>	<b>27.47</b>	<b>3.60</b>	<b>1,817.31</b>
Depreciation charged during the year	-	125.03	1,305.16	59.77	16.65	14.02	7.61	3.17	-	-	1,531.41
Disposals during 31/03/2021	-	-	21.38	5.21	-	9.87	-	-	-	-	36.46
<b>As at March 31, 2021</b>	-	<b>274.58</b>	<b>2,754.74</b>	<b>130.11</b>	<b>31.78</b>	<b>20.41</b>	<b>15.41</b>	<b>54.16</b>	<b>27.47</b>	<b>3.60</b>	<b>3,312.26</b>
<b>Net Carrying amount</b>											
As at March 31, 2020	<b>2,973.36</b>	<b>2,963.96</b>	<b>13,870.47</b>	<b>339.25</b>	<b>217.32</b>	<b>63.20</b>	<b>79.33</b>	<b>4.58</b>	<b>6.42</b>	<b>2.42</b>	<b>20,520.31</b>
As at March 31, 2021	<b>2,973.37</b>	<b>3,246.23</b>	<b>13,996.78</b>	<b>330.79</b>	<b>223.73</b>	<b>67.06</b>	<b>80.26</b>	<b>11.60</b>	<b>7.16</b>	<b>1.84</b>	<b>20,938.83</b>

Details of properties pledged as security - Refer Note No. 20

## Note No. 3 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Work in Progress	134.63	272.02
<b>Total</b>	<b>134.63</b>	<b>272.02</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**
**Note No. 4 INVESTMENT PROPERTY**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
Freehold Land	0.77	0.77
<b>Total</b>	<b>0.77</b>	<b>0.77</b>

**Note No. 5 INTANGIBLE ASSETS**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Software</b>		
Opening Balance	207.78	254.03
Add: Additions during the year	40.04	12.06
Less: Deductions/ Adjustments during the year	-	-
Less: Amortization for the year	69.69	58.32
Closing Balance	<b>178.13</b>	<b>207.77</b>
<b>Goodwill</b>		
Opening Balance	933.15	235.21
Add: Additions during the year	-	697.94
Less: Deductions/ Adjustments during the year	3.93	-
Less: Amortization for the year	-	-
Closing Balance	<b>929.22</b>	<b>933.15</b>
<b>Total</b>	<b>1,107.35</b>	<b>1,140.92</b>

**Note No. 6 NON-CURRENT INVESTMENTS**

(₹ in Lakhs)

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
	No.	Amount	No.	Amount
<b>TRADE INVESTMENTS</b>				
Measured at Fair value through Other Comprehensive Income				
(i) Quoted equity shares, fully paid up.				
Bank of India- Equity shares of Rs. 10/- each (31.03.2021 -Rs.67.85)	2300	1.56	2300	1.77
<b>Total (i)</b>	<b>2300</b>	<b>1.56</b>	<b>2300</b>	<b>1.77</b>
(ii) Unquoted equity shares, fully paid up				
Salzer Technologies, of ₹ 10/- each	83,250	8.33	83,250	8.33
Salzer Spinners Ltd, of ₹ 10/- each	18,65,500	55.97	18,65,500	55.97
Jayachandar Windfarm Pvt Ltd	7,960	0.79	6,430	0.64
Mythra Vayu (Manjira Pvt Ltd)	-	-	1,83,500	18.35
Saraswat Bank (1000 Equity Shares)	1,000	0.10	1,000	0.10
<b>Total (ii)</b>		<b>65.19</b>		<b>83.39</b>
<b>GRAND TOTAL</b>		<b>66.75</b>		<b>85.16</b>

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2021
	Amount	Amount
Aggregate value of quoted investments	1.56	1.77
Market value of quoted investments	-	-
Aggregate value of unquoted investments	65.19	83.39

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

### Note No. 7 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	1,160.13	732.55
Doubtful	-	-
<b>Sub Total</b>	<b>1,160.13</b>	<b>732.55</b>
Less: Allowance for expected credit losses (Refer Note No. 45)	-	19.04
<b>Total</b>	<b>1,160.13</b>	<b>713.51</b>

### Note No. 8 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Financial Assets at amortized cost</b>		
Balance with Bank Held as fixed deposits	1.70	1.70
Security Deposits	177.27	183.34
Unbilled Revenue*	1,549.26	1,594.89
<b>Sub Total</b>	<b>1,728.23</b>	<b>1,779.93</b>
Less: Allowance for Expected credit Loss (Refer Note No. 45)	-	-
<b>Total</b>	<b>1,728.23</b>	<b>1,779.93</b>

\* Unbilled revenue represents revenue from projects in respect of performance obligations completed in accordance with IndAS115 but customers are yet to be billed pending receipt of certification from independent agency.

### Note No. 9 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance for capital expenses	188.98	257.19
Net Assets in Pakistan Unit (Considered Doubtful)	8.76	8.76
Less: Provision for above	-8.76	-8.76
Sundry Deposits	16.66	23.70
Sales Tax Receivable	12.33	1.40
Income Tax Refund receivable	11.79	15.47
MAT Credit Entitlement	-	6.16
<b>Total</b>	<b>229.76</b>	<b>303.92</b>

### Note No. 10 INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Material (including goods in transit)	5,565.14	4,989.39
Packing Materials	172.43	150.38
Trading Materials	120.91	72.10
Work in progress	7,749.54	8,004.27
Finished Goods	4,490.92	2,844.59
<b>Total</b>	<b>18,098.94</b>	<b>16,060.73</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**
**Note No. 11 CURRENT INVESTMENTS**

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No.	Amount	No.	Amount
<b>INVESTMENTS</b>				
Measured at Fair value through OCI				
(i) In Mutual Funds, quoted				
State Bank of India - Infrastructure Fund	82,945	36.51	82,945	17.74
ICICI Prudential Discovery Fund	1,21,939	31.14	1,21,939	19.53
Sundaram BNP Paribas Select Mid Cap	1,07,651	41.10	1,07,651	23.51
Aditya Birla Sunlife Frontline Equity Fund	1,32,877	38.53	1,32,877	23.47
HDFC Top 200 Fund	69,623	30.41	69,623	20.27
Canara Robeco Capital Protection Oriented Fund	2,00,000	24.75	2,50,000	27.56
Canara Rebeco Emerging Equities - Regular Growth	14,002	18.09	14,002	10.50
ICICI Pru Real Estate Portfolio	-	-	-	0.41
Aditya Birla Sunlife Mutual Fund	13,541	15.13	13,541	9.70
Kodak Select Focus Fund	61,710	16.75	61,009	10.38
IDFC Sterling Equity Fund	71,464	16.75	71,464	7.76
Union Large & Midcap Fund	-	-	99,990	18.90
Nippon India Large Cap Fund	87,373	15.02	87,373	8.96
Nippon India Multi Cap Fund	97,767	31.57	97,767	18.14
Canara Rebeco Equity Hybrid Fund	3,009	6.34	3,009	4.30
Canara Rebeco Equity Hybrid Fund - Folio -1066591931	3,009	6.34	3,009	4.30
ICICI Prudential Discovery Fund Growth	3,757.57	7.24	-	-
Sundaram Mid Cap Fund Regular Growth	866	4.98	-	-
Aditya Birla Frontline Equity Fund Growth	2,546	7.15	-	-
Aditya Birla Frontline Equity Fund Growth	899	8.42	-	-
HDFC Top 100 Fund Growth	1,253	7.20	-	-
Nippon India Large Cap Fund	14,999	6.08	-	-
Nippon India Multi Cap Fund - Growth	4,527	5.10	-	-
State Bank Of India Magnum Midcap Fund Growth	4,970	5.35	-	-
Kotack Std Multicap Fund Growth	2,128	0.58	-	-
Kotack Std Multicap Fund Growth	18,424	8.28	-	-
IDFC Sterling Fund Growth	2,085	1.36	-	-
<b>Total</b>		<b>390.17</b>		<b>225.43</b>

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No.	Amount	No.	Amount
Aggregate value of quoted investments		390.17		225.43
Market value of quoted investments		<b>390.17</b>		<b>225.43</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**

**Note No. 12 TRADE RECEIVABLES**

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	18,890.14	15,305.70
Doubtful	90.74	64.45
<b>Sub Total</b>	<b>18,980.88</b>	<b>15,370.15</b>
Less: Allowance for expected credit losses (Refer Note No. 46)	136.83	160.25
<b>Total</b>	<b>18,844.05</b>	<b>15,209.90</b>

**Note No. 13 CASH AND CASH EQUIVALENTS**

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
- In Current Accounts	481.63	188.05
Deposits(with original maturity of 3 months or less)	40.64	35.00
Cash on hand	7.58	11.83
<b>Total</b>	<b>529.85</b>	<b>234.88</b>

**Note No. 14 OTHER BANK BALANCES**

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
<b>Earmarked Balances</b>		
- In Unpaid / Unclaimed Dividend Accounts	30.18	34.11
- In Margin money and Bank Guarantee	408.49	314.35
<b>Others</b>		
- Deposit (with original maturity of more than 3 months)	424.78	595.86
<b>Total</b>	<b>863.45</b>	<b>944.32</b>

**Note No. 15 LOANS**

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Loans and Advances to related parties (Refer Note No. 48)	130.72	324.23
Loans and Advances to employees	214.92	215.35
Loans-Others	1,495.69	1,868.65
<b>Total</b>	<b>1841.33</b>	<b>2,408.23</b>

**Note No. 16 OTHER FINANCIAL ASSETS**

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Financial Assets at amortized cost</b>		
Windmill Income receivable	0.28	-
Energy Saver Deposit Receivable	33.89	50.49
<b>Total</b>	<b>34.17</b>	<b>50.49</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**
**Note No. 17 OTHER CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Unsecured, considered good</b>		
<b>(a) Advances other than capital advances</b>		
Advances to Suppliers	734.06	446.11
<b>(b) Others</b>		
Prepaid expenses	76.40	85.91
Balances with statutory/government authorities	1,120.97	779.84
Other Receivables - Statutory	591.22	405.97
<b>Total</b>	<b>2,522.65</b>	<b>1,717.81</b>

**Note No. 18 EQUITY SHARE CAPITAL**
**Authorized Share Capital**

(₹ in Lakhs)

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
1,90,00,000 equity shares of ₹ 10/- each	1,90,00,000	1900.00	1,90,00,000	1900.00
10,00,000 non-cumulative convertible preference shares of ₹ 10/- each	10,00,000	100.00	10,00,000	100.00
<b>Total</b>		<b>2000.00</b>		<b>2000.00</b>
<b>Issued and Subscribed Capital</b>				
Equity Share Capital	1,59,82,737	1598.27	1,59,82,737	1598.27
<b>Total</b>	<b>1,59,82,737</b>	<b>1598.27</b>	<b>1,59,82,737</b>	<b>1598.27</b>

**a. Reconciliation of shares outstanding at the beginning and at the end of the period**

(₹ in Lakhs)

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of relevant date	1,59,82,737	1,598.27	1,59,82,737	1,598.27
Add: Shares issued during the period	-	-	-	-
Less: Buy Back during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>1,59,82,737</b>	<b>1,598.27</b>	<b>1,59,82,737</b>	<b>1,598.27</b>

**b. Terms/ Rights attached to the Equity Shares**

- The Parent Company has two class of Shares having par value of ₹ 10/- per share namely Equity Shares and Non Cumulative 5% Convertible Preference Shares. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays Dividend in Indian Rupees and
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

**c. Shares held by Holding Company or Ultimate Holding Company - NIL**
**d. Shareholders holding more than 5% shares**

Particulars	As at		As at	
	March 31, 2021		March 31, 2020	
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Sundaram Mutual Fund	4,26,548	5.67%	8,98,736	5.62%
Salzer Magnetic Wires Ltd	10,30,000	6.44%	10,30,000	6.44%
HMG Globetrotter	9,63,024	6.03%	9,63,024	6.03%

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**

**Note No. 19 OTHER EQUITY**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Reserve	80.67	80.67
Securities Premium	12,630.14	12,630.14
General Reserve	2,008.46	1,958.46
Retained Earnings	16,785.92	14,740.75
Other Comprehensive Income	138.73	-4.58
<b>Total</b>	<b>31,643.92</b>	<b>29,405.44</b>

**Note No. 20 BORROWINGS (NON-CURRENT)**

(₹ in Lakhs)

Particulars	Effective Interest Rate	As at March 31, 2021	Effective Interest Rate	As at March 31, 2020
Term Loans				
Secured from Bank				
<b>i) HDFC Bank</b>				
Phase 2 Term Loan *	6.2	435.00	9.20	600.00
<b>ii) Union Bank of India</b>				
Phase 2 Term Loan **	9.20	1,191.68	10.95	1,177.61
<b>Total</b>		<b>1,626.68</b>		<b>1,777.61</b>

Notes

\* Security: Assets purchased under Term Loans, Extension of equitable mortgage of Land and Building of the Parent Company (Unit-III) and guaranteed by Mr.R.Doraiswamy, Managing Director and Mr.D.Rajeshkumar, Joint Managing Director.

Terms of Repayment: Plant & Machinery Term Loan Repayable within 40 EMI of ₹. 15,00,000/-

\*\* Building, Plant & Machinery Term Loan

Secured by first charge as Land & Building, Plant & Machinery of Unit IV and guaranteed by Mr.R.Doraiswamy, Managing Director and Mr.D.Rajeshkumar, Joint Managing Director & CFO.

₹. 15,89,97,758/- is availed against sanctioned limit of ₹. 18,37,00,000/- during the year.

Terms of Repayment: Plant & Machinery Term Loan Repayable within 54 EMI of ₹. 23,55,128/- and 1st EMI of ₹. 29,33,333/-

**Note No. 21 PROVISIONS**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Liability towards LIC. Group Gratuity Scheme	16.32	79.94
Provision for Premium payable	2.97	2.82
<b>Total</b>	<b>19.29</b>	<b>82.76</b>

**Note No. 22 OTHER NON-CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits		
Dealer, Distributor & Stockist	24.09	23.84
<b>Total</b>	<b>24.09</b>	<b>23.84</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**
**Note No. 23 DEFERRED TAX LIABILITIES (NET)**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax liability</b>		
- On Fixed Assets	1,583.59	1,586.18
- On Research and Development Expenses	906.56	785.36
- On Revenue Recognition / ECL	38.97	38.97
- On Employee Benefit Expenses	28.61	28.61
<b>Less: Deferred tax Asset</b>		
- On Employee Benefit Expenses	44.99	35.69
- On Fixed Assets	603.89	548.22
On Provision for doubtful debts	15.60	20.42
On Revenue Recognition / ECL	28.76	-
<b>Total</b>	<b>1,864.49</b>	<b>1,834.79</b>

**Note No. 24 BORROWINGS (CURRENT)**

(₹ in Lakhs)

Particulars	Interest Rate	As at March 31, 2021	As at March 31, 2020
<b>Secured Loan From Banks</b>			
<b>i) Canara Bank</b>			
Cash Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-I	9.85	1,604.07	1,727.71
<b>ii) Citi Bank</b>			
Cash Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-I	10.25	-	501.57
Pre-shipment Loan Secured by: Hypothecation of Inventories and Book Debts of Unit-II	L+1.50	-	2,756.50
Post-shipment Loan Secured by: Hypothecation of Inventories and Book Debts of Unit-II		-	368.55
<b>iii) HDFC Bank</b>			
Cash Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-II	8.75	4,009.26	-
Pre-shipment Loan Secured by: Hypothecation of Inventories and Book Debts of Unit-II	L+1.50	3,110.34	-
<b>iv) ICICI Bank</b>			
Cash Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-II	9.75	-	2,833.08
Pre-shipment Loan Secured by: Hypothecation of Inventories and Book Debts of Unit-II		-	459.61

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**

**Note No. 24 BORROWINGS (CURRENT) (Contd.)**

(₹ in Lakhs)

Particulars	Interest Rate	As at March 31, 2021	As at March 31, 2020
<b>v) Union Bank of India</b>			
Cash Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-IV	8.95	3,903.41	2,606.45
Buyer's Credit Secured by: hypothecation of Inventories and Book Debts of Unit-IV	L+1.00	1,487.51	312.17
<b>vi) HDFC Bank</b>			
Cash Credit Secured by hypothecation of Inventories and Book Debts of Unit-III	8.75	892.27	1,002.09
<b>vii) Axis Bank</b>			
Cash Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-V	9.35	-	1,023.02
<b>viii) IDFC Bank</b>			
Cash Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-IV	9.00	1,572.57	-
Letter of Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-IV	5.25	748.45	-
<b>ix) The Saraswat Co-op Bank Ltd</b>			
ODCC - Secured against hypothecation of Raw Materials, Finished Goods, Semi - Finished Goods and Book Debts, block of assets of the Company including Factory Land, and Building at Ambernath)		-	35.01
Loans repayable on demand Loan from HDFC	8.10	-	2,000.00
Loans repayable on demand Loan from Standard Chartered Bank	8.10	1,000.00	-
<b>Total</b>		<b>18,327.88</b>	<b>15,625.76</b>

**Note No. 25 TRADE PAYABLES**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
	Current	Current
Trade payable - Micro and small enterprises	71.79	63.58
Trade payable - Other than Micro and small enterprises	6,244.60	5,345.54
<b>Total</b>	<b>6,316.39</b>	<b>5,409.12</b>

There are no interest amounts paid / payable to Micro, Small and Medium Enterprises. The information in relation to dues to Micro Enterprises and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**
**Note No. 26 OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long- term debt	462.62	471.09
Unclaimed dividends	30.17	34.11
Unclaimed amount for fractional shares	0.01	-
<b>Total</b>	<b>492.80</b>	<b>505.20</b>

**Note No. 27 OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues	417.39	253.39
Advance from Customers	45.13	13.97
Creditors for capital goods	342.18	380.89
Creditors for expenses	5,070.71	4,212.59
<b>Total</b>	<b>5,875.41</b>	<b>4,860.84</b>

**Note No. 28 PROVISIONS**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits - Gratuity (Refer Note No. 40)	21.61	41.18
Provision for Warranty	130.01	100.83
Provision on account of COVID 19	-	19.46
<b>Total</b>	<b>151.62</b>	<b>161.47</b>

The Company gives warranties for its products undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. The provision for warranty claims represents the present value of the Management's best estimate of the future outflow of economic benefits that will be required under the Company's obligations for warranties under sale of goods legislations. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality

**Note No. 29 CURRENT TAX LIABILITY**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax Liability - [Net of Advance Tax IT]	144.71	-6.70
<b>Total</b>	<b>144.71</b>	<b>-6.70</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**

**Note No. 30 REVENUE FROM OPERATIONS**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>(a) Sale of products (excluding GST)</b>		
Sales - Domestic	55,927.37	50,706.98
Sales - Exports	6,104.29	7,105.51
<b>Sub Total</b>	<b>62031.66</b>	<b>57,812.49</b>
<b>(b) Sale of Services</b>		
Technical Services	1.08	0.47
<b>Sub Total</b>	<b>1.08</b>	<b>0.47</b>
<b>Gross Revenue from Sale of Products and Services</b>	<b>62,032.74</b>	<b>57,812.96</b>
<b>(c) Other operating revenue</b>		
Conversion Charges Received	52.56	122.25
Income by Power Generation	61.85	68.73
Duty Drawback Income	109.62	96.12
MEIS License Sales	96.08	174.17
Interest Received against Non-current Receivables - PPP	220.75	161.11
<b>Sub Total</b>	<b>540.86</b>	<b>622.38</b>
<b>TOTAL</b>	<b>62,573.60</b>	<b>58,435.34</b>

**Note No. 31 OTHER INCOME**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest from Bank Deposits	51.04	63.03
Foreign Exchange Rate Differences	-	11.93
Dividend received against short term investments	11.16	18.31
Dividend received against Investments (Kaycee)	-	-
Net gain/loss on sale of investment	10.93	-
Insurance Claim Received	0.26	-
Income from Derivatives	-	-15.00
Rental Income Received	4.00	3.82
Rental Income Received	2.69	-
Discount Received	9.38	1.00
Liabilities No Longer Exists Written Back	5.04	26.51
Profit on Sale of Assets	2.56	0.45
Other Non-operating income (net of expenses)	122.79	18.77
<b>TOTAL</b>	<b>219.85</b>	<b>128.82</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**
**Note No. 32 COST OF MATERIAL CONSUMED**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Raw Materials Consumption</b>		
Opening Stock	4,829.02	4,490.19
Add: Purchases	47,885.88	41,734.98
Less: Closing Stock	5,565.14	4,989.39
<b>Sub Total</b>	<b>47,149.76</b>	<b>41,235.78</b>
<b>Trading Materials Consumption</b>		
Opening Stock	72.11	76.27
Add: Purchases	1,344.13	1,484.56
Less: Closing Stock	120.90	72.10
<b>Sub Total</b>	<b>1,295.34</b>	<b>1,488.73</b>
<b>Packing Materials Consumption</b>		
Opening Stock	150.38	78.38
Add: Purchases	920.93	1,038.93
Less: Closing Stock	172.44	150.38
<b>Sub Total</b>	<b>898.87</b>	<b>966.93</b>
<b>TOTAL</b>	<b>49,343.97</b>	<b>43,691.44</b>

**Note No. 33 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Opening Stock</b>		
Work-in-progress	8,164.63	6,941.19
Finished Goods	2,844.59	2,985.68
<b>Sub Total</b>	<b>11,009.22</b>	<b>9,926.87</b>
<b>Less: Closing Stock</b>		
Work-in-progress	7,749.54	8,004.27
Finished Goods	4,490.92	2,844.59
<b>Sub Total</b>	<b>12,240.46</b>	<b>10,848.86</b>
<b>Net (increase)/decrease in inventory</b>	<b>-1,231.24</b>	<b>-921.99</b>

**Note No. 34 EMPLOYEE BENEFIT EXPENSES**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and Wages including Bonus	2,418.06	2,601.22
Contribution to Provident and other funds	143.82	141.78
Workmen and Staff Welfare Expenses	200.64	196.20
Gratuity	48.98	45.34
<b>TOTAL</b>	<b>2,811.50</b>	<b>2,984.54</b>

**Note No. 35 FINANCE COSTS**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest Expenses	1,266.18	1,734.67
(b) Other Borrowing cost	868.30	387.47
<b>TOTAL</b>	<b>2,134.48</b>	<b>2,122.14</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**

**Note No. 36 DEPRECIATION AND AMORTISATION EXPENSES**

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
(a) Depreciation on Property, Plant and Equipment	1,531.42	1,420.24
(b) Amortisation on Other Intangible Assets	69.69	55.27
<b>TOTAL</b>	<b>1,601.11</b>	<b>1,475.51</b>

**Note No. 37 OTHER EXPENSES**

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Consumptions of Store and Spares	145.07	318.98
Consumptions of Store and Spares	187.73	-
Freight and Forwarding Charges	819.70	763.81
Power and Fuel	816.61	804.68
Repairs & Maintenance		
Buildings	22.58	30.49
Machinery	260.27	296.51
Others	96.75	115.02
Subcontracting Expenses	1,044.25	1,625.47
Contract Labour Expenses	444.89	460.50
Advertisement Expenses	4.60	10.04
Audit Fees (Refer Note No.36. 1)	23.05	23.05
Director's Sitting Fees	21.43	15.30
Donation	7.10	6.44
Provision for Energy Saver Maintenance Expenses	212.60	-
General Expenses	75.14	93.38
Insurance	54.23	47.35
Foreign Exchange Realisation Difference	30.83	-
Management system Expenses (ISO9000 & OSHAS)	8.36	4.68
Postage, Telephone & Telegram	26.28	32.64
Printing & Stationery	32.16	46.07
Rates and Taxes	43.97	63.44
Rent	39.73	13.06
Research & Development Expenses	175.75	167.36
Warranty Expenses	30.13	28.04
Sales Promotional Expenses	241.45	401.06
Subscription & Periodicals	32.07	30.48
Technical/Professional Fee	142.51	310.60
Travelling and Conveyance	103.10	116.27
CSR Expenses (Refer Note No.44)	75.90	14.40
Expected Credit Loss	30.17	33.08
Royalty	10.11	3.95
Provision for doubtful debts / (Written back)	8.05	6.08
loss on sale of Assets / Investments	-	2.03
Bad Debts	85.53	119.02
<b>Total Other Expenses</b>	<b>5,347.80</b>	<b>6,003.28</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**
**Note No. 37 1. AUDITOR REMUNERATION**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) For Statutory Audit	11.50	11.50
(b) For Tax Audit	2.50	2.50
(c) For Other Services	9.05	9.05
<b>TOTAL</b>	<b>23.05</b>	<b>23.05</b>

**Note No. 38 TAX EXPENSES**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Current Tax</b>		
Current tax on profit for the year	627.37	627.50
Change/ (Credit) in respect of current tax for earlier years	5.96	-49.91
<b>TOTAL (A)</b>	<b>633.33</b>	<b>577.59</b>
<b>B. Deferred Tax</b>		
Origination and reversal of temporary differences	29.69	-129.13
Charge in respect of deferred tax for earlier years	-	-
<b>TOTAL (B)</b>	<b>29.69</b>	<b>-129.13</b>
<b>Tax expense recognized in Statement of Profit and Loss TOTAL (A)+(B)</b>	<b>663.02</b>	<b>448.46</b>
Tax expense recognized in Other Comprehensive Income	47.93	34.91
<b>Total Tax Expenses</b>	<b>710.95</b>	<b>483.37</b>

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current Tax</b>		
Taxable profit for the year	2,800.92	3,192.19
Applicable income tax rate	25.29%	25.29%
Expected income tax	708.35	807.32
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	-121.19	-213.04
Expenses disallowed in determining the tax profit	29.89	84.68
Investment allowances		-
Unrecognized deferred tax assets		-
Others	45.97	-230.50
<b>Tax expense recognised in Statement of Profit and Loss A/c</b>	<b>663.02</b>	<b>448.46</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

### Note No. 39 EARNINGS PER SHARE

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/(Loss) after tax and exceptional items	2,051.69	2,711.33
Less: Notional Preference Dividend		
Profit/(Loss) after tax and exceptional items attributable to equity share holders	2,051.69	2,711.33
Add: Exceptional items (net of tax)		
Profit after tax but before exceptional items attributable to equity share holders	2,051.69	2,711.33
Add: Exceptional items (net of tax)		
No. of Equity shares outstanding		
Add: Shares to be issued pursuant to merger		
Weighted Average no. of equity shares outstanding during the year for Basic EPS	159.82	159.82
Add: Shares to be issued pursuant to Employee Stock Option Scheme		
Weighted Average no. of equity shares outstanding during the year for Dilutive EPS	159.82	159.82
Basic Earnings/(Loss) per share after tax and exceptional items (in ₹)	12.84	16.96
Diluted Earnings/(Loss) per share after tax and exceptional items (in ₹)	12.84	16.96

### Note No. 40 GRATUITY

The details of various employee benefits provided to employees are as under:

#### A. Defined Contribution and other plans

Particulars	(₹ in Lakhs)	
	March 31, 2021	March 31, 2020
Employer's Contribution to PF	124.21	127.68
Employer's Contribution to ESIC	10.94	14.10
Employer's Contribution to Superannuation fund	4.18	3.15
Pension Fund	8.86	-
<b>TOTAL</b>	<b>148.19</b>	<b>141.78</b>

#### B. Defined Benefit plans

In accordance with the Payment of Gratuity Act, 1972, the Group provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation using the projected unit credit method as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India with whom the plan assets are maintained.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, salary risk and longevity risk.

**Investment Risk:** The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Longevity risk:** The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**
**Principal actuarial assumptions**

**Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:**

Particulars	(₹ in Lakhs)	
	March 31, 2021	March 31, 2020
Discount Rate	7.02%/6.84%	6.86%/6.66%
Expected Return on Assets	7.02%/6.84%	6.86%/6.66%
Salary Escalation	5.00% to 6.50%	6.50%
Attrition Rate	5.00% to 2.00%	5.00%

**Amount recognized in Profit and Loss for the year**

Particulars	(₹ in Lakhs)	
	March 31, 2021	March 31, 2020
Current Service Cost	51.22	43.67
Net Interest on Defined Benefit Obligations	2.85	1.67
Expected Return on Plan Assets	3.81	1.67
Actuarial (Gain)/Loss	-2.69	1.67
Expenses recognized in the statement of profit and loss	55.19	45.34

**Recognized in Other Comprehensive Income for the year**

Particulars	(₹ in Lakhs)	
	March 31, 2021	March 31, 2020
Actuarial (Gain)/Losses due to Demographic Assumption changes in DBO	-	3.47
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial gains/losses arising from changes in financial assumptions	12.50	36.43
Actuarial gains/losses arising from experience adjustments	34.60	-10.98
Amount recognized in OCI for the current period	47.10	28.92

**Change in present value of defined benefit obligation**

Particulars	(₹ in Lakhs)	
	March 31, 2021	March 31, 2020
Present value of obligations as at the beginning of the year	869.84	671.81
Current Service Cost	51.22	43.66
Interest on Defined Benefit Obligations	55.24	50.39
Actuarial (gain)/loss on plan obligation	-49.79	28.92
Benefits paid	-30.45	-21.73
Present value of obligations as at the end of the year	896.06	773.05

**Change in fair value of plan assets**

Particulars	(₹ in Lakhs)	
	March 31, 2021	March 31, 2020
Fair value of plan assets as at the beginning of the period	783.60	608.89
Return on plan assets	52.39	48.71
Contributions	83.22	80.95
Benefits paid	-30.45	-21.73
Actuarial gain/(loss) on plan assets	-3.81	-
Fair value of plan assets as at the end of the period	884.95	716.82

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)****Net Asset/ Liability recognized in Balance Sheet**

(₹ in Lakhs)

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Present value of obligations	896.06		773.05	
Fair Value of Plan Assets	884.95		716.82	
Amount recognized	11.11		56.23	

The actuarial valuation, as certified by LIC of India with whom the company has its defined group gratuity scheme, is adopted to determine the present value of the defined benefit obligations. For the year ended 31/03/2020, as the certification as per AS 19 of ICAI was not available till the finalisation of accounts and adoption by the Board, the profit and loss account and balance sheet were recognised based on the past experience, indicators and the contributions made and benefits paid. (Please refer note on accounts for the relevant year 2020). The difference arising out of the actuarial valuation and the assumptions made by the company were recognised in the accounts of the first quarter of the year 2021 and according the recognition for the year ended 31/03/2021 are based on the actuarial valuation as certified by LIC of India.

**Net Asset/ Liability recognized in Balance Sheet****Sensitivity Analysis**

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

(₹ in Lakhs)

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate by 1%	50.74	57.12	51.73	58.49
Salary Escalation rate by 1%	54.25	49.32	56.08	51.00
Attrition rate by 1%	2.88	3.16	2.28	2.53
Mortality rate by 10%	0.13	-	0.03	-

**Note No. 41 DIVIDENDS MADE**

(₹ in Lakhs)

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Cash dividends on equity shares declared and paid:				
Final Dividend for the financial year	-		255.72	
Dividend distribution tax	-		52.56	
Dividend on Equity Shares Proposed	-		308.28	



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**
**Note No. 42 COMMITMENTS AND CONTINGENT LIABILITIES**

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Towards Import Obligations under EPGC	1,944.05	2,797.30
Letter of Credit for import and purchase of Raw Materials	4,867.58	2,165.98
Obligation towards Bank Guarantee	277.30	513.98
Excise Protest Fund Liability	85.68	85.68

**Note No. 43 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

Particulars	March 31, 2021	March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-

The disclosure in respect of the amounts payable to Micro, Small and Medium enterprises as at 31 March 2021 has been made in the financial statements based on information received and available with the Company. Also, the Company has not received any claim for interest from any supplier as at the balance sheet date.

**Note No. 44 CSR EXPENDITURE**

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Gross amount required to be spent by the company during the year	63.00	58.59
Amount spent during the year	75.90	14.40

**NOTE No. 45 FAIR VALUE MEASUREMENTS**
**i. Financial instruments by category**

The carrying value of financial instruments by categories as at 31 March 2021 were as follows:

(₹ in Lakhs)

Particulars	Note	Amortised cost	FVTOCI	FVTPL	Total Carrying value	Total Fair value
<b>Financial Assets</b>						
Investments	6, 11	-	456.92	-	456.92	456.92
Trade Receivables	7, 12	20,004.18			20,004.18	20,004.18
Cash and Cash equivalents	13	529.85			529.85	529.85
Other bank balances	14	863.45			863.45	863.45
Loans	15	1,841.33			1,841.33	1,841.33
Other financial assets	8, 16	1,762.40			1,762.40	1,762.40
<b>Financial Liabilities</b>						
Borrowings	20, 24	19,954.56			19,954.56	19,954.56
Trade payables	25	6,316.39			6,316.39	6,316.39
Other financial liabilities	26	492.80			492.80	492.80

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

The carrying value of financial instruments by categories as at 31 March 2020 were as follows: (₹ in Lakhs)

Particulars	Note	Amortised cost	FVTOCI	FVTPL	Total Carrying value	Total Fair value
<b>Financial Assets</b>						
Investments	6, 11	-	310.59	-	310.59	310.59
Trade Receivables	7, 12	15,923.41			15,923.41	15,923.41
Cash and Cash equivalents	13	234.88			234.88	234.88
Other bank balances	14	944.32			944.32	944.32
Loans	15	2,408.23			2,408.23	2,408.23
Other financial assets	8, 16	1,830.42			1,830.42	1,830.42
<b>Financial Liabilities</b>						
Borrowings	20, 24	17,403.37			17,403.37	17,403.37
Trade payables	25	5,409.12			5,409.12	5,409.12
Other financial liabilities	26	505.20			505.20	505.20

### ii. Fair Value Hierarchy

The Company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) 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).
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2021 (₹ in Lakhs)

Particulars	Note	Level 1	Level 2	Level 3	Carrying value
<b>Financial Assets</b>					
At fair value through Other Comprehensive Income	11	390.17	-	-	390.17
<b>Investments</b>					
Investments - Non - current - Quoted	6	-	1.56	-	1.56
Investments - Non - current - Unquoted	6	-	-	65.19	65.19
At fair value through Profit and Loss					
Investments	11	-	-	-	-
<b>Financial Liabilities</b>					
At amortised costs		-	-	-	-
Borrowings	20, 24	-	19,954.56	-	19,954.56

Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2020 (₹ in Lakhs)

Particulars	Note	Level 1	Level 2	Level 3	Carrying value
<b>Financial Assets</b>					
At fair value through Other Comprehensive Income	11	225.43	-	-	225.43
<b>Investments</b>					
Investments - Non - current - Quoted	6	-	1.87	-	1.87
Investments - Non - current - Unquoted	6	-	-	83.29	83.29
At fair value through Profit and Loss					
Investments	11	-	-	-	-
<b>Financial Liabilities</b>					
At amortised costs		-	-	-	-
Borrowings	20, 24	-	17,403.37	-	17,403.37

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings, trade payables and other current financial liabilities are a reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately.

### iii. Valuation technique used to determine fair value

- The fair value of the financial assets and liabilities are at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings, trade payables and other current financial liabilities are a reasonable approximation of their fair values.
- The investment included in Level 3 hierarchy have been valued at cost approach to arrive at the fair values. The cost of unquoted investment approximate the fair value as there is a wide range of possible fair value measurement and the cost represents estimate of fair value within that range.
- The estimated fair value amounts as at March 31, 2019 have been measured as at that date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each year-end.
- There were no transfers between Level 1, Level 2 and Level 3 during the year.

## NOTE No. 46 FINANCIAL RISK MANAGEMENT

The Company's businesses are subject to several risks and uncertainties including financial risks.

The Company's activities expose it to credit risk, liquidity risk, market risk - interest rate risk and foreign currency risk. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis, Credit ratings
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts
Market risk Interest rate risk	Long-term borrowings at variable rates	Cash flow forecasting, Sensitivity analysis
Foreign Currency risk	Recognised financial assets and liabilities not denominated in functional currency	Cash flow forecasting, Sensitivity analysis

### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The company's credit risk generally arises from Cash and cash equivalents, trade receivables, and other financial assets.

### Credit Risk Management

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Assets Group	Description of category	Particulars	Provision for expected credit loss **
Low credit risk	Assets where the counterparty has strong capacity to meet the obligations and where the risk of default is negligible or nil	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	12 month expected credit loss/life time expected credit loss
Moderate credit risk	Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong	Nil	12 month expected credit loss/life time expected credit loss
High credit risk	Assets where there is a high probability of default.	Nil	12 month expected credit loss/life time expected credit loss/fully provided for

\*\* Life time expected credit loss is provided for trade receivables.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

### Classification of Financial assets among risk categories:

(₹ in Lakhs)

Credit rating	Particulars	March 31, 2021	March 31, 2020
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	25,458.13	21,651.86
Moderate credit risk	Nil	-	-
High credit risk	Nil	-	-

### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the business, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

### Maturities of Financial Liabilities as at 31 Mar 2021 are as follows:

Particulars	Less than 1 year	1-5 year	More than 5 year	Total
Borrowings	18,327.88	1,626.68	-	19,954.56
Trade Payables	6,316.39	-	-	6,316.39
Other financial Liabilities	463.10	21.81	7.89	492.80

### Maturities of Financial Liabilities as at 31 Mar 2020 are as follows:

Particulars	Less than 1 year	1-5 year	More than 5 year	Total
Borrowings	15,625.76	1,777.61	-	17,403.37
Trade Payables	5,409.12	-	-	5,409.12
Other financial Liabilities	475.50	21.81	7.89	505.20

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)****Market Risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

**Interest rate Risks**

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. 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 borrowings are fixed rate borrowings and are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**Interest rate risk exposure**

The following table provide the break-up of the co. fixed and floating rate borrowing

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Fixed Rate Borrowings	-	-
Floating Rate	20,417.18	17,874.46
<b>Total Borrowings</b>	<b>20,417.18</b>	<b>17,874.46</b>

**Interest Rate Sensitivity analysis:**

The Sensitivity Analysis below have been determined based on the exposure to interest rate for Floating Rate Liabilities, assuming the amount of the liability outstanding at the year end was outstanding for the whole year.

If interest rate had been 100 basis points higher/lower and all other variable were held constant, the company's profit for the year ended 31.03.2021 would decrease/increase by ₹ 178.40 Lacs. This is mainly attributable to the Company's exposure to interest rate on its variable rate borrowings.

**Foreign Currency Risk**

The Company's exposure to currency risk relates primarily to the Company's operating activities including anticipated sales & purchase and borrowings where the transactions are denominated in a currency other than the Company's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows.

**The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at 31.03.2021 are as follows:**

Particulars	US\$	GPB	EURO
Financial Assets	15,30,57,957.41	4,80,85,280.00	1,17,04,026.48
Financial Liabilities	3,87,09,929.76	-	32,895.00
Net exposure	11,43,39,886.45	4,80,85,280.00	1,11,18,041.00

**The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at 31.03.2020 are as follows:**

Particulars	US\$	GPB	EURO
Financial Assets	32,54,851.73	5,15,869.73	-
Financial Liabilities	35,45,965.69	15,52,836.00	32,895.00
Net exposure	-2,91,113.96	-10,36,966.27	-32,895.00

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)

### Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates, with all other variables held constant.

Particulars	Impact on profit before tax			
	March 31, 2021		March 31, 2020	
	0.5%	-0.5%	0.5%	-0.5%
USD	5.72	-5.72	-0.01	0.01
GBP	2.40	-2.40	-0.05	0.05
EURO	0.56	-0.56	-	-

### NOTE No. 47 CAPITAL MANAGEMENT

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt).

Net debt are non-current and current debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

The following table summarizes the capital of the Company:

Particulars	(₹ in Lakhs)	
	March 31, 2021	March 31, 2020
Non-Current Borrowings (Refer Note : 20)	1,626.68	1,777.61
Current Borrowings (Refer Note : 23)	18,327.88	15,625.76
Current Maturities of Long term Debt (Refer Note : 25)	462.62	471.09
Total Borrowings (a)	20,417.18	17,874.46
Cash and Cash equivalents (Refer Note : 13)	529.85	199.88
Other Bank Balances (Refer Note : 14)	863.45	979.32
Current Investments (Refer Note : 11)	390.17	225.43
Total Cash (b)	1,783.47	1,404.64
Net Debt (c) = (a)-(b)	18,633.71	16,469.82
Equity (Refer Note : 18)	1,598.27	1,598.27
Other Equity (Refer Note : 19)	31,643.92	29,405.44
Total Equity (d)	33,242.19	31,003.71
Total Capital (e) = (c)+(d)	51,875.90	47,473.53
Gearing Ratio = (c)/(e)	0.36	0.35

### NOTE No. 48 RELATED PARTY DISCLOSURES

Related Party Relationships

#### A. Key Management Personnel

- Mr. R. Doraiswamy - Managing Director
- Mr. D. Rajeshkumar - Joint Managing Director & Chief Financial Officer
- Mr. P. Ramachandran - Whole Time Director and
- Mr. S. Baskarasubramanian - Director (Corporate Affairs) & Company Secretary

#### B. Other related Parties

- Board Member relative to Key Managerial Personnel
  - Dr. (Mrs.) Thilagam Rajeshkumar - Non Executive & Non Independent Director - Spouse of Mr. D Rajesh Kumar, Jt MD and CFO and
  - Mr. Vishnu Rangaswamy - Non Executive & Non Independent Director - Son of R. Doraiswamy - Managing Director

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2021 (Contd.)**

- ii) Enterprises Owned or significantly influenced by Key Managerial Personnel or their relatives
  - a. Salzer Exports Limited
  - b. Salzer Spinners Limited
  - c. SRVE Industries
  - d. K R Health Care Private Limited
  - e. S R V E Industries Limited &
  - f. K R Pharmacy

**C. Trust under Common Control**

- a. Salzer Educational Medical Research Trust

The Company's principal related parties consist of its own subsidiary, affiliates and key management personnel. Transactions and balances with its own subsidiary are eliminated on consolidation.

**Related Party Transactions**

(₹ in Lakhs)

Particulars	Other Related Parties		Key Management Personnel	
	March 31,2021	March 31,2020	March 31,2021	March 31,2020
Purchase of goods	166.37	8.97	-	-
Staff & Labour Welfare Exps.	-	1.08	-	-
Sale of goods	1,955.06	2,203.71	-	-
Purchase of Fixed Assets	233.23	70.80	-	-
Rendering of Services	-	500.03	-	-
Receiving of Services	288.58	23.84	-	-
CSR spent through Trust	29.90	6,878.00	-	-
Voluntary Contribution to	6.60	6,085.00	-	-
Managerial remuneration	-	-	191.11	160.34
Outstanding Receivables	130.72	324.23	-	-
Director Sitting Fees	7.92	1.20	-	-

**NOTE No. 49 SEGMENT INFORMATION**

The Group is engaged in manufacture of Electrical Insatllation Products which is considered to be the only reportable business segment as per Ind AS 108, 'Segment Reporting'. The Company operates primarily in India and there is no other significant geographical segment. The Company has widespread customer base and hence the Company does not have any concentration risk.

**NOTE No. 50** In the opinion of the management of the Company Current Assets, Loans & Advances have a value on realization in the Ordinary course of Business at least equal to the amount at which they are stated in accounts and all current liabilities have been provided for...

**NOTE No. 51** Sundry debtors and creditors are subject to confirmation and reconciliation, if any..

**NOTE No. 52** The previous figures are for nine months only following the acquisition of controlling stake in Subsidiary Company in July 2019 and hence may not be comparable with the figures of relevant Financial year 2020-21

In terms of our report attached

**N. RANGACHARY**

 Chairman  
 (DIN :00054437)  
 Bangalore

**R. DORAISWAMY**

 Managing Director  
 (DIN :00003131)

 For: **JDS ASSOCIATES**

 Chartered Accountants  
 FRN: 008735S

**D. RAJESHKUMAR**

 Joint Managing Director &  
 Chief Financial Officer  
 (DIN: 00003126)

**S. BASKARA SUBRAMANIAN**

 Director (Corporate Affairs) &  
 Company Secretary  
 (DIN :00003152& FCS No.4605)

**B. JAYARAM**

 Partner  
 Memb.No. 028346

 Coimbatore – 47  
 June 15, 2021





The growing range....

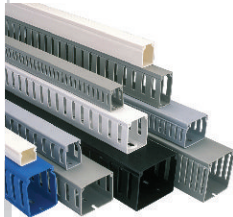
Rotary Switches



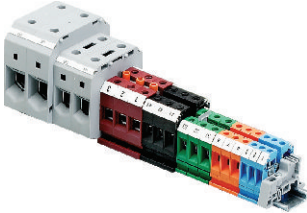
Load Break Switches



Cable Ducts



Terminal Connectors



Photovoltaic Isolator



Contactors & OLRs



MPCB's



Relays & Relay Module



Limit /Foot Switches



Transformers & Chokes/  
Inductors/Reactors



Toroidal transformers  
& CT's



Plug & Sockets



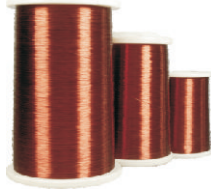
Modular Switches



Wires & Cables



Magnet Wires



**salzer**  
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