

salzer

Annual  
Report

2022

Salzer Electronics Limited 2021-22

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

Date	: September 10,2022
Day	: Saturday
Time	: 11.30 a.m
Mode	: Video Conferencing (VC) / Other Audio Visual Means (OAVM)

## Remote E-Voting Information

E-Voting period starting on	: September 05,2022, Monday (9.00 a.m)
E-Voting Period Ending on	: September 09,2022, Friday (5.00 p.m)
EVEN No.	: 120909

## 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.**

### 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. Shah P.K.**

## 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

## OUR 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

“Growth is never by mere chance; it is always a result of all of us working together”

**R. DORAISWAMY**, Managing Director



## Dear Valued Shareholders,

I would like to begin this by sincerely thanking all our stakeholders who have stood with us in these difficult and trying times posing multiple challenges. The COVID-19 calamity, combined with the already recessive global economy, resulted in only minimum growth across all sectors in this particular year.

The past two years have been challenging with the beginning of the Covid pandemic. As variants of the viruses arose, uncertainties and panic continued to be on the rise. However across the world, medical experts strove to identify and fight the problem and with their tireless efforts, the vaccine developed led to a lot of comfort and relief. Vaccination drives helped control it to a large degree and the headwinds finally seem to be waning. With nearly half of India's population fully vaccinated and around two-thirds vaccinated at least once, consumers and businesses are learning to live with the virus, and economic impact should decline with each pandemic wave.

During the year, we have witnessed piecemeal state-level night lockdowns and weekend curfews, the closing of schools, curbs on social events, restaurants and bars and office attendance, while a few states have also imposed restrictions on public transport. There are also signs of voluntary pullbacks by the public. These restrictions have hurt the economy, although much less compared to the past two waves. Slowly the country is coming back on its feet with restrictions being lifted and life coming back to normal. Consumer sentiment

has been on the gradual rise and along with it, the slow and steady pickup in demand.

We, at Salzer, proxy play on the burgeoning demand given the strong outlook for electricity generation and related infrastructure development. The demand for electrical components and switchgears is bound to rise due to the replacement of low KVA transmission lines with high KVA lines, electrification of railways, development of industrial corridors, Metro Rail projects and SMART City development.

Our standalone revenue for this fiscal grew 29.39% year-on-year to Rs. 783.63 cr, while EBITDA and PAT stood at Rs. 63.78 cr and Rs. 22.48 cr, respectively. In terms of segmental performance, our Industrial Switchgears segment contributed 50.25% to revenue, while Wires and Cables accounted for 43.23%, with a strong growth. The building products division contributed 6.52% 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.

In the post-COVID scenario, we are continually working on being future-ready to be able to capitalize on 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. Looking ahead, our endeavours in the EV space are going on track via our two joint ventures, through which we shall be launching EV chargers and conversion kits. We see this as a high-growth-potential vertical.

About three-four years back, we had projected our top line to cross the Rs. 1,000 cr milestone by FY22 that we were not able to achieve. However, I am happy to share that despite the global pandemic wreaked havoc to the economy and markets, we have still managed to cross the Rs. 800 cr mark this year, which gives us the confidence of that we shall more than cross the Rs. 1,000 cr topline in FY23.

We expect that FY23 will be an important & critical year for Salzer Electronics to improve our performance in this complex, competitive and ever-changing market. We will strive to overcome the impact of circumstances such as the COVID-19 pandemic, economic downturn, increase in raw material prices, and supply chain disruptions, while seeking opportunities and maintaining stability in business operations, the Company is set to explore its full potential to achieve the expected goals.

In line with our strategy, we continue to expand our global footprint with high focus on market penetration and sustain investments in research & development to support progress. We continually strive to identify new avenues of growth and effective utilization of existing resources.

I would like to take this opportunity to thank each member of the Salzer family. I would also like to thank our Clients, Creditors, Banks, Financial Institutions, and other Stakeholders. Their faith in us and support extended makes it easier for us to strive and excel.

I am optimistic about what we can do next in the years ahead. With god's grace, the recent success has given our group a strong platform to build on. I am excited by the heights I know we can reach, not just financially, but also in terms of the difference we can make to communities. We can set new standards in technology, sustainability, and skills development.

But before that, I hope you take the opportunity to enjoy some well-deserved quality time with your family.

We will continue to carry forward the corporate core culture of Salzer Electronics and fully dedicated to growing and developing our business and bringing value to all shareholders and society.

We firmly believe that Salzer's future goals will be achieved.

Place: Coimbatore  
Date : July 29, 2022

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

# Standalone broad financial highlights

(₹ in Crs)

From Profit & Loss	2022	2021	2020	2019	2018	2017	2016
Net revenue from Operations	783.63	605.62	566.94	559.76	442.78	384.06	361.13
Other Income	2.18	1.99	0.89	0.71	3.10	6.75	2.80
Total revenue	785.81	607.61	567.83	560.47	445.88	390.81	363.94
Operating Profit (EBITDA)	63.77	61.78	65.20	63.64	53.29	42.91	42.89
Depreciation and Amortization	16.00	15.60	14.44	12.16	10.53	9.81	8.32
Finance Cost	19.80	21.27	21.17	19.88	14.91	14.59	13.14
Profit before Tax	30.15	26.90	30.48	32.31	30.95	25.26	24.24
Profit After Tax	22.48	20.67	26.39	23.96	20.02	17.09	17.05
Dividend Payout	2.88	2.56	-	03.08	3.07	2.76	2.65
From Balance Sheets							
Share Capital	15.98	15.98	15.98	15.98	15.53	14.35	13.64
Reserves & Surplus	333.84	313.92	293.40	271.01	255.07	207.65	177.62
Net worth	349.82	329.90	309.38	286.99	270.60	222.00	191.26
Borrowings	247.81	199.55	173.68	139.81	135.43	105.55	94.38
Net fixed Assets	210.57	206.66	202.37	178.35	166.32	129.33	110.36
Investments (Current and Non Current)	20.55	21.16	19.72	3.67	3.08	4.47	17.52
Current Assets	480.64	414.09	352.42	349.69	327.59	282.56	239.39
Current Liabilities	358.31	307.91	260.52	253.99	236.56	195.44	157.61
Net working Capital	122.33	106.18	91.90	95.70	91.03	87.12	81.78
Performance Indicators							
Revenue growth	29.39%	6.82%	1.28%	26.42%	15.29%	6.35%	27.47%
Operating Profit Margin	8.14%	10.20%	11.50%	11.37%	12.04%	11.17%	11.88%
Operating Profit growth	3.22%	-5.25%	2.46%	19.42%	24.19%	0.04%	20.97%
Net Profit Margin	2.86%	3.40%	4.65%	4.27%	4.49%	4.37%	4.68%
Net Profit Growth	8.76%	-21.67%	10.14%	19.68%	17.14%	0.25%	42.29%
Revenue Contributions :-							
(a) Industrial Switch Gears	50.25%	41.32%	44.80%	41.40%	45.01%	45.80%	47.00%
(b) Wires and Cables	43.23%	52.83%	47.00%	48.50%	49.20%	45.60%	37.00%
(c) Building Products	6.52%	5.37%	6.20%	7.60%	4.71%	6.00%	4.00%
(d) Energy Management	-	0.48%	2.00%	2.50%	1.08%	2.60%	12.00%
Return on Capital Employed *	8.54%	9.30%	10.96%	12.02%	10.97%	11.73%	12.67%
Return on Net-worth	6.43%	6.24%	8.53%	8.35%	7.40%	7.70%	8.91%
Debt Equity Ratio ** (x)	0.71	0.60	0.56	0.49	0.50	0.52	0.52
Earning per shares - Basic (in ₹.)	14.07	12.93	16.51	15.21	13.68	12.35	13.54
- Dilute (in ₹.)	14.07	12.93	16.51	15.10	13.31	11.89	12.87
Dividend Declared per cent	18%	1.6%	-	16%	16%	16%	16%
Dividend per share (in ₹.)	1.80	1.60	-	1.60	1.60	1.60	1.60
Dividend Pay-out Ratio	13%	12%	-	13%	15%	15%	16%
Book value per share (in ₹.)	218.64	207.31	199.60	185.15	174.58	154.72	140.19
Price Earnings Ratio (Times)	12.51	9.64	3.75	7.79	14.32	15.08	13.83
Price to Book Value Ratio	0.80	0.60	0.32	0.64	1.12	1.20	1.34
Market Cap (₹. in Crs) as at March 31	281.30	199.16	98.85	189.27	293.79	271.00	287.59
No of Shareholders as at March 31	25,886	19532	17,700	19,379	23,049	21,157	20,588

\* 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 **37<sup>th</sup> Annual General Meeting** of the Members of **Salzer Electronics Limited** will be held on **Saturday, September 10, 2022 at 11.30 a.m.,** through **Video Conferencing (VC) / Other Audio Visual Means (OAVM)** to transact the following businesses:

### Ordinary Business:

- 1. Consideration of Audited Standalone and Consolidated Financial statements of the Company for the Financial year ended March 31, 2022, and the reports of the Board of Directors along with annexure and Auditors thereon;**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution

**"RESOLVED THAT** the Audited Standalone and Consolidated Financial Statement comprising of Balance Sheet as at March 31, 2022, 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."

- 2. To declare a dividend on Equity Shares for the financial year 2021-22.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution

**"RESOLVED THAT** a dividend at the rate of 18% (Rs. 1.80/- one Rupee and Eighty 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 2021-22 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, 2022."

- 3. To appoint a Director in place of Mr. Rajeshkumar (DIN: 00003126), who retires by rotation at this Annual Meeting and being eligible has offered himself for re-appointment.**

To consider and if thought fit, to pass the following resolution 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. Rajeshkumar (DIN: 00003126), 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."

- 4. To re-appoint a Director in place of Dr. Thilagam Rajeshkumar (DIN: 00006783), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.**

To consider and if thought fit, to pass the following resolution 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 Dr. Thilagam Rajeshkumar (DIN: 00006783), a retiring Director at this Annual General Meeting be and is hereby re-appointed as a Director of the Company, subjected to determination of her office by means of retirement by rotation at the Annual General Meeting."

### Special Business:

- 5. To ratify the remuneration payable to CMA A.R. Ramasubramania Raja (M.No. 32458) appointed as Cost Auditors of the Company for Financial Year 2022-23**

To consider and if thought fit, to pass 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), who was appointed as Cost Auditor by the Board of Directors based on the recommendation of the Audit Committee to audit the cost records of the Company for the Financial Year 2022-23, be paid a remuneration of Rs. 1,40,000/- (Rupees One lakh Forty 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. BASKARASUBRAMANIAN**  
Director (Corporate Affairs) &  
Company Secretary  
(DIN : 00003152 & FCS No. 4605)

Date: May 21, 2022  
Place: Coimbatore

### Notes:

- The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under Item Nos. 5 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 are also annexed.



## NOTICE (Contd.)

2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Ministry of Corporate Affairs ("MCA") vide its relevant Circulars issued during the years 2020, 2021 and 2022 permitted the conduct of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without any physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 37<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 as per note No. 38 and available at the Company's website [www.salzergroup.com](http://www.salzergroup.com).
  4. The AGM is being held pursuant to the MCA Circulars through VC / OAVM and physical attendance of Members has been dispensed with. Accordingly, the facility for the appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
  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](mailto: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. In line with the Circulars from the Ministry of Corporate Affairs (MCA) and SEBI, the Notice of AGM along with Annual Report 2021-2022 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 2021-22 has also 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 also on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. <https://eservices.nsdl.com>.
  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> 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 a 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 a fixed Record Date as August 26, 2022, Friday for the purpose of determining the shareholders getting entitled for dividend, if declared at the 37<sup>th</sup> AGM
  13. Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid within 30 days from the date of declaration, to those Members whose names appear on the Register of Members in respect of shares held in physical form as well as in respect of shares held in electronic form as per the details received from the depositories for this purpose as at the close of the business hours on Friday, August 26, 2022
- Pursuant to Finance Act 2020, dividend income will be taxable in the hands of Shareholders w.e.f. 1<sup>st</sup> April 2020 and the Company is required to deduct tax at source from the dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the



## NOTICE (Contd.)

Finance Act, 2020 and amendments thereof. The Shareholders are requested to update their Residential Status, Category as per the Income Tax Act ("IT Act"), PAN with the Company/RTA (in case of shares being held in physical mode) and depositories (in case of shares being held in Demat mode) immediately.

A resident individual Shareholder having PAN and entitled to receive dividend amount exceeding Rs.5,000/- and who is not liable to pay Income Tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to sta@gnsaindia.com on or before September 10,2022. Shareholders are requested to note that in case their PAN is not registered with the DP/Company, the tax will be deducted at the applicable higher rate.

Non-resident Shareholders can avail of beneficial rates under the relevant tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to sta@gnsaindia.com. The aforesaid declarations and documents need to be submitted by a Shareholder on or before September 10,2022.

14. Members holding shares in the 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 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 the 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.
16. In view of the above, the members holding shares in physical form are requested to consider converting their holdings to dematerialized 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 SEBI circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021, read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 has made it mandatory for the securities holder holding shares in physical form has to furnish the following details updated / Registered against their folio and failing to comply with the above circular by 31.03.2023, the shareholder's folio will be frozen till updation of the details.

1) PAN details [Aadhaar Linked PAN details, including Joint holder(s) if any]; 2) Bank details; 3) Aadhaar details; 4) Mobile Number; 5) E-Mail ID; 6) Nomination;

The said information shall be furnished in the prescribed forms along with relevant self-attested copies of proofs to the Registrar and Share Transfer Agent of the company M/s GNSA Infotech Private Limited, STA Department, Nelson Chambers, F-Block, 4th Floor, 115 Nelson Manickam Road, Aminthakarai, Chennai 600 029 for updation / registration of above information.

- a) Form ISR 1 (Request for Registering PAN, KYC Details or Changes Updation thereof)
- b) Form ISR 2 (Confirmation of Signature of securities holder by the Banker)
- c) Form ISR 3 (Declaration Form for Opting-out of Nomination) or SH-13 (Nomination Form)

The relevant forms have already been sent to the shareholders who have holding their shares in physical mode.

Please note that The Central Board of Direct Taxes (CBDT) has extended date for linking PAN with Aadhaar till March 31, 2022 or any other date as may be specified by CBDT. Hence, shareholders are requested to link PAN with Aadhaar on or before the prescribed date failing which the folios with invalid PAN shall be frozen effective from April 01, 2023.

19. 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 (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).

## NOTICE (Contd.)

20. Those Members who have so far not encashed their dividend warrants for the Financial year 2014-15, 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 2022 pursuant to the provisions of Companies Act 2013. Further Ministry of Corporate Affairs has notified on

September 05, 2016 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.

21. Due dates for transfer of unclaimed / unpaid dividends from the financial year 2014-15 are as under and thereafter the unclaimed/unpaid dividend amount will be transferred to IEPF:

<b>FY ended</b>	<b>Declaration Date</b>	<b>Last date for encashment</b>	<b>Due Date</b>
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	
2020-21 (31.03.2021)	13.09.2021	18.10.2028	16.11.2028

22. 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.

23. 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 the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date and transferred to the IEPF Authority 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).

24. 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.

25. A sum of Rs.4,36,896/- has been transferred to the Investor Education and Protection Fund in the year 2021 towards unclaimed/unpaid dividend declared during August 2014 for the year 2013-14.

26. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market.

27. 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 in prescribed form.

b) are requested to register / update their e-mail address with the company / RTA for receiving all communications from the company electronically.

28. 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.

## NOTICE (Contd.)

29. Non-Resident Indian members are requested to inform RTA / respective DPs, immediately of:
- Change in their residential status on return to India for permanent settlement.
  - Particulars of their bank account are maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
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 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.
34. 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.
35. 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.
36. 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.
37. 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.

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

- The remote e-voting period begins on Monday, September 5, 2022 (9.00 a.m.) and ends on Friday, September 9, 2022 (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 Friday, September 02, 2022 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
  - 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.

ogin 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.

The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

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

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

## NOTICE (Contd.)

- 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). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
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 Ms. Pallavi Mhatre, Senior 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.

#### **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

## NOTICE (Contd.)

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. Members who wish to register themselves as speaker shareholder ( to speak at the AGM ) are requested to write to the Company, from their registered email address mentioning their name, DPID & Client ID / Folio No, PAN, Mobile No. , on or before September 08, 2022 to "baskarasubramanian@salzergroup.com or geetha.r@salzergroup.com".  
Those members who have registered themselves as

a speaker shareholder will only be allowed to express their views / ask questions during AGM. The company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

6. Members who require any clarification on accounts or operation of the company are requested to write, from their registered e-mail ID mentioning their name, DPID & Client ID / Folio No, PAN, Mobile No. , on or before September 08, 2022 to " baskarasubramanian@salzergroup.com or geetha.r@salzergroup.com ". The queries will be answered suitably

## 7. Voting Results

- I. 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.
- II. 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.
- III. The Results along with the Scrutinizer's Report shall be placed on the Company's website www.adanigas.com within forty eight hours of the passing of the Resolutions at the 35<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.
8. If any member buys the shares of the company after 12<sup>th</sup> August 2022 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: May 21, 2022  
Place: Coimbatore

## Explanatory Statement under Section 102 of the Companies Act, 2013

### Item No.5

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 May 21, 2022, the Board considered and approved the appointment of CMA.A.R.Ramasubramania Raja (M.No. 32458) as the cost auditor for the FY 2022-23 at a remuneration of

Rs.1,40,000/- (Rupees One lakh Forty thousand Only) 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. 5 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

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**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)**

Name of the Director	Mr. D. Rajeshkumar	Dr. Thilagam Rajeshkumar
DIN	00003126	00006783
Category	Executive Director	Non-Executive Director
Date of Birth	25/09/1971	03/12/1972
Date of Appointment on the Board	22/12/2001	30/03/2015
Qualification	BE., MBA.,	MBBS., DGO.,
Brief profile and nature of their expertise in specific functional areas	He is a young and energetic entrepreneur and is managing the Salzer group of companies	Heading 50 bedded Multi Specialty Hospital & having vast administrative experience
Directorships held in other companies/ Firm.	<ol style="list-style-type: none"> <li>1. SRVE Industries Ltd,</li> <li>2. Sri Ram Arts Centre Pvt Ltd</li> <li>3. Salzer Magnet Wires Ltd (under liquidation)</li> <li>4. Salzer Exports Ltd</li> <li>5. Salzer Securities Holdings Ltd</li> <li>6. K R Health Care P ltd,</li> <li>7. Salzer EV Infra Pvt Ltd</li> <li>8. Salzer Kostad EV Charges Pvt Ltd</li> <li>9. Salzer E-March Electro Mobility Pvt Ltd</li> <li>10. Kaycee Industries Ltd</li> <li>11. Partner - Switchces and Sockets Industries</li> <li>12. Trustee - Salzer Educational Medical Research Trust</li> </ol>	<ol style="list-style-type: none"> <li>1. S R V E Industries Limited</li> <li>2. Saradha Investments Limited</li> <li>3. Coimbatore Kalpana Chit Funds Private Limited</li> <li>4. Sarojini Chit Funds Private Limited</li> <li>5. Quebec Information Services India Limited</li> <li>6. K R Health Care Private Limited</li> <li>7. Kalpana Medical Centre Private Limited</li> </ol>
Memberships / Chairmanships of committees across all companies	<p>Committees of Salzer Electronics Ltd</p> <ol style="list-style-type: none"> <li>1. Member - Risk Management Committee</li> <li>2. Member - CSR Committee,</li> <li>3. Member - Stakeholders Relationship Committee</li> </ol> <p>Committees of Kaycee Industries Ltd (Subsidiary)</p> <ol style="list-style-type: none"> <li>1. Member-Audit Committee</li> <li>2. Member - Stakeholders Relationship Committee</li> </ol>	NIL
Shareholding in the Company	262420 Shares- 1.64%	486044 Shares 3.04%
Inter se relationship, if any	Son of Mr. R. Doraiswamy, Managing Director; Housband of Dr. Thilagam Rajesh, Director and Brother of Mr. D. Vishnu Rangaswamy, Director.	Daughter in law of Mr. R Doraiswamy Managing Director, and Wife of Mr. D Rajesh Kumar, Joint Managing Director and Chief Financial Officer.



## DIRECTORS' REPORT

The Directors have the pleasure in presenting the Thirty Seventh Annual Report along with the audited Financial Statements of the Company for the year ended March 31, 2022

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.

### 1. PERFORMANCE REVIEW:-

#### Financial Summary of the Company

Particulars	(₹ in Lakhs)			
	Standalone		Consolidated	
	For the year Ended March 31, 2022	For the year Ended March 31, 2021	For the year Ended March 31, 2022	For the year Ended March 31, 2021
I Revenue from operations	78,363.30	60,561.95	80,354.15	62,573.60
II Other Income	217.88	199.16	247.62	219.85
<b>III Total Revenue (I + II)</b>	<b>78,581.18</b>	<b>60,761.11</b>	<b>80,601.77</b>	<b>62,793.45</b>
IV Expenses				
a Cost of materials consumed	63,764.67	48,277.51	64,550.68	49,343.97
b Purchase of stock in trade	-	-	-	-
c Changes in inventories of finished goods, work-in-progress and stock-in-trade	-1,585.42	-1,238.29	-1,533.96	-1,231.24
d Employee benefit expenses	2,939.99	2,433.87	3,359.63	2,811.50
e Finance Cost	1,980.54	2,127.42	1,987.65	2,134.48
f Depreciation and amortisation expense	1,600.59	1,560.55	1,633.48	1,601.11
g Other expenses	6,865.90	4,909.76	7,353.54	5,347.80
<b>h Total Expenses</b>	<b>75,566.27</b>	<b>58,070.82</b>	<b>77,351.02</b>	<b>60,007.62</b>
V Profit before exceptional and extraordinary items and tax (III-IV)	3,014.91	2,690.29	3,250.75	2,785.83
VI Exceptional Items	-	-	-	19.46
VII Prior Period expenses	-	-	-	-4.37
VIII Profit before tax (V-VI)& extraordinary items	3,014.91	2,690.29	3,250.75	2,800.92
IX Extraordinary items	-	-	-	-
X Profit before tax (VII-VIII)	3,014.91	2,690.29	3,250.75	2,800.92
XI Tax expense:	-766.77	622.94	-830.30	663.02
<b>XII Profit for the period - After Tax(IX-X)</b>	<b>2,248.14</b>	<b>2,067.35</b>	<b>2,420.47</b>	<b>2,137.90</b>
XIII Earnings per equity share:				
(1) Basic (in Rs.)	14.07	12.93	14.14	12.84
(2) Diluted (in Rs.)	14.07	12.93	14.14	12.84
XIV Reserves and Surplus	33,384.31	31,391.55	33,546.39	31,424.51

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

The Financial year 2021-22 marked with a lot of challenges arising out of the second wave of Covid 19 that crippled the economy affecting its normal growth during the first quarter, and the geopolitical turmoil in the later part of the year that spooked the entire global trade, grappling with inflations, unprecedented increase in prices of all commodities etc.,. Despite these challenges, the overall business environment remained stable in the year as the result of positive consumer behaviour that prevailed across the spectrum.

Post pandemic, your Company witnessed a healthy recovery in the market and clocked standalone

revenue growth of 30% in 2021-22 over the corresponding period of last year. Particularly, the Switch Gears business was quite encouraging which provided an enhanced contribution to the top-line growth. However, persistent increases in the prices of key raw materials like copper, silver, plastics, steel etc., took a toll on the profitability of your Company. In spite of prices hikes effected in the year, the margins were relentlessly under pressure due to the continuous northward movement of input prices. It is our hope that the margin pressures would gradually get eased from the second quarter of 2022-23 as the increased input cost is anticipated to get normalized in the second quarter of this year.

## DIRECTORS' REPORT (Contd.)

On a consolidated basis, Your Company's consolidated revenue stood at Rs.803.54 Crs in the year with a growth of 28% over the corresponding period of last year. Your Company made a net profit of Rs.24.20 Crs by registering a growth of only 13% over that of the last year.

On the export front, despite slight headwinds due to partial lockdowns across the world, your Company managed to post a steady growth in the exports of its products especially to the US and the European markets. Export to the Americas, Europe and Middle East grew 84%, 52% and 81% respectively in the fourth quarter in the year which was a significant milestone in your Company's global sales in any quarter. During the year, the export business contributed 24% to the total sales as against 20.0% in FY21 with the growth of 50 % over the previous year.

In spite of the continuation of some of the challenges in the global trade, your Company hopes that the demand from its above key global markets would remain intact. Due to re-alignment of the global supply chain in the recent past, your Company started receiving more enquires from the customers across the globe and hopes to capitalize on these business opportunities in the current year.

### i) Overview of Division wise contribution

#### a. Industrial switch gear Division

The Industrial Switch Gear Products, the legacy products of your Company, are having a strong foothold both in the domestic and global markets. Your company has established a niche place in the market across the globe over the period of Time. The globally renowned Companies like GE, Schneider, EATON, ABB and Honeywell are some of the established large OEM customers for our products, and your company is adjudged as a preferred supplier to GE, Schneider, and only approved supplier of Nuclear Power Corporation and the largest supplier of rotary and load break switches to Indian Railways

The Products under this basket covers 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.

The industrial switch gear business is one the largest contributors to our overall revenues. During the year, this division grew by 55% on the back of a strong exports and made a 50% contribution to the total revenues of the Company. This division's EBITDA margins contracted to 9.7% for FY2022 against 14.60% in FY21 as the division was severally impacted by an unprecedented increase in input cost in the year

#### b. Wires and cables Division

Your Company manufactures a wide range of Industrial wires & Cables from 0.5 sq mm to 300 sq mm - Building Wires, Flexible wires, Multi Core Cables, Flat cables, Traveling cables, Lan Cables, UL rated Wires, Shielded & Braided Wires etc., Schneider is our one of the most valued customers for these products.

During the year, this Division grew only by 6% due to extended monsoon which played a spoilsport to the strong growth of the market and this division's contribution to the overall revenue stood at 43% and its EBIDA margin remained unchanged at 7.30% in the year

#### c. Building Products Division

This Division saw a phenomenal growth trajectory in the year in the face of strong recovery of the realty sector after Covid-19 related disaster. It is being projected that the realty sector growth in Current year will be bolstered by the increased Demand from the customers, nevertheless of Home Loan Rates hikes by RBI. Hence, this division is strongly poised to expand its business activities and make a remarkable performance in 2022-23

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 7.25% to your Company's revenues in 2021-22 with top line growth of around 60%.

#### d. Energy management Division

The fourth division is our Street Light Management System and this business is an order driven business. During the year, the Company has not received any new orders from the Government as there were no tenders issued by any Government bodies. It has been actively eying to garner some business in the year 2022-23

### ii) Significant development in the years

Your Company received patents for 'Integral Cam Operated Rotary Switches' and 'Motor Protection Circuit Breaker' (MPCB) with increased air gap.' Integral Cam Operated Rotary Switches are our legacy product and provided substantial revenue to the Company in the last many years. Similarly MPCB is also a well-received product in the market and finds a wide range of applications in the industrial Machineries.

The global industry for EVs has been on the rise in the recent past. Stringent emission norms and environmental concerns are expediting the adoption of EVs by various States. The Government

## DIRECTORS' REPORT (Contd.)

of India is also propagating its awareness on the adoption of EVs and this is likely to open up huge opportunities for your Company.

In this direction :

- Your Company formed a joint venture company named Salzer Kostad EV Chargers Pvt Ltd, with an Austria-based company Kostad Steuerungsbaubau GmbH (Kostad). The JV Company is engaged in the business of manufacturing of DC Fast charging stations for electrical Cars, Trucks & Buses, and components and systems thereof, in India. Through this technical alliance, Kostad would provide technical know-how and requisite technology support to Salzer for the production of EV charging stations and related components.
- As per Joint Venture Agreement, Salzer and Kostad would hold 26% and 16% equity in this JV respectively, E-March LLP a Technology company with abundant resource and knowledge in Power electronics would hold 6%, while the rest would be held by private investors. The total investment in this venture would be Rs. 18 crores, 26% of which would be borne by Salzer over a period of 12 months.
- Your company, through its wholly owned subsidiary, Salzer EV Infra Pvt. Ltd., formed a JV named Salzer EMarch Electromobility Pvt. Ltd., in association with EMarch LLP (Indo-Austrian technology firm with abundant resource and knowledge in Electric Conversion Kits & power electronics). This JV is engaged in manufacturing electric conversion kits for auto-rickshaws, cars and buses and also in the manufacture of novel electric driven utility vehicles
- As per the Joint Venture Agreement, Salzer, through its wholly owned subsidiary, would hold 26% equity in this JV, while EMarch LLP would hold 22.5%; the rest would be held by other private investors. The total investment in this venture would be Rs. 6 crore
- Both these EV projects are progressing well and the initial teething problems are being overcome, and technical glitches are being corrected. Once the initial trials have been completed, then the products will be submitted for statutory approvals. – Once the approvals from the statutory bodies are in place and other test runs completed, the Products will be rolled out in the market shortly

### i) Way ahead

Your Company has actively been engaging with existing as well as new customers across the

continents and exploring new business opportunities in the untapped markets like Australia and Africa. As the result, your Company is consistently getting new enquires and orders which would drive the growth of the year 2022-23 to a new height.

Besides we have strong commitment towards

- Consistently executing business strategy and continued focus on improving operating costs by sourcing quality raw materials and efficient manpower,
- Seeking for Technical alliances to develop new and technically advanced products,
- Finding out suitable players in the market for acquisition,
- Increase sales of high margin products existing and new,
- Constantly develop new products through in-house R & D and.
- cleaner, greener and healthier environment,

## 3. DIVIDEND

Your Board of Directors at their meeting held on May 21, 2022 considered the proposal of Dividend for the financial year ended March 31, 2022 and recommended a Dividend at the rate of 18% i.e Rs. 1.80 per Equity Share of Rs. 10/- each for the financial year 2021-22 which will involve a cash outgo of Rs. 2.88 Crs.

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.

## 4. SHARE CAPITAL

As on March 31, 2022, the authorized, issued, subscribed and paid-up share capital is as follows:

### Authorized Share Capital :

- a) 1,90,00,000 Equity Shares having face value of Rs. 10/- each aggregating to Rs. 19,00,00,000
- b) 10,00,000 Non-Voting convertible preference shares having a face value of Rs. 10/- aggregating to Rs. 1,00,00,000

### Issued, Subscribed and Paid-up Share Capital:

1,59,82,737 Equity Shares having face value of Rs. 10/- each aggregating to Rs. 15,98,27,370

During the year under review, there were no changes in the Capital Structure of the Company

## DIRECTORS' REPORT (Contd.)

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

### 5. 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

### 6. 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 Rs.50.00 Lakhs to the General Reserve Account. Now, your Company has a general reserve of Rs. 20.58 Crs Lakhs as at March 31, 2022.

### 7. LIQUIDITY

The Company has adequate cash and cash equivalents in its Books as at March 31, 2022 to take care of all the current liabilities comfortably.

### 8. 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.

### 9. 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

There were no material changes and commitments affecting the financial position of the Company which have occurred between the date of the financial year of the Company to which Financial statements related and the date of the report

### 10. 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.

### 11. 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.

The Company periodically conducts a physical verification of inventory, fixed assets and cash on hand and matches them with the books of account and the issues are being dealt with appropriately. 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 thought 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 to the Board of Directors along with a Whistle Blower Policy facilitating employees to report their concern in case they come across any type of improper act or violation of code of conduct which includes Fraud, scam etc. ,

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

With reference to the shareholdings held by the Company as at March 31, 2022, your Company has One Subsidiary Kaycee Industries Limited, One wholly Owned Subsidiary- Salzer EV Infra Private Limited, One Step down Subsidiary Salzer Emarch Electromobility Private Limited and One Associate Entity Salzer Kostad EV Charges Private Limited

#### a) Kaycee Industries Limited

➤ Kaycee has successfully broken its legacy barrier of posting regular sales turnover between Rs.20 Crs and Rs.25 Crs for the last many years and for the



## DIRECTORS' REPORT (Contd.)

- first time, it recorded highest ever sales of Rs.29.50 Crs in FY22 despite a very low sales level in the first quarter due to Covid related lockdown disruptions
- During the year, Kaycee saw an all-round growth. Sales went up by 30%, its EBIDTA and Profit before and after Tax also went up by more than 100% respectively
  - Aiming to achieve Rs.50 Crs sales turnover in FY23 with launching of new products and expanded business activities
  - The Board of Directors of Kaycee at their meeting held on May 12,2022 approved the Annual Financial Results of FY22 and recommended a Dividend at the Rate of Rs.50 (50%) per Equity Share of Rs.100 each
  - Other key significant development Kaycee's Board in the above meeting inducted Mrs. Priya Bhansali, managing partner of M/s. Kumbat & Co., Chartered Accountant as an Independent Director for a term of three years. Mrs. Priya Bhansali has wide range experience in Finance, Taxations, FEMA etc

## THE FINANCIAL PERFORMANCE OF SUBSIDIARY COMPANY FOLLOWS AS UNDER

(₹ in Lakhs)

Particulars	31st March 2022	31st March 2021
1 Revenue from operations	<b>2,940.87</b>	<b>2,271.62</b>
2 Operating Expenses		
a Cost of materials consumed	1,736.03	1,326.42
b Changes in inventories of finished goods, work-in-progress	51.46	7.05
c Employee Benefit Expenses	419.64	377.64
d Other Expenses	487.64	438.03
3 Total Operating Expenses (a+b+c+d+e)	<b>2,694.77</b>	<b>2,149.14</b>
4 Operating Profit (1-3)	<b>246.09</b>	<b>122.48</b>
5 Other Income	44.02	34.95
6 Finance cost	7.10	7.06
7 Depreciation and Amortisation Expenses	32.89	40.57
8 Profit before Tax (4+5-6-7)	<b>250.12</b>	<b>109.80</b>
9 Provision - Covid 19 for Inventory and Receivable	-	15.09
10 Tax Expenses	-63.51	-40.08
11 Profit after Tax (8-9-10)	<b>186.61</b>	<b>84.81</b>
12 Other Comprehensive Income	4.93	-0.83
13 Total Comprehensive Income (11+ 12)	191.54	83.98
14 Share Capital	63.47	63.47
15 Reserves and Surplus	1,593.87	1,421.37
16 Net Worth of the Company	1,657.34	1,484.84
17 Book Value of the shares (in Rs.)	<b>2,611.22</b>	<b>2,339.44</b>
18 Earnings per share (in Rs.)	<b>294.01</b>	<b>133.62</b>

### b) Salzer EV Infra Private Limited (Wholly owned subsidiary)

- Salzer EV Infra Private Limited was incorporated on July 21,2021, with an object of, inter alia, making investment in Joint Venture Companies engaged into EV Business,
- Salzer EV Infra is a Wholly Owned Subsidiary (WOS) Company to your Company. Presently, the WOS has Rs.30 Lakhs Authorized Shared Capital and Rs. 19 Lakhs Paid up Share Capital,
- In turn, Salzer EV Infra made investments to the tune of Rs. 18.50 Lakhs in the Share Capital Salzer Emarch Electromobility Private Limited, a Company engaged in the business of conversion kits for Autos,

- The above Salzer EV Infra investments represents 97% in the share capital of Salzer EMarch which as the results has become a Step Down Subsidiary of Salzer Electronics and

- Except the above, no other material event took place in FY22.

### c) Salzer Emarch Electromobility Private Limited

- Incorporated on September 02, 2021 with an object of Manufacturing Conversion kits for the Autos in association with EMarch LLP,
- The Company developed the products which are presently at the trial stage.

## DIRECTORS' REPORT (Contd.)

- Its Authorized Share Capital Rs.30 Lakhs and Paid up Capital stood at Rs. 18.50 Lakhs, of which 97% held by Salzer and balance with JV Partner Emarch

### d) Salzer Kostad EV Charges Private Limited

- Salzer Kostad incorporated on July 27,2021 with an aim to make Charging Stations in partnering with Kostad, an Austrian Company
- With support of Kostad, Product was made and being tested by the trial runs. Post-Trial run, the Product would come to the Market with due approvals and clearance from the Regulators
- Presently Salzer holds 33.33% equity stake in Salzer Kostad whose authorized share capital is Rs. 10 Lakhs and paid up Rs. 1.50 Lakhs

## 13. 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. As such, there was no deposit as at March 31, 2022.

## 14. 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.

## 15. 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.

## 16. AUDITORS' REPORT

The Independent Audit Report along with the Annexure as prescribed under Companies (Auditors' Report) Order 2020 as issued by the Auditors' are appended to this Annual Report. The Auditors have not made any qualification / adverse remarks, based on the auditing on the accounts and transactions of the year.

## 17. 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.

## 18. 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.

## 19. EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in form No. MGT 7 forms part of the Board's report given in the company's website <https://www.salzergroup.net/documents/Annual-Return-2021-22.pdf> in compliance with Rule 12(1) of the Companies (Management and Administration) Rules, 2014.

## 20. 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: 3 herewith separately.

## 21. 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 2021-22 is attached herewith as Annexure 3 and forms a part of this report.

## 22. DIRECTORS:

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

During the year under the review, there is no changes took place in the Board's Composition

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

### B) Retirement by Rotations

Mr. D Rajesh Kumar and Dr.Thilagam Rajesh, who are the retiring Directors in the ensuing 37<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,

## DIRECTORS' REPORT (Contd.)

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: -

- 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.

## 23. LISTING REGULATIONS

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

## 24. 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.

## 25. 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.

## 26. 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.

## 27. 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

## DIRECTORS' REPORT (Contd.)

- (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.

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

### 28. 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, 2022, 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.

### 29. 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. and the same is disclosed to Notes to the Financial Statements (Note No. 6 and Note No. 11)

### 30. 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)

### 31. 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)

### 32. 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.

### 33. SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Companies Act, 2013, the Board of Directors, at their meeting held on June 15, 2021, 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 2021-22 in terms of Section 204 of the Companies Act,



## DIRECTORS' REPORT (Contd.)

2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report for the financial year ended 31st March, 2022 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

### Observation in the Report

There were few instances of delayed disclosures to Stock Exchanges under Regulation 23(9), 30 and 33(3) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015 for which the Company had made suitable replies to the Stock Exchanges

### Management comments

Delayed disclosures to the Stock Exchanges occurred due to some technical hitches encountered in the system at the time of filing.

## 34. COMPLIANCE ON SECRETARIAL STANDARDS

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

## 35. 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 Rs.4,36,896/-. Further, 10,407, 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). The Details of the nodal officer: Mr. S. Baskarasubramanian, E-mail ID. [baskarasubramanian@salzergroup.com](mailto:baskarasubramanian@salzergroup.com)

## 36. 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.

## 37. 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

## 38. 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.

## 39. 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

## DIRECTORS' REPORT (Contd.)

- 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
- 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

### 40. 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, 2022, 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, 2022 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

### 41. CREDIT RATINGS

During the year under review, CRISIL, Rating Agency, has reaffirmed as 'CRISIL A/Stable' for long term borrowing and 'CRISIL A1' for short term borrowings.

### 42. INDUSTRIAL RELATIONS

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

### 43. 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

### 44. 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

### 45. 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.

### 46. 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

**N RANGACHARY**  
CHAIRMAN  
DIN : 00054437

Place : Coimbatore  
Date : May 21, 2022

# ANNEXURE-1

## CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Our corporate governance is a reflection of our value system, encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices and performance, and ensure that we gain and retain the trust of our stakeholders at all times.

Corporate governance is an ethically-driven business process that is committed to values aimed at enhancing an organization's wealth-generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At Salzer, it is imperative that our Company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

### 2. BOARD OF DIRECTORS

#### a. Role of Board of Directors

The primary role of the Board is that of trusteeship to protect and enhance shareholder value. As trustees, the Board has a fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. Further, the Board is also responsible for:

- Exercising appropriate control to ensure that the Company is managed efficiently to fulfill stakeholders' aspirations and societal expectations.
- Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- Providing strategic guidance to the Company and ensuring effective monitoring of the Management.
- Exercising independent judgment on corporate affairs
- Reviewing and guiding corporate strategy, major plans of action etc,

#### b. Composition

In terms of 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.

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

#### i) Composition of the Board as on March 31, 2022

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 Directors</b> including the Chairman	5
<b>Other Non Executive &amp; Non Independent Directors</b>	2

#### ii) Profile Of Directors

##### a) Shri.N.Rangachary, Non-Executive Independent Chairman

Shri.N.Rangachary, Chairman of the company, aged 84 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 fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement.

Shri Rangachary is an IRS officer having over 43 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 Andhra Pradesh Finance department during the period 2002-08. He is a Honorary Member of Indian Institute of Actuary.

## **ANNEXURE-1 (Contd.)**

### **b) Shri.R.Doraiswamy, Managing Director**

Shri.R.Doraiswamy, Managing Director of the company, aged 79 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 BOVERY 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.

### **c) Shri.D.Rajeshkumar, Joint Managing Director & Chief Financial Officer**

Shri.D.Rajeshkumar, Joint Managing Director & Chief Financial Officer of the company, aged 51 years, is a graduate in Electrical Engineering with Post Graduation in Business Administration, a technocrat turned into an industrialist. Mr.D.Rajeshkumar did his Pos-Graduation in Business Management in USA and has taken over 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.

### **d) 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.

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

Shri.N.Jayabal, aged 78, 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.

### **f) Shri.P.Ramachandran, Whole Time Director**

Shri.P.Ramachandran, aged 74 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.

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

Shri.Nirmal Kumar M Chandria, aged 62 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.

### **h) 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.

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

Shri.V.Sankaran, aged 79 years, is an Independent and Non-Executive Director on the Board of Directors for the last 19 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



## ANNEXURE-1 (Contd.)

Financial Services Industry. He has over 42 years of experience in reputed companies in various areas of Finance and General Management. Mr.Sankaran is a Director of Smile Electronics Limited.

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

Shri.S.Baskarasubramanian, aged 79 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.

### k) **Shri.Vishnu Rangaswamy, Non-Executive Non-Independent Director**

Shri.Vishnu Rangaswamy, aged 46 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.

### iii) Position of Board of Directors

Directors	Category	Attendance Particulars		No. Of Membership In The Boards Of Other Companies
		Board meeting	Last Agm (13.09.2021)	
N.Rangachary *,@	Non-Executive Independent Chairman	5	√	6
R.Doraiswamy #,%	Managing Director	5	√	7
D.Rajeshkumar #,@,%	Joint Managing Director & Chief Financial Officer	5	√	11
Dr.(Mrs.)Rajeshkumar Thilagam	Non-Executive Woman Director1	5	√	7
N.Jayabal *,#,\$,@,%	Non-Executive Independent Director	5	√	2
P. Ramachandran %	Whole-time Director Marketing	5	√	2
Nirmal Kumar K Chandria *,#	Non-Executive Independent Director	5	√	5
P.K.Shah \$	Non-Executive Independent Director	5	√	0
V.Sankaran *,\$,%	Non-Executive Independent Director	5	√	1
D.Vishnu Rangaswamy	Non-Executive Independent Director	1	X	5
S.Baskarasubramanian	Director (Corporate Affairs) & Company Secretary	3	√	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

& Secretary to all the Committees

**ANNEXURE-1 (Contd.)****iv) Listed entities in which the Directors hold position as Director other than the Company and category of Directorship:**

Sl. No.	Name of the Director	Name of the Company	Category of Directorship
1	N.Rangachary	Equitas Holding Ltd	Non-Executive Independent Chairman
		Orient Green Power Company Ltd	Non-Executive Independent Chairman
		Kaycee Industries Ltd	Non-Executive Independent Chairman
2	Mr. R. Doraiswamy	Kaycee Industries Ltd	Non-Executive Independent Director
3	Mr. D. Rajeshkumar	Kaycee Industries Ltd	Non-Executive Independent Director
4	Dr. (Mrs.) Rajeshkumar Thilagam	Nil	
5	Mr. N.Jayabal	Nil	
6	Mr. P.Ramachandran	Nil	
7	Mr. Nirmal Kumar K Chandria	Nil	
8	Mr. P.K.Shah	Nil	
9	Mr. V.Sankaran	Nil	
10	Mr. D.Vishnu Rangaswamy	Nil	
11	Mr. S.Baskarasubramanian	Nil	

**v) MEETING OF THE BOARD OF DIRECTOR**

During the year under report, Five Board meetings were held on 15.06.2021, 07.07.2021, 12.08.2021, 01.11.2021 & 07.02.2022.

**vi) 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

**iv) Number of shares and convertible instruments held by non- executive directors;**

Sl. No.	Name of the Director	Number of equity shares held as on 31.03.2022
1	N.Rangachary	-
2	Mr. R. Doraiswamy	319139
3	Mr. D. Rajeshkumar	262420
4	Dr. (Mrs.) Rajeshkumar Thilagam	486044
5	Mr. N.Jayabal	665
6	Mr. P.Ramachandran	-
7	Mr. Nirmal Kumar K Chandria	34910
8	Mr. P.K.Shah	32146
9	Mr. V.Sankaran	-
10	Mr. D.Vishnu Rangaswamy	783289
11	Mr. S.Baskarasubramanian	22068

**ANNEXURE-1 (Contd.)**
**viii) 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 web link: [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.

**ix) 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 entrepreneuralship 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.
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. 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
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.

## ANNEXURE-1 (Contd.)

Name of the Director	Expertise in specific functional area
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.

As per the requirements of the Companies Act, 2013, all the Independent Directors of the Company have registered themselves in the Independent Directors Data Bank and are exempted from undertaking online self-assessment test.

- x) During the year under review, none of the Independent Directors have resigned before the expiry of the tenure and there was no change in Directors of the Company

### 3. 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, Risk Management 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.

#### a. Audit Committee:

The Audit Committee consisting of the following independent Directors met four times on 15.06.2021, 12.08.2021, 01.11.2021 & 07.02.2022 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.
- 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.



## ANNEXURE-1 (Contd.)

- 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 2021-22 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 Chairman	4
2	Mr. N. Rangachary	Member	Non Executive Independent Director	4
3	Mr. N. Jayabal	Member	Non Executive Independent Director	4
4	Mr. Nirmal Kumar M Chandria	Member	Non Executive Independent Director	4
5	Mr. S. Baskarasubramanian	Secretary to the Committee	Director (Corporate Affairs) & Company Secretary	4

### b. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee with the following members met once on 07.02.2022 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.
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.

## ANNEXURE-1 (Contd.)

### 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	1
2	Mr. P. K. Shah	Member	Non Executive Independent Director	1
3	Mr. N. Jayabal	Member	Non Executive Independent Director	1
4	Mr. S. Baskarasubramanian	Secretary to the Committee	Director (Corporate Affairs) & Company Secretary	1

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

### EVALUATION

The Securities and Exchange Board of India (SEBI) vide Circular No. SEBI / HO / CFD / CMD / CIR / P / 2017 / 004 dated 5th January 2017 had issued a guidance note on Board Evaluation specifying the criteria for evaluation of performance of (i) Board as a whole (ii) individual Directors (including Independent Directors & Chairperson) and (iii) various Committees of the Board.

Based on the parameters suggested, the Nomination and Remuneration Committee has adopted suitable criteria to evaluate the Independent Directors, Committees of the Board and the Board of Directors as required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Performance Evaluation of the Board, Individual Directors and Committees has been carried out in accordance with the aforesaid circular.

Independent Directors' performance is evaluated based on their qualification, experience, knowledge and competency, ability to fulfill allotted functions / roles, ability to function as a team, pro-activeness, participation and attendance, commitment, contribution, integrity, independence from the Company and the ability to articulate independent views and judgement. Accordingly, performance evaluation of Independent Directors has been conducted and the results have been communicated to the Chairman of the Board.

### 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

- 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

- 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.
- 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.
- 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.

### 5. REMUNERATION OF DIRECTORS :

#### 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

## ANNEXURE-1 (Contd.)

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.

### 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.

Refer Annual Return for Statement of Remuneration, paid to Key Managerial Personnel in 2021-22. <https://www.salzergroup.net/documents/Annual-Return-2021-22.pdf>

### 6. STAKEHOLDER (GRIEVANCE) RELATIONSHIP COMMITTEE:

The Stakeholder's (Investors) Relationship Committee of the Board met four times on 30.06.2021, 30.09.2021, 31.12.2021 & 31.03.2022 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 31.03.2022.

#### 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 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.

#### 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 Chairman	4
2	Mr. D. Rajeshkumar	Member	Joint Managing Director and Chief Financial Officer of the company	4
4	Mr.Nirmal Kumar M Chandria #	Member	Non Executive Independent Director	4
5	Mr. S.Baskarasubramanian	Secretary to the Committee	Director (Corporate Affairs) & Company Secretary	4

Mr.S.Baskarasubramanian, Director (Corporate Affairs) & Company Secretary is the Compliance officer of the company.

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	2
Status of share Certificate - transfer to IEPF	3
<b>TOTAL</b>	<b>7</b>

As on March 31, 2022, no complaints were outstanding.

## ANNEXURE-1 (Contd.)

### 7. 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 15.06.2021 the actual expenditure under CSR along with its Annual Report for the year 2020-21 and also considered and approved the budget to be spent during the year 2021-22 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

### 8. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee has been reconstituted by the Board on 11.11.2014 with following 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 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 interest 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. Doraiswamy	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
	Mr. P. Ramachandran	Member	Executive Non-Independent Director	1
6	Mr. P. Sivakumar	Member	Asst. Vice President (Marketing) - Unit I	1
7	Mr. B.Mahendran	Member	Gen. Manager (Operations) - Unit I	1
8	Mr. M.Lakshminarayana	Member	Gen. Manager (Operations) - Unit II	1
9	Mr. S.Venkatachalam	Member	Manager (Commercial) - Unit II	1
10	Mrs. R.Menaka	Member	Manager (Accounts) - Unit I	1
11	Mr. S.Baskarasubramanian	Secretary to the Committee	Director (Corporate Affairs) & Company Secretary	1

## 9. GENERAL BODY MEETINGS

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

Location	Nature of Meeting	Day	Date	Time	Special resolution passed
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. The Company appointed Mr.G.Vasudevan, Practicing Company Secretary, as the Scrutinizer, who conducted the Postal Ballot exercise in a fair.
As permitted by MCA & SEBI conducted through VC / OAVC	36 <sup>th</sup> AGM	Saturday	13/09/2021	11.30 am	No special resolution has been passed in this AGM.

- ❖ 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.
- ❖ No Postal Ballot was conducted during the year.

### Special Business / Resolutions proposed to be transacted at the AGM scheduled on 10.09.2022:

- i) To ratify the remuneration payable to Mr.A.R.Ramasubramania Raja (M.No. 32458), appointed as Cost Auditors of the Company for FY 2022-23.

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.

## ANNEXURE-1 (Contd.)

### 10. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on March 10, 2022, 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.

### 11. 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).

### 12. GENERAL SHAREHOLDER INFORMATION

#### A) ANNUAL GENERAL MEETING

Day & Date	10 <sup>th</sup> September 2022, Saturday
Time	11.30 AM
Mode	Video Conference / Other Audio Video Means (VC / OAVM)
Financial year	1st April, 2021 to 31st March, 2022
Date of Book Closure / Record Date	26.08.2022
Listing on Stock Exchanges	BSE Limited & National Stock Exchange of India Ltd (NSE)
STOCK / SCRIP CODE	517059 (BSE) & SALZERELEC (NSE)
Audited Financial Results Announced	21.05.2022
Announcement of Quarterly Results	12.08.2021, 01.11.2021 & 07.02.2022
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 meeting may register themselves as a speaker by sending their request on or before September 08,2022, mentioning their name, demat account number/folio number, email id, mobile number at <a href="mailto:baskarasubramanian@salzergroup.com">baskarasubramanian@salzergroup.com</a> / <a href="mailto:geetha.r@salzergroup.com">geetha.r@salzergroup.com</a> . Those shareholders will only be allowed to express their views/ask questions during the meeting. The facility is provided for the benefit of shareholders who would like to speak not exceeding 1000 numbers on FCFS basis, as per guidelines.
Despatch of Annual Report	Within the stipulated time Through e-mail
Period of e-voting	05.09.2022 to 09.09.2022
e-voting Even No.	120909
CIN No.	L03210TZ1975PLC001535

**ANNEXURE-1 (Contd.)**
**B) MARKET PRICE DATA**
**Share Trading Details in Bse Limited**
**For the period: 1-Apr-2021 to 31-Mar-2022**
**BSE Ltd**

(Amt in ₹.)

Month	Open	High	Date	low	Date	Closing	Tra. volume
Apr '21	121.10	131.95	07.04.2021	110.15	19.04.2021	119.80	92905
May '21	119.70	143.70	31.05.2021	59.45	20.05.2021	139.25	288904
Jun '21	143.50	174.95	14.06.2021	137.75	01.06.2021	162.10	987282
Jul '21	164.90	187.00	14.07.2021	158.50	01.07.2021	173.40	515411
Aug '21	117.00	189.60	02.08.2021	138.30	23.08.2021	148.55	344647
Sep '21	150.15	174.80	03.09.2021	147.70	01.09.2021	161.30	308205
Oct '21	159.00	176.00	05.10.2021	146.60	12.10.2021	155.30	220515
Nov '21	159.55	234.15	25.11.2021	156.50	01.11.2021	199.20	931681
Dec '21	190.05	214.05	09.12.2021	171.10	20.12.2021	188.90	171771
Jan '22	192.95	263.50	10.01.2022	190.00	03.01.2022	216.25	764922
Feb '22	225.80	228.00	03.02.2022	148.05	24.02.2022	165.50	581991
Mar '22	164.00	187.00	31.03.2022	152.00	07.03.2022	138.85	236656

**NSE Ltd**

Month	Open	High	Date	low	Date	Closing	Tra. volume
Apr '21	126.10	132.40	17.04.2021	115.55	22.04.2021	119.95	828282
May '21	121.00	144.00	31.05.2021	116.50	03.05.2021	139.30	2689851
Jun '21	140.80	174.60	14.06.2021	137.75	01.06.2021	161.85	7755168
Jul '21	162.30	187.15	02.07.2021	158.35	01.07.2021	173.25	4514425
Aug '21	174.10	189.60	02.08.2021	138.10	23.08.2021	148.45	2441370
Sep '21	151.45	174.75	03.09.2021	146.00	01.09.2021	161.20	2461117
Oct '21	163..95	176.00	05.10.2021	152.05	25.10.2021	155.65	1067541
Nov '21	157.25	234.40	25.11.2021	156.00	01.11.2021	198.70	7420854
Dec '21	196.35	214.05	09.12.2021	172.50	20.12.2021	189.00	1698778
Jan '22	194.00	264.30	10.01.2022	189.95	03.01.2022	215.95	5843870
Feb '22	219.45	231.90	02.02.2022	149.10	24.02.2022	165.25	2958749
Mar '22	164.00	187.40	31.03.2022	160.60	07.03.2022	184.30	1893765

## ANNEXURE-1 (Contd.)

### MARKET CAPITALIZATION

As on 31<sup>st</sup> March 2022, the market capitalization of the company stood at Rs.293.84 Crores as per BSE and at Rs.294.56 Crores as per NSE.

### Share Price performance in Comparison to Broad based indices - BSE & NSE as on 31.03.2022

#### Salzer - Vs - Sensex

Month	Salzer growth %	Sensex growth %
3 Month	-3.01	0.54
6 Month	14.23	-0.94
9 Month	11.52	11.60
1 Year	48.22	18.30
3 Years	48.23	50.67

#### Salzer - Vs - Nifty

Month	Sensex growth %	Nifty growth %
3 Month	-2.49	0.64
6 Month	14.33	-0.87
9 Month	13.87	11.40
1 Year	50.45	18.88
3 Years	52.95	50.25

### 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.

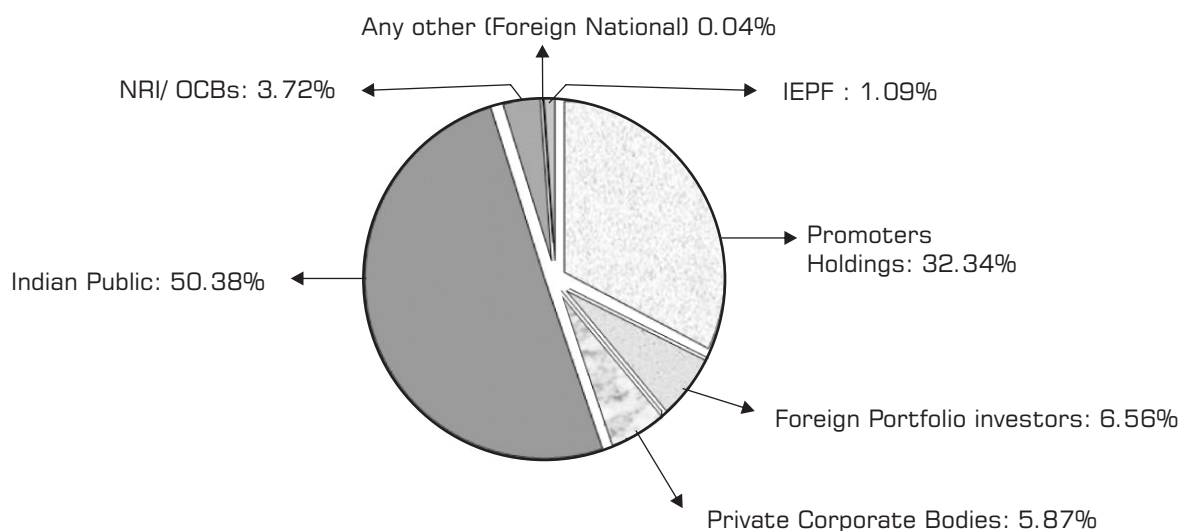
The Shares held in the demat form are electronically traded in the depositories and the Registrar and Transfer Agents of the Company periodically receive from the depositories the beneficiary holdings, to enable them to update their records.

### E) DISTRIBUTION SCHEDULE (As on 31.03.2022)

Range	No. of Folios	No. of Shares	% of holding
Up to - 5000	25646	5378989	33.65
5001 - 10000	113	846968	5.30
10001 - 20000	66	913353	5.71
20001 - 30000	14	338196	2.12
30001 - 40000	13	469989	2.94
40001 - 50000	1	49706	0.31
50001 - 100000	15	1009017	6.31
100001 & above	18	6976519	43.65
<b>TOTAL</b>	<b>25886</b>	<b>15982737</b>	<b>100%</b>

**ANNEXURE-1 (Contd.)**
**F) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2022**

Category		No. of Shares held	Percentage of Share Holding
<b>A</b>	<b>Promoter's holding</b>		
1	Promoters		
	Indian Promoters	4385386	27.44%
	Foreign Promoters	783289	4.90%
2	Persons acting in concert	-	-
	<b>Sub-Total</b>	<b>5168675</b>	<b>32.34%</b>
<b>B</b>	<b>Non-Promoters Holding</b>		
3	Institutional Investors		
a	Mutual Funds	-	-
b	Foreign Institutional investors / Banks, Financial Institutions, Insurance companies (Central/State Govt, Institutions / Non-Government Institutions)	1049043	6.56%
	<b>Sub-Total</b>	<b>1049043</b>	<b>6.56%</b>
4	Others		
	Private Corporate Bodies	937494	5.87%
	Indian Public	8051752	50.38%
	NRI / OCBs	594185	3.72%
	Any other (Foreign Collaborator/National)	7000	0.04%
	IEPF	174588	1.09%
	<b>Sub-Total</b>	<b>9765019</b>	<b>61.10%</b>
	<b>Grand Total</b>	<b>15982737</b>	<b>100.00%</b>

**DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2022**

**G) DEMAT INFORMATION (AS ON 31.03.2022)**

	No. of Shares Dematerialized	% of Total Capital
<b>CDSL</b>	8902063	55.69%
<b>NSDL</b>	6773145	42.38%
<b>TOTAL</b>	15675208	98.07%



## ANNEXURE-1 (Contd.)

### H) CREDIT RATINGS OBTAINED BY THE ENTITY

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

Total Rated facilities – Rs. 300.62 Crores, increased from Rs.273.67 Crores, rated previously.

### 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.

## 13. 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. D. Rajeshkumar
2. Dr. (Mrs.) Thilagam Rajeshkumar

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

During the year under review, the Company entered into transactions with the related parties in the ordinary course of business and at arm's length basis. Refer Note No. 47 of financial statement for particulars about related party transactions

## ANNEXURE-1 (Contd.)

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 31.03.2022. 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 Blower Policy**

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 Blower Policy 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.

- ❖ **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.

- a. number of complaints filed during the financial year - **Nil**
- b. number of complaints disposed of during the financial year - **Nil**
- c. 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.
- ❖ 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

## ANNEXURE-1 (Contd.)

to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 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 31.03.2022.

### ❖ 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.

### ❖ 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 centralized web-based complaints redress system. The salient features of this system are: Centralized 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 2021-22 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.

## 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.

## ANNEXURE-1 (Contd.)

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 2021-22 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 May 21, 2022.

### 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 : Coimbatore  
Date : May 21. 2022

**N.RANGACHARY**  
CHAIRMAN  
DIN : 00054437

## CEO and CFO CERTIFICATION

We hereby certify

1. that I have reviewed the financial statements and the cash flow statement for the year ended 31 March 2022 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.
2. 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.
3. 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
4. that I have informed the auditors and the audit committee that there are
  - o Significant changes in internal control during the year, if any.
  - o 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
  - o 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.
5. 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 : May 21. 2022

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

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

## **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 31.03.2022 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 2022 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

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

Place: Coimbatore  
Date : May 21. 2022

UDIN NO.: 21028346AAAAFT5161

**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 (CIN: L03210TZ1985PLC001535) and having registered office at Samichettipalayam, Jothipuram Post, Coimbatore – 641047 (hereinafter referred to as 'the Company'), produced before 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.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 st March, 2022 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	Date of Appointment in the Company as per MCA
1.	00003131	Doraiswamy Rangaswamy	Managing Director	08/01/1985
2.	00003106	Prafulchandra Kanthilal Shah	Independent Director	02/05/1986
3.	00003134	Nirmalkumar Motichand Chandria	Independent Director	17/12/1986
4.	00003152	Sankaran Baskarasubramanian	Wholetime Director	01/10/1994
5.	00003111	Narayanawamy Jayabal	Independent Director	28/12/1995
6.	01043572	Perumalreddiar Ramachandran	Wholetime Director	26/09/1998
7.	00003126	Rajeshkumar Doraiswamy	Wholetime Director	22/12/2001
8.	00003141	Veeraraghavan Sankaran	Independent Director	28/08/2002
9.	00054437	Nambi Iyengar Rangachary	Independent Director	01/03/2014
10.	00006783	Thilagam Rajeshkumar	Non-Executive Director	30/03/2015
11.	00793090	Doraiswamy Vishnurangaswamy	Non-Executive Director	06/02/2020

Ensuring the eligibility of 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 : May 21. 2022  
Place : Coimbatore

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

ICSI UDIN : F006699D000351395

## 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 the effort made to reduce the consumption of energy by using less of an energy service. 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 performance, 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.

The Company has installed windmills with a capacity of 1.25 MW. The Company also has a photo-voltaic solar power generating facility with an installed capacity of 0.5MW. The Company uses electricity generated from renewable sources for captive power consumption.

##### 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 the Competition edge. 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 R&D in-house 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 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 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.	₹ 516.52 Lakhs
• New Products and Process development	₹ 168.62 Lakhs
• Salary and other expenses for R & D personnel	₹ 244.62 Lakhs

### 4. Details of Imported Technology:

No.	Technology imported for	Year of Import	Status of absorption
1	Manufacturing CAM Operated Rotary Switches	1985	Fully absorbed
2	Manufacturing Toroidal Transformers	1995	Fully absorbed
3	Manufacturing Three phase dry type transformer	2016	Fully absorbed
4	Making DC Charging Stations for Electric Vehicles	2021	Under absorption
5	Making Conversion of kits for Auto Rickshaws etc	2021	Under absorption

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Foreign Exchange earned during the year	₹ 9,147.25 Lakhs
b) Foreign Exchange outgo	₹ 6,046.67 Lakhs

For and on behalf of the Board

Place : Coimbatore  
Date : May 21, 2022

**N.RANGACHARY**  
CHAIRMAN  
DIN : 00054437

## ANNEXURE-3

### ANNUAL REPORT ON CSR ACTIVITIES

forming part of Board's Report For Financial Year ending March 31,2022

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

Corporate Social Responsibility (CSR) is the way and mean through which corporates can repay the obligations made by the Society by contributing the resources in its various forms as required for the efficient operation of the Business. Corporate Social Responsibility is strongly connected with the principles of sustainability. Organization should

make decisions based not only on financial or operational factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Salzer to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders

#### 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	Secretary to the Committee	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	2019-20	NILL	NILL
2	2020-21	NILL	NILL
3	2020-22	12.90 Lakhs	12.90 Lakhs
	<b>Total</b>	<b>12.90 Lakhs</b>	<b>12.90 Lakhs</b>

6. Average net profit of the company as per section 135(5) : ₹. 2,998.61 Lakhs

#### 7. CSR Obligations for the Financial year

a.	Two percent of average net profit of the company as per section 135(5)	₹ 60.00 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	₹ 12.90 Lakhs
d.	Total CSR obligation for the financial year (7a+7b-7c).	₹ 47.10 Lakhs



### ANNEXURE-3 (Contd.)

#### 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
₹ 49.00 Lakhs	NIL	NIL	NIL	NIL	NIL

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

The Company has not undertaken any on-Going projects within the meaning of Rule 2(i) of Companies (Corporate Social Responsibility) Rules 2014. Hence submission of information in the following table does not arise

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 ₹ In Lakhs	Mode of implementation - Direct (Yes/No)	Mode of implementation Through implementing agency.	
							Name	CSR registration number
1	2	3	4	5	6	7	8	
1	Education including Skill Development Programmes	ii	Yes	Coimbatore, Tamil Nadu	12.44	NO	NA	NA
2	Health Care including Covid 19 Supports	i	Yes	Coimbatore, Tamil Nadu	19.85	NO	NA	NA
3	Sports related activities	vii	Yes	Coimbatore, Tamil Nadu	1.39	NO	NA	NA
4	Rural Development	x	Yes	Coimbatore, Tamil Nadu	11.99	NO	NA	NA
5	Hunger and poverty	i	Yes	Coimbatore, Tamil Nadu	1.78	NO	NA	NA
6	Environment Sustain ability	iv	Yes	Coimbatore, Tamil Nadu	1.55	NO	NA	NA
<b>Total</b>					<b>49.00</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) : ₹. 49.00 Lakhs

(g) Excess amount for set off, if any

**ANNEXURE-3 (Contd.)**

S. No	Particular	Amount ₹ in Lakhs
(i)	Two percent of average net profit of the company as per section 135(5) after adjusting carried forward surplus spending in 2020-21	47.10
(ii)	Total amount spent for the Financial Year	49.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.90
(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)]	1.90

**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	
NIL								

(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
NIL								

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

Date : May 21, 2022  
Place : Coimbatore

**R DORAISWAMY**

Managing Director  
DIN :00003131

**D. RAJESHKUMAR**

Joint Managing Director &  
Chief Financial Officer  
DIN: 00003126

## 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;

Sl. No.	Executive Director	Position	Ratio of Remuneration of the Director to the median Remuneration
1	Mr. R. Doraiswamy	Managing Director	25.02
2	Mr. D. Rajeshkumar	Joint Managing Director & Chief Financial Officer	25.33
3	Mr. P. Ramachandran	Whole Time Director	6.09
4	Mr. S. Baskarasubramanian	Director (Corporate Affairs) & Company Secretary	4.40
5	Dr. Thilagam Rajeshkumar	Non Executive and Non Independent Director	0.49
6	Mr. Vishnu Ranagaswamy	Non Executive and Non Independent Director	0.10
7	Mr. N. Rangachary	Independent Director	1.57
8	Mr. N. Jayabal	Independent Director	0.49
9	Mr. Nirmal Kumar M.Chandria	Independent Director	0.98
10	Mr. P.K. Shah	Independent Director	0.59
11	Mr. V. Sankaran	Independent Director	1.37

*Note: Sitting fees paid to the Directors is not considered as remuneration.*

- (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.	Executive Director	Position	Increase %
1	Mr. R. Doraiswamy	Managing Director	20.70%
2	Mr. D. Rajeshkumar	Joint Managing Director & Chief Financial Officer	16.56%
3	Mr. P. Ramachandran	Whole Time Director	11.27%
4	Mr. S. Baskarasubramanian	Director (Corporate Affairs) & Company Secretary	-7.35%
5	Dr. Thilagam Rajeshkumar	Non Executive and Non Independent Directors	25.00%
6	Mr. Vishnu Ranagaswamy	Independent Director	-
7	Mr. N. Rangachary	Independent Director	23.08%
8	Mr. N. Jayabal	Independent Director	25.00%
9	Mr. Nirmal Kumar M.Chandria	Independent Director	42.86%
10	Mr. P.K. Shah	Independent Director	20.00%
11	Mr. V. Sankaran	Independent Director	7.69%

**ANNEXURE-4 (Contd.)**

- (iii) The percentage increase in the median remuneration of employees in the financial year : **11%**
- (iv) The number of permanent employees on the rolls of company as at March 31, 2022 - **630**
- (v) Average percentile increase in the salaries of employees other than the managerial personnel in the last financial year is **17%**
- (vi) The average increase granted to managerial personnel : **16%**
- (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 : May 21, 2022  
Place : Coimbatore

**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: May 21, 2022

Place: Coimbatore



## ANNEXURE-5 (Contd.)

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**OF**  
**SALZER ELECTRONICS LIMITED**  
**For The Financial Year Ended March 31, 2022**

[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 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, Jothipuram post, 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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2022 complied with the statutory provisions listed hereunder 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 31.03.2022 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)**
  - (g) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not Applicable to the company during the Audit Period)**

## ANNEXURE-5 (Contd.)

- (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 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 the following observations:

There were few instances of delayed disclosures to Stock Exchanges under the following regulations:

- a) Regulation 23(9) and 33(3) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015 for which the Company had made suitable replies to the Stock Exchanges
- b) Regulation 7(2) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

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 may be.**

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

We further report that during the audit period,

- (i) The Company had incorporated "M/s. Salzer EV Infra Private Limited" on 21.07.2021 as a Wholly Owned Subsidiary Company.
- (ii) The Company had executed Joint Venture agreement on 09.07.2021 with M/s. Kostad Steuerungsbau GmbH to manufacture DC Fast Charging Stations for electric vehicles through Joint venture entity incorporated a new Company in the name and style of "M/s. Salzer Kostad EV Chargers Private Limited".
- (iii) The Company had executed Joint Venture agreement on 19.07.2021 with E-March LLP to manufacture electric conversion kits for vehicles through Joint venture entity incorporated a new Company in the name and style of "M/s. Salzer Emarch Electromobility Private Limited" which is a step down subsidiary of the Company with reference to the shareholdings held by the Company as at March 31, 2022.

**For G.V and Associates**

Company Secretaries

**G. Vasudevan**

Partner

FCS No.:6699

CPNo.:6522

Date: May 21, 2022

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

After rebounding to an estimated 5.5 percent in 2021, global growth is expected to decelerate markedly to 4.1 percent in 2022, reflecting continued COVID-19 flare-ups, diminished fiscal support, and lingering supply bottlenecks. The near-term outlook for global growth is somewhat weaker, and for global inflation notably higher, than previously envisioned, owing to pandemic resurgence, higher food and energy prices, and more pernicious supply disruptions. Global growth is projected to soften further to 3.2 percent in 2023, as pent-up demand wanes and supportive macroeconomic policies continue to be unwound. Although output and investment in advanced economies are projected to return to pre-pandemic trends next year, in emerging market and developing economies (EMDEs) particularly in small states and fragile and conflict-afflicted countries they will remain markedly below, owing to lower vaccination rates, tighter fiscal and monetary policies, and more persistent scarring from the pandemic. Various downside risks cloud the outlook, including simultaneous Omicron-driven economic disruptions, further supply bottlenecks, a de-anchoring of inflation expectations, financial stress, climate-related disasters, and a weakening of long-term growth drivers. As EMDEs have limited policy space to provide additional support if needed, these downside risks heighten the possibility of a hard landing. This underscores the importance of strengthening global cooperation to foster rapid and equitable vaccine distribution, calibrate health and economic policies, enhance debt sustainability in the poorest countries, and tackle the mounting costs of climate change. EMDE policy makers also face the challenges of heightened inflationary pressures, spillovers from prospective advanced-economy monetary tightening, and constrained fiscal space. Despite budgetary consolidation, debt levels which are already at record highs in many EMDEs are likely to rise further owing to sustained revenue weakness. Over the longer term, EMDEs will need to buttress growth by pursuing decisive policy actions, including reforms that mitigate vulnerabilities to commodity shocks, reduce income and gender inequality, and enhance preparedness for health- and climate-related crises.

Global COVID-19 infection rates have soared, driven by the rapid spread of the Omicron variant. Advanced economies and a growing number of EMDEs have fully vaccinated a majority of their populations. But despite

expansive vaccine coverage, some countries have been forced to reintroduce strict lockdown measures recently to alleviate acute pressures on their health systems. Vaccine coverage remains highly uneven around the world, and stubbornly limited across low income countries (LICs). At recent vaccination rates, only about a third of the LIC population will have received even one vaccine dose by the end of 2023

The COVID-19 pandemic has raised global income inequality, partly reversing decline that was achieved over the previous two decades. Weak recoveries in EMDEs are expected to return between-country inequality to the levels of the early 2010s. Preliminary evidence suggests that the pandemic has also caused within-country income inequality to rise somewhat in EMDEs because of particularly severe job and income losses among lower-income population groups. Over the medium and long term, rising inflation, especially food price inflation, as well as pandemic-related disruptions to education may further raise within-country inequality. Within-country inequality remains particularly high in EMDE regions that account for about two-thirds of the global extreme poor. To steer the global recovery onto a more equitable development path, a comprehensive package of policies is needed. A rapid global rollout of vaccination and redoubled productivity-enhancing reforms can help lower between-country inequality. Support targeted at vulnerable populations and measures to broaden access to education, health care, digital services, and infrastructure, as well as an emphasis on supportive fiscal measures, can help lower within-country inequality. Assistance from the global community is essential to expedite a return to a green, resilient, and inclusive recovery.

Sources <https://openknowledge.worldbank.org/bitstream/handle/10986/36519/9781464817601.pdf>

#### Indian Engineering & Electrical Sector

Engineering is one of the largest industrial sectors in India. It accounts for 27% of the total factories in the industrial sectors and represents 63% of the overall foreign collaborations. Increasing industrialization and economic development drives growth in the capital goods market. Turnover of the capital goods industry was estimated at US\$ 92 billion in 2019 and is forecast to reach US\$ 115.17 billion by 2025. Growth in the power industry is expected to drive growth in electrical equipment industry. Electrical equipment market production is forecast to reach Rs. 500,000 crore (US\$ 100 billion) by 2022 from Rs. 175,000 crore (US\$ 27.3 billion) in 2017-18. Nuclear capacity expansion to provide significant business opportunities in the electrical machinery industry. Capacity creation in sectors such as infrastructure, power, mining, oil and gas, refinery, steel, automotive and consumer durables is driving demand in the engineering sector. Government had announced to invest Rs. 100 lakh crore (US\$ 1.5 trillion) in infrastructure over the next five years. According to India Ratings and Research (Ind-Ra), the

## ANNEXURE-6 (Contd.)

solar production-linked insurance (PLI) scheme will support 8-13% of photovoltaic energy plant requirements until 2029-30 and will help add 20 GW (gigawatts) of energy in the next five years.

### 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 projected to reach USD 88.5 billion by 2025 from an estimated USD 67.5 billion in 2020, at a post-COVID-19 CAGR of 5.5% during the forecast period. Replacement of aging power infrastructure, along with growing investments in renewable energy, is expected to drive the switchgear market.

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.marketsandmarkets.com/Market-Reports/switchgear-market-1162268.html>

### COVID-19 Impact on the Global Switchgear Market

The ongoing COVID-19 pandemic has impacted the switchgear industry globally. Due to the current scenario, various companies in the power sector across regions have to shut down their manufacturing facilities and services as countries practiced partial or full lockdown strategy to deal with the pandemic. The companies across the region have also suspended or delayed major power projects. Furthermore, the COVID-19 pandemic has also impacted the ongoing projects and the entire supply chain of the power industry.

### 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

## ANNEXURE-6 (Contd.)

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.

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%20Wresearch%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.



## ANNEXURE-6 (Contd.)

### FINANCIAL OVERVIEW

The standalone financial performance of the Company for the financial year ended March 31<sup>st</sup>, 2022, is as follows:

Total revenue from operations at Rs. 783.63 crore for the year ended March 31<sup>st</sup>, 2022, as against Rs. 605.62 crore for the corresponding previous period, an increase of 29.39%, mainly driven by wire harness and three-phase transformers. The Contribution from Export Sales was 23.29%, driven by Industrial Switchgear Division.

The Breakup of revenue for the Electrical Installation Products:

- Industrial Switchgear 50.25% of net revenues
- Wires & Cables 43.23% of net revenues,
- Buildings Products 6.52% of net revenues

The raw materials consumed for the financial year ended March 31<sup>st</sup>, 2022 were Rs. 621.79 crore as against Rs. 470.39 crore for the corresponding previous period, an increase of 32.19%.

The staff expenses for the financial year ended March 31<sup>st</sup>, 2022 were Rs. 29.40 crore as against Rs. 24.34 crore for the corresponding previous period, a increase of 20.79%.

The other expenses for the financial year ended March 31<sup>st</sup>, 2022 were Rs. 68.66 crore as against Rs. 49.10 crore for the corresponding previous period, a increase of 39.84%.

The EBIDTA (earnings before interest, depreciation, and tax) was Rs. 63.78 crore for the year ended March 31<sup>st</sup>, 2022, as against Rs. 61.79 crore for the corresponding previous period, an increase of 3.22%

The depreciation for the financial year ended March 31<sup>st</sup>, 2022 was Rs. 16.01 crore, as against Rs. 15.61 crore for the corresponding previous period, an increase of 2.57%.

The EBIT (earnings before interest and tax) were Rs. 49.95 crore for the year ended March 31<sup>st</sup>, 2022, as against Rs. 48.18 crore for the corresponding previous period, an increase of 3.7%

The interest for the financial year ended March 31<sup>st</sup>, 2022 was Rs. 19.81 crore as against Rs. 21.27 crore for the corresponding previous period, decline of 6.9%

The profit after tax for the financial year ended March 31<sup>st</sup>, 2022 was at Rs. 22.48 crore as against Rs. 20.67 crores for the corresponding previous period, an increase of 8.75%.

The EPS (Earning per Share) for the financial year ended March 31<sup>st</sup>, 2022 was Rs. 14.07 for a face value of Rs 10 per share, as against Rs. 12.93 for the corresponding previous period.

The consolidated Revenue for FY22 was Rs. 803.54 crore with EBITDA of Rs. 66.24 crores and PAT of Rs. 24.20 crores.

### RESOURCES AND LIQUIDITY

As on March 31<sup>st</sup>, 2022, the total net worth stood at Rs. 351.47 crore and total debt was at Rs. 247.81 crore.

The net debt to equity ratio of the Company stood at 0.67 as on March 31<sup>st</sup>, 2022.

### 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



## ANNEXURE-6 (Contd.)

- 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.

## 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.

## ANNEXURE-6 (Contd.)

**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.

**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>, 2022, the Company had a workforce of 630 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 ELECTRONICS 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, 2022, 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, including a summary of significant accounting policies, notes to the financial statements, 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, 2022, its profit, 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>
2.	<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</li> </ul>

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

Sr.No	Key Audit Matter	Auditor's Response
		<p>contracts. We selected a sample of transactions and</p> <ul style="list-style-type: none"> <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> We agree with the management's evaluation.</p>
3.	<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, 2022.</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, 2022.</li> </ul> <p><b>Conclusion:</b> We agree with the management's evaluation</p>
4.	<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 Rs. 1659.82 Lakhs as at March 31, 2022.</p> <p>KCL 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, 2022 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> <li>• Evaluating adequacy of the disclosures made in the financial statements.</li> </ul> <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 Kaycee Industries Limited.</p> <p><b>Conclusion:</b> We agree with the management's evaluation</p>

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

Sr.No	Key Audit Matter	Auditor's Response
5.	<p><b>Assessment of carrying value of goodwill as per Ind AS 36 (Refer Note 1 (vii) to the Standalone financial Statements)</b></p> <p>The Company has a goodwill balance of Rs 235.21 Lakhs as at March 31, 2022 relating to the acquisition of business, which is considered as a Cash Generating Unit (CGU). For the year ended March 31, 2022, the company 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 growth rate is applied in determining the terminal value.</li> <li>• 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</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> <li>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.</li> <li>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.</li> <li>d. Tested the arithmetical accuracy of the calculations carried out by the Management.</li> </ul> </li> </ul> <p>Based on above procedures performed, we found the management's assessment of carrying value of goodwill to be reasonable.</p>
6.	<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: 46 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></p> <p>We agree with the management's evaluation</p>



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

### 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

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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in



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

"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 Financial Statements Refer Note 31.1 to 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 - Refer Note 19 to Standalone Financial Statements
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- (a) The Management has represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any

manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- (b) The Management has represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatements

- iv. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "C" 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 : May 21,2022

UDIN NO.: 21028346AAAAFT5161

**B. JAYARAM**  
Partner

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.

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 : May 21,2022

**B. JAYARAM**  
Partner

UDIN NO.: 21028346AAAFT5161

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, 2022)**

#### **(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:**

- a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in three years. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company as at the Balance sheet date
- d. The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e. According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No

discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company
- (iii) During the year the company has made investments in subsidiaries and joint ventures.
  - (a) During the year the company has not provided any loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity.
  - (b) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been generally regularly deposited by the Company with the appropriate authorities.

## ANNEXUR "B" (Contd.)

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

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)	CESTAT-APPEAL
Income Tax Act	Disputed Income Liability appeal	₹ 91,64,051 (out of which ₹ 15,00,000 was Deposited)	CIT-APPEAL

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act) and hence reporting on clause 3(ix)(f) of the Order is not applicable.

- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable

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

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

- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company

- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards

## ANNEXUR "B" (Contd.)

- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (viiix) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities,

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

- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) The Company does not have any ongoing projects as at the end of the previous financial year

In Terms Of Our Report Of Even Date

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

Place: Coimbatore  
Date : May 21, 2022

**B. JAYARAM**  
Partner

UDIN NO.: 21028346AAAFT5161 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, 2022).**

**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, 2022 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



## ANNEXUR "C" (Contd.)

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 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 : May 21, 2022

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



# STANDALONE BALANCE SHEET

AS AT MARCH 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>I. ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and equipment	2	21,057.23	20,666.33
(b) Capital Work in progress	3	77.70	134.63
(c) Investment Property	4	0.77	0.77
(d) Intangible Assets	5	386.37	409.67
(e) Financial Assets			
i. Investments	6	1,745.47	1,726.47
ii. Trade Receivables	7	1,162.73	1,160.13
iii. Others	8	1,183.25	1,726.52
(f) Other Non-Current Assets	9	501.52	188.98
<b>Total Non-Current Assets</b>	<b>(1)</b>	<b>26,115.04</b>	<b>26,013.50</b>
<b>2 Current Assets</b>			
(a) Inventories	10	22,370.11	17,737.53
(b) Financial Assets			
i. Investments	11	310.06	390.17
ii. Trade Receivables	12	20,851.87	17,845.61
iii. Cash and Cash Equivalents	13	128.22	493.33
iv. Other Bank balances	14	675.60	556.59
v. Loans	15	1,058.05	1,841.33
vi. Others	16	34.82	34.17
(c) Other Current Assets	17	2,634.95	2,510.34
<b>Total Current Assets</b>	<b>(2)</b>	<b>48,063.68</b>	<b>41,409.07</b>
<b>TOTAL ASSETS</b>	<b>(1+2)</b>	<b>74,178.72</b>	<b>67,422.57</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	33,548.24	31,530.38
<b>Total Equity</b>	<b>(1)</b>	<b>35,146.51</b>	<b>33,128.65</b>
<b>2 LIABILITIES</b>			
<b>(1) Non-current Liabilities</b>			
(a) Financial Liabilities			
Borrowings	20	1,240.68	1,626.68
(b) Provisions	21	-	2.98
(c) Deferred tax liabilities (net)	22	1,960.56	1,873.53
<b>Total Non-current Liabilities</b>	<b>(2)</b>	<b>3,201.24</b>	<b>3,503.19</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	23	23,540.29	18,327.88
ii. Trade Payables	24	7,376.55	5,880.88
iii. Others	25	485.89	488.60
(b) Other Current Liabilities	26	4,258.71	5,827.33
(c) Provisions	27	169.53	130.01
(d) Current Tax Liabilities (Net)	28	-	136.03
<b>Total current Liabilities</b>	<b>(3)</b>	<b>35,830.97</b>	<b>30,790.74</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>(1+2+3)</b>	<b>74,178.72</b>	<b>67,422.57</b>

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

## N. RANGACHARY

Chairman  
(DIN :00054437)

## D. RAJESHKUMAR

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

Coimbatore – 47  
May 21, 2022

## 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, 2022

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I. INCOME</b>			
Revenue From Operations	29	78,363.30	60,561.95
Other Income	30	217.88	199.16
<b>Total Income</b>		<b>78,581.18</b>	<b>60,761.11</b>
<b>II. EXPENSES</b>			
Cost of materials consumed	31	63,764.67	48,277.51
Changes in inventories of finished goods and work-in-progress	32	-1,585.42	-1,238.29
Employee benefit expenses	33	2,939.99	2,433.87
Finance Cost	34	1,980.54	2,127.42
Depreciation and amortisation expenses	35	1,600.59	1,560.55
Other expenses	36	6,865.90	4,909.76
<b>TOTAL EXPENSES</b>		<b>75,566.27</b>	<b>58,070.82</b>
<b>III. PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>3,014.91</b>	<b>2,690.29</b>
Exceptional items		-	-
<b>IV. PROFIT BEFORE TAX</b>		<b>3,014.91</b>	<b>2,690.29</b>
Tax Expense	37	766.77	622.94
<b>V. PROFIT AFTER TAX</b>		<b>2,248.14</b>	<b>2,067.35</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		14.68	47.10
b. Change in fair value of FVOCI equity instruments		18.99	144.43
c. Income Tax expenses on above		-8.48	-48.21
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<b>25.19</b>	<b>143.32</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>2,273.33</b>	<b>2,210.67</b>
<b>EARNINGS PER SHARE</b>	38		
- Basic after exceptional items		14.07	12.93
- Diluted after exceptional items		14.07	12.93

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)

### 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  
May 21, 2022

# STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit/(Loss) after tax</b>		2,273.33		2,210.67
<b>Adjustments for:</b>				
Tax expenses	758.30		671.15	
Depreciation and Amortisation	1,600.59		1,560.55	
Interest Income	-34.79		-34.18	
Finance Costs	1,980.54		2,127.42	
(Gain)/Loss on Foreign Exchange Fluctuations (Net)	-83.99		30.83	
Dividend Income	20.98		-25.42	
Profit on Sale of Investments	-43.52		-10.93	
(Profit)/Loss on Sale of Assets (Net)	-1.50		-1.57	
Fair Valuation of Investments	-18.99		-144.43	
Other Non-operating Income	-32.63		-126.79	
Other Comprehensive Income	-14.68	4130.31	-47.10	3,999.53
<b>Operating Profit before working capital changes</b>		<b>6,403.64</b>		<b>6,210.20</b>
<b>Adjusted for working capital changes</b>				
Inventories	-4,632.58		-2,022.06	
Trade and Other receivables	-2,316.69		-4,144.12	
Trade and Other Payables	1,492.96		1,865.13	
Other Liabilities	-1,445.07	6,901.38	-25.85	-4,326.90
<b>Cash Generated from Operations</b>		<b>-497.74</b>		<b>1,883.30</b>
Direct Taxes Paid		-902.80		-486.91
<b>Net Cash Flow from Operating Activities</b>		<b>-1,400.54</b>		<b>1,396.39</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	-1,993.53		-1,974.82	
Reduction in Capital Work in Progress	56.93		137.39	
Non-operating Income	32.63		126.79	
Profit / (Loss) on Sale of Investments	43.52		10.93	
Investment in Mutual Funds and Equities (Net)	61.11		-20.31	
Proceeds from Sale of Fixed Assets	27.60		18.57	
Profit/(Loss) on Sale of Assets	1.50		1.57	
Investment in Subsidiary	-		-	
Other Non- Current Investments	-18.99		-20.74	
Dividend Income	-20.98		25.42	
Interest Income	34.79	-1,775.42	34.18	-1,661.02
<b>Net Cash Used in Investing Activities</b>		<b>-1,775.42</b>		<b>-1,661.02</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Short Term Borrowings	5,212.41		2,737.11	
Share Application/Allotment Money Received	-		-	
Long term Borrowings	-		178.92	
Repayment of Long Term Borrowings - Non Current	-386.00		-329.86	
Interest and Finance Charges	-1,980.54		-2,127.42	
(Gain)/Loss on Foreign Exchange Fluctuations (Net)	83.99		-30.83	
Dividend and Dividend Tax Paid	-	2,929.86	-	427.92
<b>Net Cash Generated from Financing Activities</b>		<b>2,929.86</b>		<b>427.92</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>		<b>-246.10</b>		<b>163.29</b>
Cash and Bank balances at the Beginning of the Year		1,049.92		886.63
<b>Cash and Bank balances at the End of the Year</b>		<b>803.82</b>		<b>1,049.92</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)

## 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  
May 21, 2022

# STANDALONE STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED MARCH 31, 2022

A) EQUITY SHARE CAPITAL	As at 31-03-2022	As at 31-03-2021
<b>Particulars</b>	<b>1,598.27</b>	<b>1,598.27</b>
Balance as at 31st March, 2021		-
Changes in equity share capital during the year	1,598.27	1,598.27
Balance as at 31st March, 2022		-

B) OTHER EQUITY	Reserve and Surplus					Total Equity		
	Share application money pending allotment	Capital Reserve	Securities Premium Reserve	General Reserve	Employee Stock option outstanding		Retained Earnings	Other Items of Other Comprehensive Income
Balance as at 31/03/2021	-	80.67	12,630.14	2,008.46	-	16,672.38	138.73	<b>31,530.38</b>
Profit for the year ended 31/03/2022	-	-	-	-	-	2,248.14	-	<b>2,248.14</b>
- Other Comprehensive income:	-	-	-	-	-	-	25.19	<b>25.19</b>
Transfer to other reserves (if any)	-	-	-	50.00	-	-50.00	-	-
Appropriations (if any)	-	-	-	-	-	0.25	-	<b>0.25</b>
Options exercised, pending allotment of shares	-	-	-	-	-	-	-	-
Premium against the allotment of shares	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-255.72	-	<b>-255.72</b>
<b>Balance as at 31/03/2022</b>	<b>-</b>	<b>80.67</b>	<b>12,630.14</b>	<b>2,058.46</b>	<b>-</b>	<b>18,615.05</b>	<b>163.92</b>	<b>33,548.24</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)

**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  
May 21, 2022

# STANDALONE NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2022

### Significant Accounting Policies

#### Note No. 1

#### i. Corporate Information:

SalzerElectronics 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 2022 were authorized and approved for issue by the Board of Directors on May 21, 2022

#### 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, 2022 (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, 2022 (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, 2022 (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, 2022 (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, 2022 (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, 2022 (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, 2022 (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, 2022 (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, 2022 (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.

### h) Recent pronouncements:

The Ministry of Corporate Affairs has vide notification dated 23rd March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1st April 2022.

Below is a summary of such relevant amendments and requirements. No significant impact is expected on adoption of these amendments.

#### i) Ind AS 16, Property, Plant and Equipment (PPE):

The amendment clarified that an entity shall deduct from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use.

#### ii) Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts - Cost of fulfilling a contract: The amendment explains that the cost of fulfilling a contract comprises the incremental costs and an allocation of other costs that relate directly to fulfilling contracts.

#### iii) Ind AS 109 Financial Instruments:

The amendment clarifies any cost or fees that an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a Financial Liability.

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (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, 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>
Additions during the year	-	134.79	1,770.04	50.91	0.59	4.57	14.07	1,974.97
Disposal during the year	-	-	23.89	-	-	3.71	-	27.60
<b>As at March 31, 2022</b>	<b>2,973.36</b>	<b>3,674.31</b>	<b>20,761.44</b>	<b>623.10</b>	<b>293.04</b>	<b>109.83</b>	<b>132.88</b>	<b>28,567.96</b>
Accumulated Depreciation								
<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>
Depreciation charged during the year	-	125.82	1,338.97	56.96	15.81	13.12	8.06	1,558.74
Disposals during the year	-	-	1.15	-	-	1.12	-	2.27
<b>As at March 31, 2022</b>	-	<b>589.58</b>	<b>6,425.42</b>	<b>305.91</b>	<b>84.53</b>	<b>58.68</b>	<b>46.61</b>	<b>7,510.73</b>
<b>Net Carrying amount</b>								
As at March 31, 2021	2,973.36	3,075.76	13,927.69	323.24	223.73	62.29	80.26	20,666.33
As at March 31, 2022	<b>2,973.36</b>	<b>3,084.73</b>	<b>14,336.02</b>	<b>317.19</b>	<b>208.51</b>	<b>51.15</b>	<b>86.27</b>	<b>21,057.23</b>

Details of properties pledged as security - Refer Note No. 20

The Title Deeds of the Immovable Properties not held in the name of the Company : NIL

**Note No. 3 CAPITAL WORK IN PROGRESS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Work in Progress	77.70	134.63
<b>Total</b>	<b>77.70</b>	<b>134.63</b>

**Capital-Work-in Progress (CWIP) as on 31.03.2022**

(₹ in Lakhs)

CWIP	AMOUNT IN C.W.I.P AS ON 31.03.2022				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	77.70	-	-	-	77.70
Previous Year	134.63	-	-	-	134.63
Projects temporarily suspended	-	-	-	-	-

**Capital-Work-in Progress (CWIP) as on 31.03.2021**

(₹ in Lakhs)

CWIP	AMOUNT IN C.W.I.P AS ON 31.03.2021				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	134.63	-	-	-	134.63
Previous Year	272.02	-	-	-	272.02
Projects temporarily suspended	-	-	-	-	-

**Note No. 4 INVESTMENT PROPERTY**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
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, 2022 (Contd.)**

**Note No. 5 INTANGIBLE ASSETS**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2022	March 31, 2021
<b>Software</b>		
Opening Balance	174.46	192.55
Add: Additions during the year	18.56	39.34
Less: Deductions/ Adjustments during the year	-	-
Less: Amortization for the year	41.86	57.43
Closing Balance	<b>151.16</b>	<b>174.46</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>386.37</b>	<b>409.67</b>

**Note No. 6 NON-CURRENT INVESTMENTS**

(₹ in Lakhs)

Particulars	As at		As at	
	March 31, 2022		March 31, 2021	
TRADE INVESTMENTS	No.	Amount	No.	Amount
<b>I Quoted</b>				
<b>(i) Quoted equity shares, fully paid up.</b>				
Bank of India. (Equity Shares of ₹ 10/- each) Measured at Fair value through Other Comprehensive Income	2300	1.05	2300	1.56
<b>(ii) Quoted equity shares in subsidiary (Valued at cost)</b>				
Kaycee Industries Ltd. (Equity Shares of ₹ 10/- each)	47,546	1,659.82	47,546	1,659.82
<b>Total (i)</b>	<b>49,846</b>	<b>1,660.88</b>	<b>49,846</b>	<b>1,661.38</b>
<b>II Un Quoted (Valued at cost)</b>				
<b>(i) Unquoted equity shares, fully paid up</b>				
Salzer Technologies Ltd. (Equity Shares of ₹ 10/- each)	83,250	8.33	83,250	8.33
Salzer Spinners Ltd, (Equity Shares of ₹ 10/- each)	18,65,500	55.97*	18,65,500	55.97*
Jayachandar Windfarm Pvt Ltd, (Equity Shares of ₹ 10/- each)	7,960	0.79	7,960	0.79
<b>(ii) UnQuoted equity shares, in Associate (value at cost)</b>				
Salzer Kostad EV Charges P Ltd, (Equity Shares of ₹ 10/- each)	5,000	0.50	-	-
<b>(iii) UnQuoted equity shares, in Wholly Owned Subsidiary (value at cost)</b>				
Salzer EV Infra Pvt Ltd (Equity Shares of ₹ 10/- each)	18,999	19.00	-	-
<b>Total (ii)</b>	<b>19,80,709</b>	<b>84.59</b>	<b>19,56,710</b>	<b>65.09</b>
<b>GRAND TOTAL</b>	<b>20,30,555</b>	<b>1,745.47</b>	<b>20,06,556</b>	<b>1,726.47</b>

\* Valued at ₹ 3 Per Equity Shares

(₹ in Lakhs)

Particulars	As at	
	March 31, 2022	March 31, 2021
	Amount	Amount
Aggregate value of quoted investments	1,660.88	1,661.39
Market value of quoted investments	1,759.26	1,285.30
Aggregate value of unquoted investments	84.59	65.09



**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**Note No. 7 TRADE RECEIVABLES**

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	1,162.73	1,160.13
Doubtful	-	-
<b>Sub Total</b>	<b>1,162.73</b>	<b>1,160.13</b>
Less: Allowance for expected credit losses	-	-
<b>Total</b>	<b>1,162.73</b>	<b>1,160.13</b>

Refer Note No. 12 for Aging Schedule

**Note No. 8 OTHER FINANCIAL ASSETS**

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Financial Assets at amortized cost</b>		
Security Deposits	188.19	177.26
Unbilled Revenue*	995.06	1,549.26
<b>Total</b>	<b>1,183.25</b>	<b>1,726.52</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, 2022	As at March 31, 2021
Advance for capital expenses	501.52	188.98
<b>Total</b>	<b>501.52</b>	<b>188.98</b>

**Note No. 10 INVENTORIES**

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Raw Material (including goods in transit)	8,333.58	5,446.29
Packing Materials	210.06	172.43
Trading Materials	237.55	115.30
Work in progress	9,161.70	7,680.36
Finished Goods	4,427.22	4,323.15
<b>Total</b>	<b>22,370.11</b>	<b>17,737.53</b>

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

**Note No. 11 CURRENT INVESTMENTS**

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No.	Amount	No.	Amount
<b>INVESTMENTS</b>				
<b>Measured at Fair value through Other Comprehensive Income</b>				
In Mutual Funds, quoted				
SBI Magnum Midcap Fund	61,288	34.13	82,945	36.51
ICICI Prudential Discovery Fund	-	-	1,21,939	31.14
Sundaram BNP Paribas Select Mid Cap	-	-	1,07,651	41.10
Aditya Birla Sunlife Frontline Equity Fund	-	-	1,32,877	38.53
HDFC Top 200 Fund	-	-	69,623	30.41
Canara Robeco Capital Protection Oriented Fund	1,00,000	13.01	2,00,000	24.75
Canara Rebeco Emerging Equities - Regular Growth	-	-	14,002	18.09
ICICI Pru Real Estate Portfolio	-	-	-	-
Aditya Birla Sunlife Mutual Fund	-	-	13,541	15.13
Kodak Select Focus Fund	-	-	61,710	16.75
IDFC Sterling Equity Fund	-	-	71,464	16.75
Union Large & Midcap Fund	-	-	-	-
Nippon India Large Cap Fund	87,373	17.08	87,373	15.02
Nippon India Multi Cap Fund	-	-	97,767	31.57
Canara Rebeco Equity Hybrid Fund	3,009	7.32	3,009	6.34
Canara Rebeco Equity Hybrid Fund - Folio -1066591931	-	-	3,009	6.34
ICICI Prudential Discovery Fund Growth	4,907	12.44	3,757	7.24
Sundaram Mid Cap Fund Regular Growth	1,694	11.79	866	4.98
Aditya Birla Frontline Equity Fund Growth	5,128	17.30	2,546	7.15
Aditya Birla Frontline Equity Fund Growth	-	-	899	8.42
HDFC Top 100 Fund Growth	1,977	13.72	1,253	7.20
Nippon India Large Cap Fund	27,860	14.12	14,999	6.08
Nippon India Multi Cap Fund - Growth	9,216	13.95	4,527	5.10
State Bank Of India Magnum Midcap Fund Growth	8,134	11.09	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	4,719	4.17	2,085	1.36
Nippon India Etf Liquid Bees	-	-	-	-
Hdfc Top 100 Fund Regular Plan Growth -lump Sum	550	3.81	-	-
Pgim India Flexi Cap Fund Regular Plan Growth	30,409	7.82	-	-
Idfc Sterling Fund Growth - Regular Plan - Lump Sum	3,569	3.15	-	-
Idfc Sterling Value Fund - Idcw Regular Plan	71,464	21.71	-	-
State Bank Of India Flexicap Fund - Regular Plan Growth	10,583	8.06	-	-
Aditya Birla Sun Life Flexi Cap Fund -idcw Payout	13,541	17.29	-	-
Kotak Flexicap Fund - Idcw - Regular Plan-lump Sum	2,128	0.67	-	-
Kotak Emerging Equity Fund Regular Plan Growth	6,949	4.96	-	-
Kotak Flexicap Fund Regular Growth-sysm Transactions	27,330	14.20	-	-
Kotak Flexicap Fund - Idcw - Regular Plan-sysm Transactions	61,710	19.37	-	-
Kotak Emerging Equity Fund Regular Plan Growth	4,208	3.00	-	-
Kotak Flexicap Fund - Idcw - Regular Plan-lump Sum	4,712	2.45	-	-
Icici Prudential Flexicap Fund - Growth	75,925	8.07	-	-
Icici Prudential Midcap Fund - Growth	5,093	8.07	-	-
Aditya Birla Sun Life Flexi Cap Fund - Growth	1,524	17.31	-	-
<b>Total</b>	<b>6,35,000</b>	<b>310.06</b>	<b>11,23,364</b>	<b>390.17</b>

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate value of quoted investments	310.06	390.17
Market value of quoted investments	<b>310.06</b>	<b>390.17</b>

**Note No. 12 TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	20,951.22	17,920.48
Doubtful	-	-
<b>Sub Total</b>	<b>20,951.22</b>	<b>17,920.48</b>
Less: Allowance for expected credit losses (Refer Note No. 45)	99.35	74.87
<b>Total</b>	<b>20,851.87</b>	<b>17,845.61</b>

**Trade Receivables ageing schedule for the year ended as on 31.03.2022**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments					TOTAL
	Less than 6 Months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables-considered good	19,967.99	952.82	624.44*	463.12	-	22,008.37
Undisputed trade receivables-considered doubtful	-	11.01	-	-	-	11.01
Disputed trade receivables-considered good	-	19.40	-	-	-	19.40
Disputed trade receivables-considered doubtful	-	-	-	75.17	-	75.17
<b>TOTAL</b>	<b>19,967.99</b>	<b>983.23</b>	<b>624.44</b>	<b>538.29</b>	<b>-</b>	<b>22,113.95</b>

\* Amount due from the Corporations and Municipalities, pending certifications from the Agencies.

**Trade Receivables ageing schedule for the year ended as on 31.03.2021**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments					TOTAL
	Less than 6 Months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables-considered good	16,001.77	231.52	2,221.23	405.62	84.64	18,947.78
Undisputed trade receivables-considered doubtful	-	5.88	32.22	-	-	38.10
Disputed trade receivables-considered good	-	-	20.40	-	-	20.40
Disputed trade receivables-considered doubtful	-	-	-	-	77.33	77.33
<b>TOTAL</b>	<b>16,001.77</b>	<b>237.40</b>	<b>2,273.85</b>	<b>405.62</b>	<b>161.97</b>	<b>19,080.61</b>

**Note No. 13 CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks		
- In Current Accounts	114.78	447.12
Deposits(with original maturity of 3 months or less)	5.00	40.64
Cash on hand	8.44	5.57
<b>Total</b>	<b>128.22</b>	<b>493.33</b>

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

**Note No. 14 OTHER BANK BALANCES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks		
<b>Earmarked Balances</b>		
- In Unpaid Dividend Accounts	23.28	25.99
- In Margin money and Bank Guarantee	423.72	408.49
<b>Others</b>		
- Deposit (with original maturity of more than 3 months)	228.60	122.11
<b>Total</b>	<b>675.60</b>	<b>556.59</b>

**Note No. 15 LOANS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>		
Loans and Advances to related parties (Refer Note No. 48)	92.85	130.72
Loans and Advances to employees	209.36	214.92
Loans-Others	755.84	1,495.69
<b>Total</b>	<b>1,058.05</b>	<b>1,841.33</b>

**Note No. 16 OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Financial Assets at amortized cost</b>		
Security Deposits	-	-
Windmill Income receivable	0.93	0.28
Energy Saver Deposit Receivable	33.89	33.89
<b>Total</b>	<b>34.82</b>	<b>34.17</b>

**Note No. 17 OTHER CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>		
<b>(a) Advances other than capital advances</b>		
Advances to Suppliers	674.56	730.95
<b>(b) Others</b>		
Prepaid expenses	59.27	71.79
Balances with statutory/government authorities	1,184.27	1,120.97
Other Receivables - Statutory	716.85	586.63
<b>Total</b>	<b>2,634.95</b>	<b>2,510.34</b>

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**Note No. 18 EQUITY SHARE CAPITAL**
**Authorized Share Capital**

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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 March 31, 2022		As at March 31, 2021	
	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>

(₹ in Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity share capital due to prior period error	Restated balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period
1,598.27	-	-	-	1,598.27

**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
- There are no restrictions attached to equity shares

**c. Shareholders holding more than 5% shares**

Particulars	Class of Shares	As at March 31, 2022		As at March 31, 2021	
		No. of Shares	%	No. of Shares	%
HMG Globetrotter	Equity	8,92,935	5.59%	9,63,024	6.03%
Saradha Investments Limited	Equity	8,01,472	5.01%	7,48,968	4.69%
Sundaram Mutual Fund	Equity	-	-	4,26,548	2.67%
Salzer Magnet Wires Limited	Equity	1,05,254	0.66%	10,30,000	6.44%



## NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### d) Shares held by Promoters at the end of the year 31-03-2022

Particulars	Class of Shares	As at March 31, 2022		As at March 31, 2021		% Change during the year
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
R. DORAISWAMY	Equity	3,19,139	2.00%	3,13,528	1.96%	0.04%
D. RAJESH KUMAR	Equity	2,62,420	1.64%	2,50,966	1.57%	0.07%
THILAGAM RAJESH KUMAR	Equity	4,86,044	3.04%	4,57,255	2.86%	0.18%
VISHNU RANGASWAMY	Equity	7,83,289	4.90%	7,54,500	4.72%	0.18%
R. PAPPAMMAL	Equity	59,922	0.37%	59,922	0.37%	-
SAMHITA RAJESH	Equity	25,800	0.16%	13,300	0.08%	0.08%
SARADHA INVESTMENTS LTD	Equity	8,01,472	5.01%	7,48,968	4.69%	0.33%
SRVE INDUSTRIES LIMITED	Equity	7,21,733	4.52%	6,37,966	3.99%	0.52%
QUEBEC INFORMATION SERVICES I LTD	Equity	7,06,847	4.42%	6,54,842	4.10%	0.33%
K R HEALTH CARE PRIVATE LTD	Equity	4,04,987	2.53%	3,52,783	2.21%	0.33%
SALZER EXPORTS LTD	Equity	3,84,761	2.41%	3,45,725	2.16%	0.24%
SALZER SECURITIES HOLDINGS LTD	Equity	1,07,007	0.67%	1,07,007	0.67%	-
SALZER MAGNET WIRES LTD*	Equity	1,05,254	0.66%	10,30,000	6.44%	-5.79
<b>TOTAL</b>		<b>51,68,675</b>	<b>32.34%</b>	<b>57,26,762</b>	<b>35.83%</b>	<b>-3.49%</b>

\* Salzer Magnet Wires Limited is under Voluntary Winding up in terms of Insolvency and Bankruptcy Code 2016. As a part of liquidation process, its part of the investment to the extent of 9,24,746 shares in Salzer Electronics Limited got distributed among its own shareholders during the year

### Shares held by Promoters at the end of the year 31-03-2021

Particulars	Class of Shares	As at March 31, 2021		As at March 31, 2020		% Change during the year
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
R. DORAISWAMY	Equity	3,13,528	1.96%	3,13,528	1.96%	-
D. RAJESH KUMAR	Equity	2,50,966	1.57%	2,50,966	1.57%	-
THILAGAM RAJESH KUMAR	Equity	4,57,255	2.86%	4,57,255	2.86%	-
VISHNU RANGASWAMY	Equity	7,54,500	4.72%	7,54,500	4.72%	-
R. PAPPAMMAL	Equity	59,922	0.37%	59,922	0.37%	-
SAMHITA RAJESH	Equity	13,300	0.08%	13,300	0.08%	-
SARADHA INVESTMENTS LTD	Equity	7,48,968	4.69%	7,48,968	4.69%	-
SRVE INDUSTRIES LIMITED	Equity	6,37,966	3.99%	6,30,066	3.94%	0.05%
QUEBEC INFORMATION SERVICES I LTD	Equity	6,54,842	4.10%	6,54,842	4.10%	-
K R HEALTH CARE PRIVATE LTD	Equity	3,52,783	2.21%	3,52,783	2.21%	-
SALZER EXPORTS LTD	Equity	3,45,725	2.16%	3,45,725	2.16%	0.04%
SALZER SECURITIES HOLDINGS LTD	Equity	1,07,007	0.67%	1,01,007	0.63%	-
SALZER MAGNET WIRES LTD*	Equity	10,30,000	6.44%	10,30,000	6.44%	-
<b>TOTAL</b>		<b>57,26,762</b>	<b>35.83%</b>	<b>57,12,762</b>	<b>35.74%</b>	<b>0.09%</b>

### e) Information regarding issue of shares in the last five years

- Details of Shares issued without payment being received in cash.  
In pursuance of Business Transfer Agreement dated March 08,2018, the Company issued 10,30,000 Shares of Rs.10/- each credited as fully paid-up at an issue price of Rs.197 per share for a total value of Rs.20.29 Crs on March 16,2018 to Salzer Magnet Wires Limited as a consideration for acquisition of its whole of its business undertaking
- The Company has not issued any bonus shares.
- The Company has not undertaken any buy-back of shares.

### f) Details of Shares held by Holding Company :

There are no Shares held by Holding Company / Subsidiaries of ultimate Holding Company as on 31st March 2022.

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**Note No. 19 OTHER EQUITY**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserve	80.67	80.67
Securities Premium	12,630.14	12,630.14
General Reserve	2,058.46	2,008.46
Retained Earnings	18,615.05	16,672.38
Other Comprehensive Income	163.92	138.73
<b>Total</b>	<b>33,548.24</b>	<b>31,530.38</b>

**Note No. 20 BORROWINGS (NON-CURRENT)**

(₹ in Lakhs)

Particulars	Effective Interest Rate	As at March 31, 2022	As at March 31, 2021
Term Loans			
Secured			
a. From Banks			
<b>i) HDFC Bank</b>			
Phase 2 Term Loan*	6.2(9.85-3.65)	255.00	435.00
<b>ii) Union Bank of India</b>			
Phase 2 Term Loan**	9.70	985.68	1,191.68
<b>Total</b>		<b>1,240.68</b>	<b>1,626.68</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 17 EMIs of ₹. 15,00,000.00

\*\* Building, Plant and Machinery Term Loan

Secured by the First Charge on Land and Building, Plant and Machinery of Unit IV 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 41 EMIs of ₹. 23,55,128.00 and 1 EMI of ₹. 20,07,752.00

**Note No. 21 PROVISIONS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Liability towards LIC Group Gratuity Scheme	-	-
Provision for Premium payable	-	2.98
<b>Total</b>	<b>-</b>	<b>2.98</b>

**Note No. 22 DEFERRED TAX LIABILITIES (NET)**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax liability</b>		
- On Fixed Assets	1,569.91	1,569.91
- On Research and Development Expenses	1,036.56	906.56
- On Revenue Recognition / ECL	49.20	38.97
- On Employee Benefit Expenses	32.29	28.60
<b>Less: Deferred tax Asset</b>		
- On Employee Benefit Expenses	37.86	37.86
- On Fixed Assets	660.80	603.89
- On Revenue and Development Expenses	-	-
- On Revenue Recognition / ECL	28.76	28.76
<b>Total</b>	<b>1,960.56</b>	<b>1,873.53</b>

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

**Note No. 23 BORROWINGS (CURRENT)**

(₹ in Lakhs)

Particulars	Interest Rate	As at March 31, 2022	As at March 31, 2021
<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	7.50	1,741.91	1,604.07
<b>ii. HDFC Bank</b>			
Cash Credit: Secured by: Hypothecation of Inventories and Book Debts of Unit-II	7.00	802.34	4,009.26
Pre-shipment Loan: Secured by: Hypothecation of Inventories and Book Debts of Unit-II	S+1.50	5,140.47	3,110.34
Post-shipment Loan: Secured by: Hypothecation of Inventories of Unit-II		657.57	-
<b>iii. HDFC Bank</b>			
Cash Credit: Secured by: Hypothecation of Inventories and Book Debts of Unit-III		848.96	892.27
<b>iv) Union Bank of India</b>			
Cash Credit: Secured by: Hypothecation of Inventories and Book Debts of Unit-IV	8.95	4,753.41	3,903.41
Letter of Credit : Secured by: Hypothecation of Inventories and Book Debts of Unit-IV	4.60	1,319.43	1,487.51
<b>vi) IDFC Bank</b>			
Cash Credit: Secured by: Hypothecation of Inventories and Book Debts of Unit-V	8.55	2,604.74	1,572.57
Letter of Credit : Secured by: Hypothecation of Inventories and Book Debts of Unit-V	4.55	1,603.95	748.45
WCDL: Secured by: Hypothecation of Inventories and Book Debts of Unit-V	6.75	1,614.42	-
<b>Sub Total</b>		<b>21,087.20</b>	<b>17,327.88</b>
<b>(B) Unsecured Loan From Banks</b>			
Loans repayable on demand HDFC	7.10	750.00	-
Loans repayable on demand ICIC	7.20	1,703.09	1,000.00
<b>Sub Total</b>		<b>2,453.09</b>	<b>1,000.00</b>
<b>Total</b>		<b>23,540.29</b>	<b>18,327.88</b>

**Note No. 24 TRADE PAYABLS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
	Current	Current
Trade payable - Micro and small enterprises	1,196.17	1,650.19
Trade payable - Other than Micro and small enterprises	6,180.38	4,230.69
<b>Total</b>	<b>7,376.55</b>	<b>5,880.88</b>

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**Trade Payable Aging schedule as at March 31, 2022**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	1,196.17	-	-	-	1,196.17
Others	6,167.42	12.96	-	-	6,180.38
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>TOTAL</b>	<b>7,363.59</b>	<b>12.96</b>	-	-	<b>7,376.55</b>

**Trade Payable Aging schedule as at March 31, 2021**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	1,650.19	-	-	-	1,650.19
Others	4,230.69	-	-	-	4,230.69
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>TOTAL</b>	<b>5,880.88</b>	-	-	-	<b>5,880.88</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 March 31, 2022	As at March 31, 2021
Current maturities of long- term debt	462.62	462.62
Unclaimed dividends	23.27	25.98
<b>Total</b>	<b>485.89</b>	<b>488.60</b>

**Note No. 26 OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Dues	402.98	397.66
Advance from Customers	70.12	40.02
Creditors for capital goods	413.06	342.18
Creditors for expenses	3,372.55	5,047.47
<b>Total</b>	<b>4,258.71</b>	<b>5,827.33</b>

**Note No. 27 PROVISIONS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits - Gratuity (Refer Note No. 39)	-	-
Provision for Warranty	169.53	130.01
<b>Total</b>	<b>169.53</b>	<b>130.01</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

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

**Note No. 28 CURRENT TAX LIABILITY**

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Current tax Liability - [Net of Advance Tax IT]	-	136.03
<b>Total</b>	-	<b>136.03</b>

**Note No. 29 REVENUE FROM OPERATIONS**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(a) Sale of products (excluding GST)</b>		
Sales - Domestic	66,788.74	52,402.20
Sales - Exports	9,214.66	6,073.32
Sales - Scrap	2025.14	1,544.49
<b>Sub Total</b>	<b>78,028.54</b>	<b>60,020.01</b>
<b>(b) Sale of Services</b>		
Technical Services	2.77	1.08
<b>Sub Total</b>	<b>2.77</b>	<b>1.08</b>
<b>Gross Revenue from Sale of Products and Services</b>	<b>78,031.31</b>	<b>60,021.09</b>
<b>(c) Other operating revenue</b>		
Conversion Charges Received	132.15	52.56
Income by Power Generation	69.80	61.85
Duty Drawback Income	130.04	109.62
MEIS License Sales	-	96.08
Interest Received against Non-current Receivables - PPP	-	220.75
<b>Sub Total</b>	<b>331.99</b>	<b>540.86</b>
<b>TOTAL</b>	<b>78,363.30</b>	<b>60,561.95</b>

**Note No. 30 OTHER INCOME**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest from Bank Deposits	34.79	34.18
Foreign Exchange Rate Differences	83.99	-
Dividend received against short term investments	6.72	11.16
Dividend received against Investments (Kaycee)	14.26	14.27
Net gain/loss on sale of investment	43.53	10.93
Insurance Claim Received	0.45	0.26
Profit on Sale of Assets	1.50	1.57
Rental Income Received	4.10	4.00
Other Non-operating income (net of expenses) (Incl. of gain on Key Men policy insurance Matured.)	28.54	122.79
<b>TOTAL</b>	<b>217.88</b>	<b>199.16</b>

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**Note No. 31 COST OF MATERIAL CONSUMED**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Raw Materials Consumption</b>		
Opening Stock	5,446.29	4,737.56
Add: Purchases	62,304.47	46,580.11
Less: Closing Stock	8,333.58	5,446.29
<b>Sub Total</b>	<b>59,417.18</b>	<b>45,871.38</b>
<b>Trading Materials Consumption</b>		
Opening Stock	115.31	62.31
Add: Purchases	3,170.25	1,560.26
Less: Closing Stock	237.55	115.31
<b>Sub Total</b>	<b>3,048.01</b>	<b>1,507.26</b>
<b>Packing Materials Consumption</b>		
Opening Stock	172.43	150.38
Add: Purchases	1,337.11	920.93
Less: Closing Stock	210.06	172.44
<b>Sub Total</b>	<b>1,299.48</b>	<b>898.87</b>
<b>TOTAL</b>	<b>63,764.67</b>	<b>48,277.51</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, 2022	For the year ended March 31, 2021
<b>Opening 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>Less: Closing Stock</b>		
Work-in-progress	9,161.70	7,680.36
Finished Goods	4,427.23	4,323.15
<b>Sub Total</b>	<b>13,588.93</b>	<b>12,003.51</b>
<b>Net (increase)/decrease in inventory</b>	<b>-1,585.42</b>	<b>-1,238.29</b>

**Note No. 33 EMPLOYEE BENEFIT EXPENSES**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and Wages including Bonus	2,487.51	2,097.63
Contribution to Provident and other funds	139.86	125.57
Workmen and Staff Welfare Expenses	233.76	161.69
Gratuity	78.86	48.98
<b>TOTAL</b>	<b>2,939.99</b>	<b>2,433.87</b>

**Note No. 34 FINANCE COSTS**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Interest Expenses	139.58	154.51
(b) Interest on Working cost	1,131.09	1,317.73
(c) Other Borrowing cost	709.87	655.18
<b>TOTAL</b>	<b>1,980.54</b>	<b>2,127.42</b>



**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

**Note No. 35 DEPRECIATION AND AMORTISATION EXPENSES**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Depreciation on Property, Plant and Equipment	1,558.73	1,503.11
(b) Amortisation on Other Intangible Assets	41.86	57.44
<b>TOTAL</b>	<b>1,600.59</b>	<b>1,560.55</b>

**Note No. 36 OTHER EXPENSES**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumptions of Store and Spares	197.89	145.07
Freight and Forwarding Charges	1,469.96	804.56
Power and Fuel	879.30	810.24
Repairs & Maintaince		
Buildings	24.79	19.68
Machinery	397.03	260.04
Others	127.95	89.36
Subcontracting Expenses	1,854.47	1,044.25
Contract Labour Expenses	674.32	444.89
Advertisement Expenses	2.68	2.75
Audit Fees (Refer Note No.36.1)	21.75	18.75
Director's Sitting Fees	17.10	15.30
Donation	30.85	7.10
Energy Saver Project Expenses	20.20	212.60
General Expenses	42.15	36.97
Insurance	56.08	46.14
Foreign Exchange Realisation Difference	-	30.83
Management system Expenses (ISO9000 & OSHAS)	3.18	8.36
Postage, Telephone & Telegram	32.01	17.07
Printing & Stationery	36.28	27.26
Rates and Taxes	58.31	39.58
Rent	60.58	33.32
Research & Development Expenses	168.62	175.75
Warranty Expenses	39.52	30.13
Sales Promotional Expenses	312.61	228.98
Subscription & Periodicals	34.80	25.80
Technical/Professional Fee	131.90	82.29
Travelling and Conveyance	57.18	60.08
CSR Expenses (Refer Note No.44)	49.00	75.90
Expected Credit Loss	28.05	30.17
Royalty	37.34	10.11
Bad Debts	-	76.43
<b>Total Other Expenses</b>	<b>6,865.90</b>	<b>4,909.76</b>

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**Note No. 36 1. AUDITOR REMUNERATION**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) For Statutory Audit	9.50	8.50
(b) For Tax Audit	2.50	2.50
(c) For Other Services	9.75	7.75
<b>TOTAL</b>	<b>21.75</b>	<b>18.75</b>

**Note No. 37 TAX EXPENSES**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Current Tax</b>		
Current tax on profit for the year	688.22	598.03
Change/ (Credit) in respect of current tax for earlier years	-	-
<b>TOTAL (A)</b>	<b>688.22</b>	<b>598.03</b>
<b>B. Deferred Tax</b>		
Origination and reversal of temporary differences	78.55	24.91
Change in respect of deferred tax for earlier years	-	-
<b>TOTAL (B)</b>	<b>78.55</b>	<b>24.91</b>
<b>Tax expense recognized in Statement of Profit and Loss</b>	<b>766.77</b>	<b>622.94</b>
<b>TOTAL (A)+(B)</b>		
Tax expense recognized in Other Comprehensive Income	-8.47	48.21
<b>Total Tax Expense</b>	<b>758.30</b>	<b>671.15</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, 2022	For the year ended March 31, 2021
<b>Current Tax</b>		
Taxable profit for the year	3,014.91	2,690.29
Applicable income tax rate	25.17%	25.17%
Expected income tax	758.85	677.15
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	-130.00	-121.19
Expenses disallowed in determining the tax profit	19.39	26.70
Investment allowances	-	-
Unrecognized deferred tax assets	-	-
Others	118.53	40.28
<b>Tax expense recognised in Statement of Profit and Loss A/c</b>	<b>766.77</b>	<b>622.94</b>

## NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### Note No. 38 EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(Loss) after tax and exceptional items	2,248.14	2,067.35
Less: Notional Preference Dividend		
Profit/(Loss) after tax and exceptional items attributable to equity share holders	2,248.14	2,067.35
Add: Exceptional items (net of tax)		
Profit after tax but before exceptional items attributable to equity share holders	2,248.14	2,067.35
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 ₹)	14.07	12.93
Diluted Earnings/(Loss) per share after tax and exceptional items (in ₹)	14.07	12.93

### Note No. 39 GRATUITY

The details of various employee benefits provided to employees are as under:

#### A. Defined Contribution and other plans

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Employer's Contribution to PF	143.95	118.20
Employer's Contribution to ESIC	10.44	10.50
Employer's Contribution to Superannuation fund	5.80	4.18
<b>TOTAL</b>	<b>160.19</b>	<b>132.88</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, 2022 (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, 2022	March 31, 2021
Discount Rate	7.48%/7.12%/7.52%	7.02%/6.36%
Expected Return on Assets	7.48%/7.12%/7.52%	7.02%/6.36%
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, 2022	March 31, 2021
Current Service Cost	50.72	46.56
Net Interest on Defined Benefit Obligations	-2.93	2.42
Expenses recognized in the statement of profit and loss	47.79	48.98

**Recognized in Other Comprehensive Income for the year**

Particulars	(₹ in Lakhs)	
	March 31, 2022	March 31, 2021
Actuarial (Gain)/Losses due to Demographic Assumption changes in DBO	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial gains/losses arising from changes in financial assumptions	-35.85	12.50
Actuarial gains/losses arising from experience adjustments	21.17	34.60
Amount recognized in OCI for the current period	-14.68	47.10

**Change in present value of defined benefit obligation**

Particulars	(₹ in Lakhs)	
	March 31, 2022	March 31, 2021
Present value of obligations as at the beginning of the year	813.67	789.45
Current Service Cost	50.71	46.56
Interest on Defined Benefit Obligations	50.42	49.74
Actuarial (gain)/loss on plan obligation	17.77	-47.10
Benefits paid	-55.25	-24.98
Present value of obligations as at the end of the year	877.32	813.67

**Change in fair value of plan assets**

Particulars	(₹ in Lakhs)	
	March 31, 2022	March 31, 2021
Fair value of plan assets as at the beginning of the period	814.58	709.43
Return on plan assets	53.35	47.32
Contributions	93.29	82.81
Benefits paid	-55.25	-24.98
Actuarial gain/(loss) on plan assets	3.08	-
Fair value of plan assets as at the end of the period	909.05	814.58

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)****Net Asset/ Liability recognized in Balance Sheet**

(₹ in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Present value of obligations		877.32		813.67
Fair Value of Plan Assets		909.05		814.58
Amount recognized		-31.73		-0.91

**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, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate by 1%	-50.34	56.33	50.74	57.12
Salary Escalation rate by 1%	53.77	-49.11	54.25	49.32
Attrition rate by 1%	-0.74	0.83	2.28	3.16
Mortality rate by 10%	-0.06	-	0.13	-

**Note No. 40 DIVIDENDS MADE**

(₹ in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Cash dividends on equity shares declared and paid:				
Final Dividend for the financial year		-		-
Dividend distribution tax		-		-
Cash dividends on equity shares proposed		287.69		255.75

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**Note No. 41 COMMITMENTS AND CONTINGENT LIABILITIES**

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Towards Import Obligations under EPGC	613.50	1,944.05
Letter of Credit for import and purchase of Raw Materials	2,820.21	4,867.58
Obligation towards Bank Guarantee	1,985.55	277.30
Excise Protest Fund Liability	85.68	85.68

**Note No. 42 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

Particulars	March 31, 2022	March 31, 2021
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 2022 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. 43 CSR EXPENDITURE**

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Gross amount required to be spent by the company during the year	47.10	63.00
Amount spent during the year	49.00	75.90

**NOTE No. 44 FAIR VALUE MEASUREMENTS**
**i. Financial instruments by category**
**The carrying value of financial instruments by categories as at 31 March 2022 were as follows:**

(₹ in Lakhs)

Particulars	Note	Amortised cost	FVTOCI	FVTPL	Total Carrying value	Total Fair value
<b>Financial Assets</b>						
Investments	6, 11	1744.41	311.12	-	2,055.53	2,055.53
Trade Receivables	7, 12	22,014.60			22,014.60	22,014.60
Cash and Cash equivalents	13	128.22			128.22	128.22
Other bank balances	14	675.60			675.60	675.60
Loans	15	1,058.05			1,058.05	1,058.05
Other financial assets	8, 16	1,218.07			1,218.07	1,218.07
<b>Financial Liabilities</b>						
Borrowings	20, 23	24,780.97			24,780.97	24,780.97
Trade payables	24	7,376.55			7,376.55	7,376.55
Other financial liabilities	25	485.89			485.89	485.89



## NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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	17,24.91	391.73	-	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			5,880.56	5,880.88
Other financial liabilities	25	488.60			488.60	488.60

### 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, 2022

(₹ in Lakhs)

Particulars	Note	Level 1	Level 2	Level 3	Carrying value
<b>Financial Assets</b>					
At fair value through Other Comprehensive Income		311.12	-	-	311.12
<b>Investments</b>					
Investments - Non - current - Quoted	6	-	1,659.82	-	1,659.82
Investments - Non - current - Unquoted	6	-	-	84.59	84.59
At fair value through Profit and Loss					
Investments	11	-	-	-	-
<b>Financial Liabilities</b>					
At amortised costs					
Borrowings	20, 23	-	24,780.97	-	24,780.97

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**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		391.73	-	-	391.73
Investments - Non - current - Quoted	6	-	1,659.82	-	1,659.82
Investments - Non - current - Unquoted	6	-	-	65.09	65.09
At fair value through Profit and Loss					
Investments - Current	11	-	-	-	-
<b>Financial Liabilities</b>					
At amortised costs					
Borrowings	20, 23	-	19,954.56	-	19,954.56

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, 2022 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.

**NOTE No. 45 FINANCIAL RISK MANAGEMENT**

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, 2022 (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, counterparty 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, 2022	March 31, 2021	March 31, 2020
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	27,150.06	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 2022 are as follows:

(₹ in Lakhs)

Particulars	Not Due	Less than 6 months past due	More than 6 months past due	Total
Gross Carrying Amount	13,544.92	6,423.07	2,145.96	22,113.95
Loss allowance provision	-	-	-99.35	-99.35
Net	13,544.92	6,423.07	2,046.61	22,014.60

**NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

The loss allowance for trade receivables using expected credit losses for different ageing periods as at 31<sup>st</sup> March 2021 are as follows: (₹ in Lakhs)

Particulars	Not Due	Less than 6 months past due	More than 6 months past due	Total
Gross Carrying Amount	10,974.40	5,027.38	3,078.83	19,080.61
Loss allowance provision	-	-	-74.87	-74.87
Net	10,974.40	5,027.38	3,003.96	19,005.74

**Reconciliation of loss allowance for trade receivables**

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	74.87	125.38
Additions during the year	27.05	30.17
Amounts written off during the year	101.92	80.68
Amounts recovered during the year	2.58	-
Balance at the end of the year	99.34	74.87

**Exposure to customers having more than 5% of outstanding in respect of Trade Receivables.**

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
SCHNEIDER	2,340.55	3,009.99
NEWTEC CABLES	-	956.43
SALZER EXPORTS LTD	1,819.10	-
<b>TOTAL</b>	<b>2,340.55</b>	<b>3,966.42</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 2022 are as follows:**

Particulars	Less than 1 year	1-5 year	More than 5 year	Total
Borrowings	23,540.29	1,240.68	-	24,780.97
Trade Payables	7,376.55	-	-	7,376.55
Other financial Liabilities	462.62	13.70	9.58	485.90

**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

**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, 2022 (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, 2022	March 31, 2021
Fixed Rate Borrowings	-	-
Floating Rate	25,243.59	20,417.18
<b>Total Borrowings</b>	<b>25,243.59</b>	<b>20,417.18</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 31.03.2022 would decrease/increase by ₹. **252.44 Lacs.** (for the year ended 31st March 2021: decrease /increase by ₹. **204.17 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 31.03.2022 are as follows:**

Particulars	US\$	GPB	EURO
Financial Assets	34,05,602.72	6,08,021.32	3,66,939.32
Financial Liabilities	16,45,495.80	-	-
Net exposure	17,60,106.92	6,08,021.32	3,66,939.32

**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

### 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, 2022		March 31, 2021	
			0.5 %	-0.5 %
USD	0.09	-0.09	5.72	-5.72
GBP	0.03	-0.03	2.40	-2.40
EURO	0.02	-0.02	0.56	-0.56

## NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### NOTE No. 46 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, 2022	March 31, 2021
Non-Current Borrowings (Refer Note : 20)	1,240.68	1,626.68
Current Borrowings (Refer Note : 23)	23,540.29	18,327.88
Current Maturities of Long term Debt (Refer Note : 25)	485.89	488.60
Total Borrowings (a)	25,266.86	20,443.16
Cash and Cash equivalents (Refer Note : 13)	128.22	493.33
Other Bank Balances (Refer Note : 14)	675.60	556.59
Current Investments (Refer Note : 11)	310.06	390.17
Total Cash (b)	1,113.88	1,440.09
Net Debt (c) = (a)-(b)	24,152.98	19,003.07
Equity (Refer Note : 18)	1,598.27	1,598.27
Other Equity (Refer Note : 19)	33,548.24	31,530.38
Total Equity (d)	35,146.51	33,128.65
Total Capital (e) = (c)+(d)	59,276.22	52,131.72
Gearing Ratio = (c)/(e)	0.41	0.36

### NOTE No. 47 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, 2022 (Contd.)

### ii) Enterprises Owned or significantly influenced by Key Managerial Personnel or their relatives

- |                                    |   |
|------------------------------------|---|
| 1. Salzer Exports Limited          | 7. Trust under Common Control                     |
| 2. Salzer Spinners Limited         | 8. Salzer Educational Medical Research Trust      |
| 3. SRVE Industries                 | 9. Quebec Informations                            |
| 4. K R Health Care Private Limited | 10. Salzer EV Infra Private Limited               |
| 5. S R V E Industries Limited      | 11. Salzer Kostad EV Charges Private Limited and  |
| 6. K R Pharmacy                    | 12. Salzer Emarch Electromobility Private Limited |

### 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 31,2022	March 31,2021	March 31,2022	March 31,2021	March 31,2022	March 31,2021
Purchase of goods	2.27	166.96	-	-	3.48	0.59
Sale of goods	3501.76	2217.46	-	-	950.53	256.69
Purchase of Fixed Assets	116.85	223.23	-	-	-	-
Rendering of Services	-	-	-	-	-	-
Receiving of Services	743.81	288.58	-	-	-	-
CSR spent through Trust	-	29.90	-	-	-	-
Voluntary Contribution to trust	23.80	6.60	-	-	-	-
Managerial remuneration	-	-	186.36	161.37	-	-
Outstanding Receivables	-	130.72	-	-	-	-
Director Sitting Fees	17.10	1.80	-	-	-	-
<b>Equity Investments</b>	19.50	-	-	-	-	-

### NOTE No. 48 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. 49 KEY FINANCIAL RATIOS

Particulars	March 31, 2022	March 31, 2021	Variance
Current Ratio	1.34:1	1.34:1	-
Debt-Equity Ratio	0.04:1	0.05:1	-0.01
Debt Service Coverage Ratio	7.40	7.66	-0.03
Return on Equity Ratio	6.39	6.24	0.02
Inventory turnover ratio/Days	92	98	-0.06
Trade Receivables turnover ratio,/Days	89	97	-0.08
Trade payables turnover ratio/Days	36	40	-0.10
Net capital turnover ratio,-Times	48.82	37.55	0.30
Net profit ratio	2.87%	3.41%	-0.16
Return on Capital employed *	17.20%	17.41%	-0.01
Return on Investmemt	0.30	0.15	0.01

\* ROCE : EBITDA / Total assets - Current Liabilities

## NOTES TO STADALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### NOTE No. 50 LEASES AS A LESSEES :

The Company has taken land on lease for a period of 99 years. Whenever the lease includes extension option and it is certain, the same is considered for computing the lease term. Lease term includes non cancellable period and expected lease period.

Payment made towards long term leases during the year is Rs. 63 Lacs (PY Rs. NIL).

### NOTE No. 51 Other Notes

- The Title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.
- No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Company has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.
- The Company has adhered to debt repayment and interest service obligations on time. Wilful defaulter related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March 2022.
- All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended 31st March 2022.
- The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- The Company has not operated in any crypto currency or Virtual Currency transactions
- During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.
- 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)

#### 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  
May 21, 2022

# **Consolidated Financial Statement 2021 - 22**

## FORM NO. AOC-1

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

### Part A : Subsidiaries

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

(₹ in Lakhs)

S. No.	Particulars	Kaycee Industries Limited	Salzer EV Infra Private Limited	Salzer Emarch Electromobility Private Ltd
1.	Date on which subsidiary was acquired	July 11,2019	July 11,2021	Sep 02, 2021
2.	Reporting period	April 01,2021 to March 31, 2022		
3.	Reporting currency	INR	INR	INR
4.	Share Caapital	63.47	19.00	18.50
5.	Reserves & Surplus	1,593.87	-	-
6.	Total assets	2,146.28	19.25	20.11
7.	Total liabilities	2,146.28	19.25	20.11
8.	Investments	0.10	18.00	-
9.	Turnover	2,940.87	-	-
10.	Profit before taxation	250.12	-	-
11.	Provision for taxation	63.51	-	-
12.	Profit after taxation	186.61	-	-
13.	Proposed Dividend	50%	-	-
14.	Extent of shareholding [In %] as at March 31,2022	74.91%	100%	95%

Names of subsidiaries which are yet to commence operations : Salzer EV Infra Private Limited and Salzer Emarch Electromobility Private Ltd Names of subsidiaries which have been liquidated or sold during the year : NIL

## FORM NO. AOC-1 - (Continued)

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

### Part B : Associates

S. No.	Particulars	Salzer Kostad Ev Chargers Private Limited
1.	Latest audited Balance Sheet Date	31.03.2022
2.	Date on which the Associate was acquired	July 27, 2021
3.	<b>Shares of Associate held by the company on the year end</b>	
(i).	No. of shares	5,000
(ii)	Amount of investment in Associates/Joint Venture	0.5
(iii)	Extent of holding %	33.33%
4.	Description of how there is significant influence	Holding more than 20% of share capital
5.	Reason why the associate/joint venture is not consolidated	Not applicable
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet	0.50. Lakh
7.	Profit / Loss for the year:	NA
(i)	Considered in consolidation	0.50. Lakh
(ii)	Not considered in consolidation	NIL

1. Names of associates or joint ventures which are yet to commence operations - SALZER KOSTAD EV CHARGERS PRIVATE LIMITED

2. Names of associates or joint ventures which have been liquidated or sold during the year - NIL

For and on behalf of the Board

Date : May 21, 2022

Place : Coimbatore

**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, 2022, 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 Company as at March 31, 2022, 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> We agree with the management's evaluation</p>
3.	<p><b>Allowance for credit losses</b></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: 46 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> 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, 2022 relating to the acquisition of subsidiary, which is considered as a Cash Generating Unit (CGU). For the year ended March 31, 2022, 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>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>

### Other Matters

We did not audit the financial statements of subsidiary Kaycee Industries Ltd., whose Ind AS financial statements reflect total assets of ₹. 2146.28 Lakhs-as at 31st March, 2022, total turnover of ₹. 2984.88 Lakhs and net cash flows amounting to ₹. 24.84 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 Rs. ₹. 129.22 Lakhs for the year ended 31<sup>st</sup> March, 2022, 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.

Salzer EV Infra Private Limited, Salzer Emarch Electromobility Private Limited, Salzer Kostad EV Charges Private Limited are yet to commence its business operations.

### 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

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

accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, 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 of the Group and of its associates.

### 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, 2022 taken on record by the Board of Directors of the Holding company, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure B
- g) With respect to other matters to be included in the Auditor's Report in accordance with requirements of section 197(16) of the Act, as amended:

In our opinion and 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 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - (ii) Provision has been made in the consolidated financial statements, 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 and its subsidiary companies incorporated in India.
  - (iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, no funds (which are material either individually

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

or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are

companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatements

- (v) (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (1) of section 143 of the Companies Act, 2013, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the company included in the Consolidated Financial Statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

In Terms Of Our Report Of Even Date

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

Place: Coimbatore  
Date : May 21, 2022

**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.

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

- 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 : May 21, 2022

**B. JAYARAM**  
Partner

UDIN NO.: 21028346AAAFFV5846      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, 2022).

#### 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, 2022, 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

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

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.

### 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, 2022, 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 : May 21,2022  
UDIN NO.: 21028346AAAAFV5846

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



# CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>I. ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and equipment	2	21,337.35	20,938.83
(b) Capital Work in progress	3	77.70	134.63
(c) Investment Property	4	0.77	0.77
(d) Intangible Assets	5	1,080.81	1,107.35
(e) Financial Assets			
i. Investments	6	84.74	66.75
ii. Trade Receivables	7	1,162.73	1,160.13
iii. Others	8	1,185.59	1,728.23
(f) Other Non-Current Assets	9	520.35	229.76
<b>Total Non-Current Assets</b>	<b>(1)</b>	<b>25,450.04</b>	<b>25,366.45</b>
<b>2 Current Assets</b>			
(a) Inventories	10	22,698.15	18,098.94
(b) Financial Assets			
i. Investments	11	310.06	390.17
ii. Trade Receivables	12	21,838.59	18,844.05
iii. Cash and Cash Equivalents	13	190.21	529.85
iv. Other Bank balances	14	984.37	863.45
v. Loans	15	1,058.04	1,841.33
vi. Others	16	37.89	34.17
(c) Other Current Assets	17	2,665.89	2,522.65
<b>Total Current Assets</b>	<b>(2)</b>	<b>49,783.20</b>	<b>43,124.61</b>
<b>TOTAL ASSETS</b>	<b>(1+2)</b>	<b>75,233.24</b>	<b>68,491.06</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	33,791.00	31,643.92
<b>Equity attributable to the Owners of the Company</b>		<b>35,389.27</b>	<b>33,242.19</b>
<b>Non Controlling interest</b>		448.76	405.49
<b>Total Equity</b>	<b>(1)</b>	<b>35,838.03</b>	<b>33,647.68</b>
<b>2 LIABILITIES</b>			
<b>(1) Non-current Liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	20	1,240.68	1,626.68
(b) Provisions	21	14.56	19.29
(c) Other Non Current Liabilities	22	24.54	24.09
(d) Deferred tax liabilities (net)	23	1,961.90	1,864.49
<b>Total Non-current Liabilities</b>	<b>(2)</b>	<b>3,241.68</b>	<b>3,534.55</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	24	23,540.29	18,327.88
ii. Trade Payables	25	7,622.44	6,316.39
iii. Others	26	490.13	492.80
(b) Other Current Liabilities	27	4,317.49	5,875.41
(c) Provisions	28	183.16	151.62
(d) Current Tax Liabilities (Net)	29	-	144.71
<b>Total current Liabilities</b>	<b>(3)</b>	<b>36,153.51</b>	<b>31,308.81</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>(1+2+3)</b>	<b>75,233.24</b>	<b>68,491.06</b>

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

## N. RANGACHARY

Chairman  
(DIN :00054437)

## 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 May 21, 2022

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, 2022

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I. INCOME</b>			
Revenue From Operations	30	80,354.15	62,573.60
Other Income	31	247.62	219.85
<b>Total Income</b>		<b>80,601.77</b>	<b>62,793.45</b>
<b>II EXPENSES</b>			
Cost of materials consumed	32	64,550.68	49,343.97
Changes in inventories of finished goods and work-in-progress	33	-1,533.96	-1,231.24
Employee benefit expenses	34	3,359.63	2,811.50
Finance Cost	35	1,987.65	2,134.48
Depreciation and amortisation expense	36	1,633.48	1,601.11
Other expenses	37	7,353.53	5,347.80
<b>TOTAL EXPENSES</b>		<b>77,351.01</b>	<b>60,007.62</b>
<b>III PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>3,250.76</b>	<b>2,785.83</b>
<b>IV a. Exceptional items</b>		-	-
Covid provision for inventory and receivables @ Kaycee		-	-19.46
Prior Period Expenses		-	-4.37
<b>V PROFIT BEFORE TAX</b>		<b>3,250.76</b>	<b>2,800.92</b>
<b>VI Tax Expense</b>	38	830.30	663.02
<b>VII PROFIT AFTER TAX</b>		<b>2,420.46</b>	<b>2,137.90</b>
a. Attributable to Owners of the Company (Holding Co)		2,259.31	2,051.69
b. Attributable to Non-controlling Interest		161.15	86.21
<b>VIII OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit or loss			
a. Re-measurement of post employment benefit obligations		19.61	45.99
b. Change in fair value of FVOCI equity instruments		18.99	144.43
c. Net gain/ (loss) on sale of investments designated through OCI			
d. Income Tax expenses on above		-8.48	-47.93
<b>IX TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<b>30.12</b>	<b>142.49</b>
<b>X TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>2,450.58</b>	<b>2,280.39</b>
a. Attributable to Owners of the Company (Holding Co)		2,288.21	2,194.39
b. Attributable to Non-controlling Interest		162.37	86.00
<b>XI EARNINGS PER SHARE</b>	39		
- Basic and Diluted Before exceptional items (in ₹)		14.14	12.84
- Basic and Diluted after exceptional items (in ₹)		14.14	12.84

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

### N. RANGACHARY

Chairman  
(DIN :00054437)

### 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 May 21, 2022

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, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit/(Loss) after tax</b>		2,450.58		2,280.40
<b>Adjustments for:</b>				
Tax expenses	820.15		710.95	
Depreciation and Amortisation	1,633.48		1,601.11	
Interest Income	-50.05		-51.04	
Finance Costs	1,987.65		2,134.48	
(Gain)/Loss on Foreign Exchange Fluctuations (Net)	-83.99		30.83	
Dividend Income	-6.74		-11.16	
(Profit)/Loss on Sale of Investments	-43.52		-10.93	
(Profit)/Loss on Sale of Assets (Net)	-3.13		-2.56	
Fair valuation of investments	-18.99		-144.43	
Other Comprehensive Income	-19.61		-45.99	
Other Non-operating Income	-	4,215.25	-126.79	4,084.47
<b>Operating Profit before working capital changes</b>		<b>6,665.83</b>		<b>6,364.87</b>
<b>Adjusted for working capital changes</b>				
Inventories	-4,599.21		-2,038.21	
Trade and Other receivables	-1,818.16		-4,250.69	
Trade and Other Payables	936.59		1,899.61	
Other Liabilities	-1,433.70	-6,914.48	-86.36	-4,475.65
<b>Cash Generated from Operations</b>		<b>-248.65</b>		<b>1,889.23</b>
Direct Taxes Paid		-975.01		-511.61
<b>Net Cash Flow from Operating Activities .....A</b>		<b>-1,223.66</b>		<b>1,377.62</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Investment in Subsidiary (Including Goodwill)	-		-	
Investment in Fixed Assets-Net	-1,955.51		-1,856.07	
Sale of Fixed Assets	35.59		39.95	
Non-operating Income	-		126.79	
Investment in Mutual Funds and Equities	61.11		-20.31	
Profit/ (Loss) on Sale of Fixed assets	3.11		2.56	
Proceeds from Investments	43.52		10.93	
Post Acquisition Profit from Subsidiary	129.22		47.83	
Dividend Received	6.74		11.16	
Interest Received	50.05		51.04	
Other Non- Current Investments	17.99		-18.41	
<b>Net Cash Used in Investing Activities .....B</b>		<b>-1,608.18</b>		<b>-1,604.53</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Short Term Borrowings	5,212.42		2,702.11	
Other Non-Current Assets	-290.60		74.16	
Long term Borrowings - receipts	-		-	
Repayment of - Non Current Liabilities	-386.00		150.93	
Interest and Finance Charges	-1,987.65		-2,134.48	
(Gain)/Loss on Foreign Exchange Fluctuations (Net)	83.99		-30.83	
Dividend and Dividend Tax Paid	-19.04		-19.04	
<b>Net Cash Generated from Financing Activities .....C</b>		<b>2,613.12</b>		<b>441.00</b>
<b>Net Increase in Cash and Cash Equivalents .....A+B+C</b>		<b>-218.72</b>		<b>214.09</b>
<b>ADD: Opening Cash and Cash Equivalents</b>		<b>1,393.30</b>		<b>1,179.20</b>
<b>Closing Cash balance</b>		<b>1,174.58</b>		<b>1,393.30</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)

**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 May 21, 2022

**B. JAYARAM**

Partner  
Memb.No. 028346

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

Particulars	As at 31-03-2022		As at 31-03-2021			
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Other Items of Other Comprehensive Income	Total Equity
<b>A) EQUITY SHARE CAPITAL</b>						
Particulars						
Balance as at 31st March, 2021						1,598.27
Changes in equity share capital during the year						-
Balance as at 31st March, 2022						1,598.27
<b>B) OTHER EQUITY</b>						
Particulars						
Balance as at 31/03/2021	80.67	12,630.14	2,008.46	16,785.91	138.74	31,643.92
Profit for the year ended 31-03-2022	-	-	-	2,377.34	-	2,377.34
Other Comprehensive income:	-	-	-	-	25.19	25.19
Transfer to other reserves (if any)	-	-	50.00	-50.00	-	-
Appropriations (if any)	-	-	-	0.27	-	0.27
Options exercised, pending allotment of shares	-	-	-	-	-	-
Premium against the allotment of shares	-	-	-	-	-	-
Dividend paid	-	-	-	-255.72	-	-255.72
<b>Balance as at 31/03/2022</b>	<b>80.67</b>	<b>12,630.14</b>	<b>2,058.46</b>	<b>18,857.80</b>	<b>163.93</b>	<b>33,791.00</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)

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

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

**D. RAJESHKUMAR**  
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(DIN :00003152& FCS No.4605)

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

Coimbatore - 47  
May 21, 2022

# CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH 31, 2022

## 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 2022 were authorized and approved for issue by the Group's Board of Directors on May 21, 2022.

#### 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 Company and its subsidiaries.

#### a. Subsidiaries

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated on a line-by-line basis from the date the control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. In case of loss of control of a subsidiary, any excess of fair value of consideration received over carrying amount of the assets (including any goodwill) and liabilities of the subsidiary, is recognised as gain or loss in consolidated statement of profit and loss. Additionally components of Other Comprehensive

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

Income of subsidiaries are reclassified to consolidated statement of profit and loss or transferred directly to retained earnings. Intercompany 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 asset transferred. These financial statements are prepared by applying uniform accounting policies in use at the Group.

### b. Associates

Associates are all entities over which the group has significant influence but not control or joint control. (This is generally the case where the group holds between 20% and 50% of the voting rights). Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

The carrying amount of equity accounted in 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 Entity	% of Holding	Reporting Date
Kaycee industries Ltd Subsidiary Company	74.91%	31.03.2022
Salzer EV Infra Pvt Ltd Subsidiary Company	100%	31.03.2022
Salzer Kostad EV Charges Pvt Ltd Subsidiary Company	33.33%	31.03.2022
Salzer Emarch Electromobility Pvt Ltd Step down Subsidiary Company	95%	31.03.2022

### v) 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".

### vi. 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.

### vii. 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.

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

### (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.

### viii) 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 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



**NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

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.

**xi) 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.

**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 Group has used the following useful lives to amortise its intangible assets:

<b>Class of Assets</b>	<b>Useful Lives</b>
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 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.

**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.

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.

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

### 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.

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

**NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

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 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.

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

### xv) 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.

### xvi) 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.

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.

### 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 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.

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

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.

### 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.

### xviii) 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.

## 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 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.



## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

### 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.

### 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 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.

### 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.

### 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.



**NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****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.

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**

## NOTES TO CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

### 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.

### 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 CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**
**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, 2021</b>	<b>2,973.37</b>	<b>4,086.73</b>	<b>25,565.09</b>	<b>970.52</b>	<b>311.98</b>	<b>175.33</b>	<b>625.48</b>	<b>65.76</b>	<b>36.64</b>	<b>6.02</b>	<b>34,089.04</b>
Additions during 31/03/2022	-	134.79	1,798.72	55.55	0.59	4.57	14.07	1.62	2.52	-	1,953.42
Disposal during 31/03/2022	-	-	26.72	-	-	3.71	-	4.07	1.07	-	30.43
<b>As at March 31, 2022</b>	<b>2,973.37</b>	<b>4,221.52</b>	<b>27,337.10</b>	<b>1,026.07</b>	<b>312.57</b>	<b>176.19</b>	<b>639.56</b>	<b>63.31</b>	<b>38.09</b>	<b>6.02</b>	<b>36,052.83</b>
Accumulated Depreciation											
<b>As at March 31, 2021</b>	-	<b>840.50</b>	<b>11,568.31</b>	<b>639.73</b>	<b>88.24</b>	<b>108.27</b>	<b>545.22</b>	<b>54.16</b>	<b>29.49</b>	<b>4.18</b>	<b>13,249.23</b>
Depreciation charged during the year	-	133.47	1,349.66	59.25	15.81	14.25	8.06	4.74	2.58	0.57	1,573.00
Disposals during 31/03/2022	-	-	3.98	-	-	1.12	-	3.86	1.07	-	5.10
<b>As at March 31, 2022</b>	-	<b>973.97</b>	<b>12,913.99</b>	<b>698.98</b>	<b>104.05</b>	<b>121.39</b>	<b>553.28</b>	<b>55.04</b>	<b>30.99</b>	<b>4.75</b>	<b>14,817.13</b>
<b>Net Carrying amount</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>
As at March 31, 2022	<b>2,973.37</b>	<b>3,247.55</b>	<b>14,423.10</b>	<b>327.09</b>	<b>208.52</b>	<b>54.80</b>	<b>86.27</b>	<b>8.27</b>	<b>7.10</b>	<b>1.27</b>	<b>21,337.35</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, 2022	As at March 31, 2021
Capital Work in Progress	77.70	134.63
<b>Total</b>	<b>77.70</b>	<b>134.63</b>

**Capital-Work-in Progress (CWIP) as on 31.03.2022**

(₹ in Lakhs)

CWIP	AMOUNT IN C. W. I. P AS ON 31.03.2022				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	77.70	-	-	-	77.70
Previous Year	134.63	-	-	-	134.63
Projects temporarily suspended	-	-	-	-	-

**Capital-Work-in Progress (CWIP) as on 31.03.2021**

(₹ in Lakhs)

CWIP	AMOUNT IN C. W. I. P AS ON 31.03.2021				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	134.63	-	-	-	134.63
Previous Year	272.02	-	-	-	272.02
Projects temporarily suspended	-	-	-	-	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**Note No. 4 INVESTMENT PROPERTY**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2022	March 31, 2021
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, 2022	March 31, 2021
<b>Software</b>		
Opening Balance	178.13	207.78
Add: Additions during the year	18.56	40.04
Less: Deductions/ Adjustments during the year	-	-
Less: Amortization for the year	45.10	69.69
Closing Balance	<b>151.59</b>	<b>178.13</b>
<b>Goodwill</b>		
Opening Balance	929.22	933.15
Add: Additions during the year	-	-
Less: Deductions/ Adjustments during the year	-	3.93
Less: Amortization for the year	-	-
Closing Balance	<b>929.22</b>	<b>929.22</b>
<b>Total</b>	<b>1,080.81</b>	<b>1,107.35</b>

**Note No. 6 NON-CURRENT INVESTMENTS**

(₹ in Lakhs)

Particulars	As at		As at	
	March 31, 2022		March 31, 2021	
	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	2300	1.05	2300	1.56
<b>Total (i)</b>		<b>1.05</b>		<b>1.56</b>
(ii) Unquoted equity shares, fully paid up				
a. Salzer Technologies Ltd, (Equity Shares of ₹ 10/- each)	83,250	8.33	83,250	8.33
b. Salzer Spinners Ltd, (Equity Shares of ₹ 10/- each)	18,65,500	55.96*	18,65,500	55.96*
c. Jayachandar Windfarm Pvt Ltd, (Equity Shares of ₹ 10/- each)	7,960	0.80	7,960	0.80
d. Saraswat Bank (1000 Equity Shares)	1,000	0.10	1,000	0.10
(ii) Un Quoted equity shares, in Associate (value at cost)				
Salzer Kostad Ev Infra P Ltd, (Equity Shares of ₹ 10/- each)	5,000	0.50	-	-
(iii) Un Quoted equity shares, in Step down subsidiary (value at cost)				
Salzer Emarch Electromobility P Ltd, (Equity Shares of ₹ 10/- each)	1,80,000	18.00	-	-
<b>Total (ii)</b>		<b>83.69</b>		<b>65.19</b>
<b>GRAND TOTAL</b>		<b>84.74</b>		<b>66.75</b>

\* Valued at ₹ 3 Per Equity Shares

(₹ in Lakhs)

Particulars	As at	
	March 31, 2022	March 31, 2021
	Amount	Amount
Aggregate value of quoted investments	1.05	1.56
Market value of quoted investments	-	-
Aggregate value of unquoted investments	83.69	65.19

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022 (Contd.)

### Note No. 7 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	1,162.73	1,160.13
Doubtful	-	-
<b>Sub Total</b>	<b>1,162.73</b>	<b>1,160.13</b>
Less: Allowance for expected credit losses (Refer Note No. 46)	-	-
<b>Total</b>	<b>1,162.73</b>	<b>1,160.13</b>

Refer Note No. 12 for Aging Schedule

### Note No. 8 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Financial Assets at amortized cost</b>		
Preliminary Expenses	0.63	-
Balance with Bank Held as fixed deposits	1.70	1.70
Security Deposits	188.19	177.27
Unbilled Revenue*	995.07	1,549.26
<b>Sub Total</b>	<b>1,185.59</b>	<b>1,728.23</b>
Less: Allowance for Expected credit Loss (Refer Note No. 45)	-	-
<b>Total</b>	<b>1,185.59</b>	<b>1,728.23</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, 2022	As at March 31, 2021
Advance for capital expenses	501.51	188.99
Net Assets in Pakistan Unit (Considered Doubtful)	8.76	8.76
Less: Provision for above	-8.76	-8.76
Sundry Deposits	16.90	16.65
Sales Tax Receivable	1.40	12.33
Income Tax Refund receivable	0.54	11.79
MAT Credit Entitlement	-	-
<b>Total</b>	<b>520.35</b>	<b>229.76</b>

### Note No. 10 INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Material (including goods in transit)	8,476.12	5,565.14
Packing Materials	210.06	172.43
Trading Materials	237.55	120.91
Work in progress	9,216.11	7,749.54
Finished Goods	4,558.31	4,490.92
<b>Total</b>	<b>22,698.15</b>	<b>18,098.94</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**Note No. 11 CURRENT INVESTMENTS**

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No.	Amount	No.	Amount
<b>INVESTMENTS</b>				
Measured at Fair value through OCI				
(i) In Mutual Funds, quoted				
State Bank of India - Infrastructure Fund	61,288.00	34.13	82,945	36.51
ICICI Prudential Discovery Fund	-	-	1,21,939	31.14
Sundaram BNP Paribas Select Mid Cap	-	-	1,07,651	41.10
Aditya Birla Sunlife Frontline Equity Fund	-	-	1,32,877	38.53
HDFC Top 200 Fund	-	-	69,623	30.41
Canara Robeco Capital Protection Oriented Fund	1,00,000	13.01	2,00,000	24.75
Canara Rebeco Emerging Equities - Regular Growth	-	-	14,002	18.09
ICICI Pru Real Estate Portfolio	-	-	-	-
Aditya Birla Sunlife Mutual Fund	-	-	13,541	15.13
Kodak Select Focus Fund	-	-	61,710	16.75
IDFC Sterling Equity Fund	-	-	71,464	16.75
Union Large & Midcap Fund	-	-	-	-
Nippon India Large Cap Fund	87,373	17.08	87,373	15.02
Nippon India Multi Cap Fund	-	-	97,767	31.57
Canara Rebeco Equity Hybrid Fund	3,009	7.32	3,009	6.34
Canara Rebeco Equity Hybrid Fund - Folio -1066591931	-	-	3,009	6.34
ICICI Prudential Discovery Fund Growth	4,907.00	12.44	3,7574	7.24
Sundaram Mid Cap Fund Regular Growth	1,694.00	11.79	866	4.98
Aditya Birla Frontline Equity Fund Growth	5,128.00	17.30	2,546	7.15
Aditya Birla Frontline Equity Fund Growth	-	-	899	8.42
HDFC Top 100 Fund Growth	1,977	13.72	1,253	7.20
Nippon India Large Cap Fund	27,860.00	14.12	14,999	6.08
Nippon India Multi Cap Fund - Growth	9,216.00	13.95	4,527	5.10
State Bank Of India Magnum Midcap Fund Growth	8,134.00	11.09	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	4,719.00	4.17	2,085	1.35
HDFC Top 100 Fund Regular Plan Growth -lump Sum	550.00	3.81	-	-
Pgim India Flexi Cap Fund Regular Plan Growth	30,409.00	7.82	-	-
IDFC Sterling Fund Growth - Regular Plan - Lump Sum	3,569.00	3.15	-	-
IDFC Sterling Value Fund - Idcw Regular Plan	71,464.00	21.71	-	-
State Bank Of India Flexicap Fund - Regular Plan Growth	10,583.00	8.06	-	-
Aditya Birla Sun Life Flexi Cap Fund -idcw Payout	13,541.00	17.29	-	-
Kotak Flexicap Fund - Idcw - Regular Plan-lump Sum	2,128.00	0.67	-	-
Kotak Emerging Equity Fund Regular Plan Growth	6,949.00	4.96	-	-
Kotak Flexicap Fund Regular Growth-sysm Transactions	27,330.00	14.20	-	-
Kotak Flexicap Fund - Idcw - Regular Plan-sysm Transactions	61,710.00	19.37	-	-
Kotak Emerging Equity Fund Regular Plan Growth	4,208.00	3.00	-	-
Kotak Flexicap Fund - Idcw - Regular Plan-lump Sum	4,712.00	2.45	-	-
ICICI Prudential Flexicap Fund - Growth	75,925.00	8.07	-	-
ICICI Prudential Midcap Fund - Growth	5,093.00	8.07	-	-
Aditya Birla Sun Life Flexi Cap Fund - Growth	1,524.00	17.31	-	-
<b>Total</b>	<b>6,35,000</b>	<b>310.06</b>	<b>11,23,364</b>	<b>390.17</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022 (Contd.)**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate value of quoted investments	310.06	390.17
Market value of quoted investments	<b>310.06</b>	<b>390.17</b>

**Note No. 12 TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	21,919.76	18,890.14
Doubtful	51.23	90.74
<b>Sub Total</b>	<b>21,970.99</b>	<b>18,980.88</b>
Less: Allowance for expected credit losses (Refer Note No. 46)	132.40	136.83
<b>Total</b>	<b>21,838.59</b>	<b>18,844.05</b>

**Trade Receivables ageing schedule for the year ended as on 31.03.2022**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments					TOTAL
	Less than 6 Months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables- considered good	20,917.25	972.10	639.27*	473.36	-	23,001.98
Undisputed trade receivables- considered doubtful	-	11.01	-	-	-	11.01
Disputed trade receivables- considered good	-	19.40	0.30	3.46	22.40	45.56
Disputed trade receivables- considered doubtful	-	-	-	75.17	-	75.17
<b>TOTAL</b>	<b>20,917.25</b>	<b>1,002.51</b>	<b>639.57</b>	<b>551.99</b>	<b>22.40</b>	<b>23,133.72</b>

\* Amount due from the Corporations and Municipalities, pending certifications from the Agencies.

**Trade Receivables ageing schedule for the year ended as on 31.03.2021**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments					TOTAL
	Less than 6 Months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables- considered good	16,894.83	308.13	2,256.52	411.37	115.28	19,986.13
Undisputed trade receivables- considered doubtful	-	5.88	32.22	-	-	38.10
Disputed trade receivables- considered good	-	-	20.40	-	19.05	39.45
Disputed trade receivables- considered doubtful	-	-	-	-	77.33	77.33
<b>TOTAL</b>	<b>16,894.83</b>	<b>314.01</b>	<b>2,309.14</b>	<b>411.37</b>	<b>211.66</b>	<b>20,141.01</b>

**Note No. 13 CASH AND CASH EQUIVALENTS**

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks		
- In Current Accounts	175.47	481.63
Deposits(with original maturity of 3 months or less)	5.00	40.64
Cash on hand	9.74	7.58
<b>Total</b>	<b>190.21</b>	<b>529.85</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**Note No. 14 OTHER BANK BALANCES**

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks		
<b>Earmarked Balances</b>		
- In Unpaid / Unclaimed Dividend Accounts	27.51	30.18
- In Margin money and Bank Guarantee	423.72	408.49
<b>Others</b>		
- Deposit (with original maturity of more than 3 months)	533.14	424.78
<b>Total</b>	<b>984.37</b>	<b>863.45</b>

**Note No. 15 LOANS**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>		
Loans and Advances to related parties (Refer Note No. 48)	92.85	130.72
Loans and Advances to employees	209.36	214.92
Loans-Others	755.83	1,495.69
<b>Total</b>	<b>1,058.04</b>	<b>1841.33</b>

**Note No. 16 OTHER FINANCIAL ASSETS**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Financial Assets at amortized cost</b>		
Windmill Income receivable	0.93	0.28
Energy Saver Deposit Receivable	33.89	33.89
Others - Current Tax	3.07	-
<b>Total</b>	<b>37.89</b>	<b>34.17</b>

**Note No. 17 OTHER CURRENT ASSETS**

Particulars	As at March 31, 2022	As at March 31, 2021
		(₹ in Lakhs)
<b>Unsecured, considered good</b>		
<b>(a) Advances other than capital advances</b>		
Advances to Suppliers	680.49	734.05
<b>(b) Others</b>		
Prepaid expenses	67.60	76.40
Balances with statutory/government authorities	1,192.75	1,120.97
Other Receivables - Statutory	725.05	591.23
<b>Total</b>	<b>2,665.89</b>	<b>2,522.65</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

**Note No. 18 EQUITY SHARE CAPITAL**

**Authorized Share Capital**

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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 March 31, 2021		As at 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>

(₹ in Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity share capital due to prior period error	Restated balance at the beginning of the current reporting period	Changes in Equity share capital during the current year	Balance at the end of the current reporting period
1,598.27	-	-	-	1,598.27

**b. Terms/ Rights attached to the Equity Shares**

- i. 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
- ii. 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
- iii. There are no restrictions attached to equity shares

**c. Shareholders holding more than 5% shares**

Particulars	Class of Shares	As at March 31, 2022		As at March 31, 2021	
		No. of Shares	%	No. of Shares	%
HMG Globetrotter	Equity	8,92,935	5.59%	9,63,024	6.03%
Saradha Investments Limited	Equity	8,01,472	5.01%	7,48,968	4.69%
Sundaram Mutual Fund	Equity	-	-	4,26,548	2.67%
Salzer Magnet Wires Limited	Equity	1,05,254	0.66%	10,30,000	6.44%

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**d) Shares held by Promoters at the end of the year 31-03-2022**

Particulars	Class of Shares	As at March 31, 2022		As at March 31, 2021		% Change during the year
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
R. DORAISWAMY	Equity	3,19,139	2.00%	3,13,528	1.96%	0.04%
D. RAJESH KUMAR	Equity	2,62,420	1.64%	2,50,966	1.57%	0.07%
THILAGAM RAJESH KUMAR	Equity	4,86,044	3.04%	4,57,255	2.86%	0.18%
VISHNU RANGASWAMY	Equity	7,83,289	4.90%	7,54,500	4.72%	0.18%
R. PAPPAMMAL	Equity	59,922	0.37%	59,922	0.37%	-
SAMHITA RAJESH	Equity	25,800	0.16%	13,300	0.08%	0.08%
SARADHA INVESTMENTS LTD	Equity	8,01,472	5.01%	7,48,968	4.69%	0.33%
SRVE INDUSTRIES LIMITED	Equity	7,21,733	4.52%	6,37,966	3.99%	0.52%
QUEBEC INFORMATION SERVICES I LTD	Equity	7,06,847	4.42%	6,54,842	4.10%	0.33%
K R HEALTH CARE PRIVATE LTD	Equity	4,04,987	2.53%	3,52,783	2.21%	0.33%
SALZER EXPORTS LTD	Equity	3,84,761	2.41%	3,45,725	2.16%	0.24%
SALZER SECURITIES HOLDINGS LTD	Equity	1,07,007	0.67%	1,07,007	0.67%	-
SALZER MAGNET WIRES LTD*	Equity	1,05,254	0.66%	10,30,000	6.44%	-5.79
<b>TOTAL</b>		<b>51,68,675</b>	<b>32.34%</b>	<b>57,26,762</b>	<b>35.83%</b>	<b>-3.49%</b>

\* Salzer Magnet Wires Limited is under Voluntary Winding up in terms of Insolvency and Bankruptcy Code 2016. As a part of liquidation process, its part of the investment to the extent of 9,24,746 shares in Salzer Electronics Limited got distributed among its own shareholders during the year

**Shares held by Promoters at the end of the year 31-03-2021**

Particulars	Class of Shares	As at March 31, 2021		As at March 31, 2020		% Change during the year
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
R. DORAISWAMY	Equity	3,13,528	1.96%	3,13,528	1.96%	-
D. RAJESH KUMAR	Equity	2,50,966	1.57%	2,50,966	1.57%	-
THILAGAM RAJESH KUMAR	Equity	4,57,255	2.86%	4,57,255	2.86%	-
VISHNU RANGASWAMY	Equity	7,54,500	4.72%	7,54,500	4.72%	-
R. PAPPAMMAL	Equity	59,922	0.37%	59,922	0.37%	-
SAMHITA RAJESH	Equity	13,300	0.08%	13,300	0.08%	-
SARADHA INVESTMENTS LTD	Equity	7,48,968	4.69%	7,48,968	4.69%	-
SRVE INDUSTRIES LIMITED	Equity	6,37,966	3.99%	6,30,066	3.94%	0.05%
QUEBEC INFORMATION SERVICES I LTD	Equity	6,54,842	4.10%	6,54,842	4.10%	-
K R HEALTH CARE PRIVATE LTD	Equity	3,52,783	2.21%	3,52,783	2.21%	-
SALZER EXPORTS LTD	Equity	3,45,725	2.16%	3,45,725	2.16%	0.04%
SALZER SECURITIES HOLDINGS LTD	Equity	1,07,007	0.67%	1,01,007	0.63%	-
SALZER MAGNET WIRES LTD*	Equity	10,30,000	6.44%	10,30,000	6.44%	-
<b>TOTAL</b>		<b>57,26,762</b>	<b>35.83%</b>	<b>57,12,762</b>	<b>35.74%</b>	<b>0.09%</b>

**e) Information regarding issue of shares in the last five years**

- Details of Shares issued without payment being received in cash.  
In pursuance of Business Transfer Agreement dated March 08, 2018, the Company issued 10,30,000 Shares of Rs. 10/- each credited as fully paid-up at an issue price of Rs. 197 per share for a total value of Rs. 20.29 Crs on March 16, 2018 to Salzer Magnet Wires Limited as a consideration for acquisition of its whole of its business undertaking
- The Company has not issued any bonus shares.
- The Company has not undertaken any buy-back of shares.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022 (Contd.)**
**Note No. 19 OTHER EQUITY**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserve	80.67	80.67
Securities Premium	12,630.14	12,630.14
General Reserve	2,058.46	2,008.46
Retained Earnings	18,857.80	16,785.91
Other Comprehensive Income	163.93	138.74
<b>Total</b>	<b>33791.00</b>	<b>31,643.92</b>

**Note No. 20 BORROWINGS (NON-CURRENT)**

(₹ in Lakhs)

Particulars	Effective Interest Rate	As at March 31, 2022	Effective Interest Rate	As at March 31, 2021
Term Loans				
Secured from Bank				
<b>i) HDFC Bank</b>				
Phase 2 Term Loan *	6.2	255.00	6.2	435.00
<b>ii) Union Bank of India</b>				
Phase 2 Term Loan **	9.20	985.68	9.20	1,191.68
<b>Total</b>		<b>1,240.68</b>		<b>1,626.68</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 17 EMIs of ₹. 15,00,000.00

\*\* Building, Plant and Machinery Term Loan

Secured by the First Charge on Land and Building, Plant and Machinery of Unit IV 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 38 EMIs of ₹. 23,55,128.00 and 1 EMI of ₹. 14,11,600.00

**Note No. 21 PROVISIONS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Liability towards LIC. Group Gratuity Scheme	14.56	16.32
Provision for Premium payable	-	2.97
<b>Total</b>	<b>14.56</b>	<b>19.29</b>

**Note No. 22 OTHER NON-CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits		
Dealer, Distributor & Stockist	24.54	24.09
<b>Total</b>	<b>24.54</b>	<b>24.09</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022 (Contd.)**
**Note No. 23 DEFERRED TAX LIABILITES (NET)**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax liability</b>		
- On Fixed Assets	1,584.49	1,583.59
- On Research and Development Expenses	1,036.56	906.56
- On Revenue Recognition / ECL	49.20	38.97
- On Employee Benefit Expenses	32.29	28.61
<b>Less: Deferred tax Asset</b>		
- On Employee Benefit Expenses	42.75	44.99
- On Fixed Assets	660.80	603.89
On Provision for doubtful debts	8.32	15.59
On Revenue Recognition / ECL	28.77	28.77
<b>Total</b>	<b>1,961.90</b>	<b>1,864.49</b>

**Note No. 24 BORROWINGS (CURRENT)**

(₹ in Lakhs)

Particulars	Interest Rate	As at March 31, 2022	As at March 31, 2021
<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	1,741.91	1,604.07
<b>ii) HDFC Bank</b>			
Cash Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-II	7.00	802.34	4,009.26
Pre-shipment Loan Secured by: Hypothecation of Inventories and Book Debts of Unit-II	S+1.50	5,140.47	3,110.34
Post-shipment Loan Secured by: Hypothecation of Inventories and Book Debts of Unit-II		657.57	-
<b>iii) Union Bank of India</b>			
Cash Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-IV	8.95	4,753.41	3,903.41
Buyer's Credit Secured by: hypothecation of Inventories and Book Debts of Unit-IV	4.6	1,319.43	1,487.51
<b>iv) HDFC Bank</b>			
Cash Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-III	7.00	848.96	892.27



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**Note No. 24 BORROWINGS (CURRENT) (Contd.)**

(₹ in Lakhs)

Particulars	Interest Rate	As at	As at
		March 31, 2022	March 31, 2021
<b>v) IDFC Bank</b>			
Cash Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-V	8.55	2,604.74	1,572.57
Letter of Credit Secured by: Hypothecation of Inventories and Book Debts of Unit-V	4.55	1,603.95	748.45
WCDL: Secured by: Hypothecation of Inventories and Book Debts of Unit-V	6.75	1,614.42	-
Loans repayable on demand Loan from HDFC	7.10	750.00	-
Loans repayable on demand Loan from Standard Chartered Bank	7.20	1,703.09	1000.00
<b>Total</b>		<b>23,540.29</b>	<b>18,327.88</b>

**Note No. 25 TRADE PAYABLES**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	<b>Current</b>	<b>Current</b>
Trade payable - Micro and small enterprises	1,277.65	71.79
Trade payable - Other than Micro and small enterprises	6,344.79	6,244.60
<b>Total</b>	<b>7,622.44</b>	<b>6,316.39</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

**Trade Payable Aging schedule as at March 31, 2022**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	1,277.65	-	-	-	1,277.65
Others	6,320.99	17.62	-2.15	8.33	6,344.79
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>TOTAL</b>	<b>7,598.64</b>	<b>17.62</b>	<b>-2.15</b>	<b>8.33</b>	<b>7,622.44</b>

**Trade Payable Aging schedule as at March 31, 2021**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	1,721.75	0.23	-	-	1,721.98
Others	4,587.51	-1.58	2.41	6.07	4,594.41
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>TOTAL</b>	<b>6,309.26</b>	<b>-1.35</b>	<b>2.41</b>	<b>6.07</b>	<b>6,316.39</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, 2022 (Contd.)**
**Note No. 26 OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current maturities of long- term debt	462.62	462.62
Unclaimed dividends	27.50	30.17
Unclaimed amount for fractional shares	0.01	0.01
<b>Total</b>	<b>490.13</b>	<b>492.80</b>

**Note No. 27 OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Dues	422.34	417.39
Advance from Customers	76.17	45.13
Creditors for capital goods	413.06	342.18
Creditors for expenses	3,405.92	5,070.71
<b>Total</b>	<b>4,317.49</b>	<b>5,875.41</b>

**Note No. 28 PROVISIONS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits - Gratuity (Refer Note No. 40)	13.64	21.61
Provision for Warranty	169.53	130.01
<b>Total</b>	<b>183.17</b>	<b>151.62</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, 2022	As at March 31, 2021
Current tax Liability - [Net of Advance Tax IT]	-	144.71
<b>Total</b>	<b>-</b>	<b>144.71</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022 (Contd.)**

**Note No. 30 REVENUE FROM OPERATIONS**

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
<b>(a) Sale of products (excluding GST)</b>		
Sales - Domestic	68,747.50	54,382.88
Sales - Exports	9,246.74	6,104.29
Sales - Scrap	2,025.14	1,544.49
<b>Sub Total</b>	<b>80,019.38</b>	<b>62,031.66</b>
<b>(b) Sale of Services</b>		
Technical Services	2.77	1.08
Income by EESL Project	-	-
<b>Sub Total</b>	<b>2.77</b>	<b>1.08</b>
<b>Gross Revenue from Sale of Products and Services</b>	<b>80,022.16</b>	<b>62,032.74</b>
<b>(c) Other operating revenue</b>		
Conversion Charges Received	132.14	52.56
Income by Power Generation	69.80	61.85
Duty Drawback Income	130.04	109.62
MEIS License Sales	-	96.08
Interest Received against Non-current Receivables - PPP	-	220.75
<b>Sub Total</b>	<b>331.99</b>	<b>540.86</b>
<b>TOTAL</b>	<b>80,354.15</b>	<b>62,573.60</b>

**Note No. 31 OTHER INCOME**

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
Interest from Bank Deposits	50.05	51.04
Foreign Exchange Rate Differences	83.99	-
Dividend received against short term investments	6.74	11.16
Dividend received against Investments (Kaycee)	-	-
Net gain/loss on sale of investment	43.52	10.93
Insurance Claim Received	0.45	0.26
Income from Derivatives	-	-
Rental Income Received	4.10	4.00
Interest From Income Tax Refund	1.12	2.69
Discount Received	23.67	9.38
Liabilities No Longer Exists Written Back	2.31	5.04
Profit on Sale of Assets	3.13	2.56
Other Non-operating income (net of expenses)	28.53	122.79
<b>TOTAL</b>	<b>247.62</b>	<b>219.85</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**Note No. 32 COST OF MATERIAL CONSUMED**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Raw Materials Consumption</b>		
Opening Stock	5,565.14	4,829.02
Add: Purchases	63,452.32	47,885.88
Less: Closing Stock	8,465.44	5,565.14
<b>Sub Total</b>	<b>60,552.02</b>	<b>47,149.76</b>
<b>Trading Materials Consumption</b>		
Opening Stock	120.91	72.11
Add: Purchases	2,826.49	1,344.13
Less: Closing Stock	248.22	120.90
<b>Sub Total</b>	<b>2,699.18</b>	<b>1,295.34</b>
<b>Packing Materials Consumption</b>		
Opening Stock	172.43	150.38
Add: Purchases	1,337.11	920.93
Less: Closing Stock	210.06	172.44
<b>Sub Total</b>	<b>1,299.48</b>	<b>898.87</b>
<b>TOTAL</b>	<b>64,550.68</b>	<b>49,343.97</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, 2022	For the year ended March 31, 2021
<b>Opening Stock</b>		
Work-in-progress	7,749.54	8,164.63
Finished Goods	4,490.92	2,844.59
<b>Sub Total</b>	<b>12,240.46</b>	<b>11,009.22</b>
<b>Less: Closing Stock</b>		
Work-in-progress	9,216.11	7,749.54
Finished Goods	4,558.31	4,490.92
<b>Sub Total</b>	<b>13,774.42</b>	<b>12,240.46</b>
<b>Net (increase)/decrease in inventory</b>	<b>-1,533.96</b>	<b>-1,231.24</b>

**Note No. 34 EMPLOYEE BENEFIT EXPENSES**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and Wages including Bonus	2,859.21	2,418.06
Contribution to Provident and other funds	158.08	143.82
Workmen and Staff Welfare Expenses	263.48	200.64
Gratuity	78.86	48.98
<b>TOTAL</b>	<b>3,359.63</b>	<b>2,811.50</b>

**Note No. 35 FINANCE COSTS**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Interest on Term Loan	139.58	154.51
(b) Interest on working Capital	1,131.09	1,317.73
(b) Other Borrowing cost	716.98	662.24
<b>TOTAL</b>	<b>1,987.65</b>	<b>2,134.48</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022 (Contd.)**

**Note No. 36 DEPRECIATION AND AMORTISATION EXPENSES**

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
(a) Depreciation on Property, Plant and Equipment	1,591.62	1,531.42
(b) Amortisation on Other Intangible Assets	41.86	69.69
<b>TOTAL</b>	<b>1,633.48</b>	<b>1,601.11</b>

**Note No. 37 OTHER EXPENSES**

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
Consumptions of Store and Spares	197.89	145.07
Component Processing and other Charges	203.48	187.73
Freight and Forwarding Charges	1,482.50	819.70
Power and Fuel	886.88	816.61
Repairs & Maintenance		
Buildings	25.28	22.58
Machinery	398.94	260.27
Others	137.60	96.75
Subcontracting Expenses	1,854.47	1,044.25
Contract Labour Expenses	674.32	444.89
Advertisement Expenses	4.29	4.60
Audit Fees (Refer Note No.37.1)	21.75	23.05
Director's Sitting Fees	17.10	21.43
Donation	30.85	7.10
Provision for Energy Saver Maintenance Expenses	20.20	212.60
General Expenses	102.64	75.14
Insurance	64.65	54.23
Foreign Exchange Realisation Difference	-	30.83
Management system Expenses (ISO9000 & OSHAS)	3.18	8.36
Postage, Telephone & Telegram	42.83	26.28
Printing & Stationery	46.30	32.16
Rates and Taxes	88.10	43.97
Rent	60.59	39.73
Research & Development Expenses	168.62	175.75
Warranty Expenses	39.52	30.13
Sales Promotional Expenses	315.31	241.45
Subscription & Periodicals	42.55	32.07
Technical/Professional Fee	196.85	142.51
Travelling and Conveyance	108.56	103.10
CSR Expenses (Refer Note No.44)	49.00	75.90
Expected Credit Loss	28.05	30.17
Royalty	37.34	10.11
Provision for doubtful debts / (Written back)	-28.91	8.05
Bad Debts	32.80	85.53
<b>Total Other Expenses</b>	<b>7,353.53</b>	<b>5,347.80</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**Note No. 37 1. AUDITOR REMUNERATION**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) For Statutory Audit	12.50	11.50
(b) For Tax Audit	2.50	2.50
(c) For Other Services	6.75	9.05
<b>TOTAL</b>	<b>21.75</b>	<b>23.05</b>

**Note No. 38 TAX EXPENSES**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Current Tax</b>		
Current tax on profit for the year	740.30	627.37
Change/ (Credit) in respect of current tax for earlier years	1.05	5.96
<b>TOTAL (A)</b>	<b>741.35</b>	<b>633.32</b>
<b>B. Deferred Tax</b>		
Origination and reversal of temporary differences	88.94	29.69
Charge in respect of deferred tax for earlier years	-	-
<b>TOTAL (B)</b>	<b>88.94</b>	<b>29.69</b>
<b>Tax expense recognized in Statement of Profit and Loss TOTAL (A)+(B)</b>	<b>830.30</b>	<b>663.02</b>
Tax expense recognized in Other Comprehensive Income	-10.13	47.93
<b>Total Tax Expenses</b>	<b>820.17</b>	<b>710.95</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, 2022	For the year ended March 31, 2021
<b>Current Tax</b>		
Taxable profit for the year	3,250.75	2,800.92
Applicable income tax rate	25.29%	25.29%
Expected income tax	821.31	708.35
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	-130.00	-121.19
Expenses disallowed in determining the tax profit	20.44	29.89
Investment allowances		
Unrecognized deferred tax assets		
Others	118.53	45.97
<b>Tax expense recognised in Statement of Profit and Loss A/c</b>	<b>830.29</b>	<b>663.02</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### Note No. 39 EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(Loss) after tax and exceptional items	2,259.32	2,051.69
Less: Notional Preference Dividend	-	-
Profit/(Loss) after tax and exceptional items attributable to equity share holders	2,259.32	2,051.69
Add: Exceptional items (net of tax)	-	-
Profit after tax but before exceptional items attributable to equity share holders	2,259.32	2,051.69
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 ₹)	14.14	12.84
Diluted Earnings/(Loss) per share after tax and exceptional items (in ₹)	14.14	12.84

### Note No. 40 GRATUITY

The details of various employee benefits provided to employees are as under:

#### A. Defined Contribution and other plans

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Employer's Contribution to PF	153.17	124.21
Employer's Contribution to ESIC	10.76	10.94
Employer's Contribution to Superannuation fund	5.80	4.18
Pension Fund	8.64	8.86
<b>TOTAL</b>	<b>169.73</b>	<b>148.19</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, 2022 (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, 2022	March 31, 2021
Discount Rate	7.02%/6.84%	7.02%/6.84%
Expected Return on Assets	7.02%/6.84%	7.02%/6.84%
Salary Escalation	5.00% to 6.50%	5.00% to 6.50%
Attrition Rate	2.00% to 5.00%	2.00% to 5.00%

**Amount recognized in Profit and Loss for the year**

Particulars	(₹ in Lakhs)	
	March 31, 2022	March 31, 2021
Current Service Cost	55.31	51.22
Net Interest on Defined Benefit Obligations	-2.11	2.85
Expenses recognized in the statement of profit and loss	53.20	55.19

**Recognized in Other Comprehensive Income for the year**

Particulars	(₹ in Lakhs)	
	March 31, 2022	March 31, 2021
Actuarial (Gain)/Losses due to Demographic Assumption changes in DBO	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial gains/losses arising from changes in financial assumptions	-36.45	12.50
Actuarial gains/losses arising from experience adjustments	21.17	34.60
Amount recognized in OCI for the current period	-15.28	47.10

**Change in present value of defined benefit obligation**

Particulars	(₹ in Lakhs)	
	March 31, 2022	March 31, 2021
Present value of obligations as at the beginning of the year	896.06	869.84
Current Service Cost	55.31	51.22
Interest on Defined Benefit Obligations	56.02	55.24
Actuarial (gain)/loss on plan obligation	17.17	-49.79
Benefits paid	-74.64	-30.45
Present value of obligations as at the end of the year	949.92	896.06

**Change in fair value of plan assets**

Particulars	(₹ in Lakhs)	
	March 31, 2022	March 31, 2021
Fair value of plan assets as at the beginning of the period	884.95	783.60
Return on plan assets	58.14	52.39
Contributions	101.14	83.22
Benefits paid	-74.63	-30.45
Actuarial gain/(loss) on plan assets	9.06	-3.81
Fair value of plan assets as at the end of the period	978.66	884.95

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)****Net Asset/ Liability recognized in Balance Sheet**

(₹ in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Present value of obligations		949.92		896.06
Fair Value of Plan Assets		978.66		884.95
Amount recognized		-28.74		11.11

**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, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate by 1%	-50.34	56.33	50.74	57.12
Salary Escalation rate by 1%	53.77	-49.11	54.25	49.32
Attrition rate by 1%	-0.74	0.83	2.88	3.16
Mortality rate by 10%	-0.06	-	0.13	-

**Note No. 41 DIVIDENDS MADE**

(₹ in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Cash dividends on equity shares declared and paid:				
Final Dividend for the financial year		-		-
Dividend distribution tax		-		-
Dividend on Equity Shares Proposed		287.69		255.72

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**Note No. 42 COMMITMENTS AND CONTINGENT LIABILITIES**

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Towards Import Obligations under EPGC	613.50	1,944.05
Letter of Credit for import and purchase of Raw Materials	2,820.21	4,867.58
Obligation towards Bank Guarantee	1,985.55	277.30
Disputed Indirect Tax Liability not Acknowledged as Debt	3.91	3.91
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, 2022	March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	1,277.65	1,721.75

The disclosure in respect of the amounts payable to Micro, Small and Medium enterprises as at 31 March 2022 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, 2022	March 31, 2021
Gross amount required to be spent by the company during the year	47.10	63.00
Amount spent during the year	49.00	75.90

**NOTE No. 45 FAIR VALUE MEASUREMENTS**
**i. Financial instruments by category**
**The carrying value of financial instruments by categories as at 31 March 2022 were as follows:**

(₹ in Lakhs)

Particulars	Note	Amortised cost	FVTOCI	FVTPL	Total Carrying value	Total Fair value
<b>Financial Assets</b>						
Investments	6, 11	0.10	2,055.53	-	2,055.63	2,055.63
Trade Receivables	7, 12	23,001.32			23,001.32	23,001.32
Cash and Cash equivalents	13	189.58			189.58	189.58
Other bank balances	14	984.37			984.37	984.37
Loans	15	1,058.04			1,058.04	1,058.04
Other financial assets	8, 16	1,219.77			1,219.77	1,219.77
<b>Financial Liabilities</b>						
Borrowings	20, 23	24,780.97			24,780.97	24,780.97
Trade payables	24	7,622.44			7,622.44	7,622.44
Other financial liabilities	25	490.13			490.13	490.13

## 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 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	0.10	2,116.64	-	2,116.74	2,116.74
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	863.44			863.44	863.44
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, 24	19,954.56			19,954.56	19,954.56
Trade payables	25	6,316.41			6,316.41	6,316.41
Other financial liabilities	26	492.80			492.80	492.80

### 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, 2022 (₹ in Lakhs)

Particulars	Note	Level 1	Level 2	Level 3	Carrying value
<b>Financial Assets</b>					
At fair value through Other Comprehensive Income		311.12	-	-	311.12
<b>Investments</b>					
Investments - Non - current - Quoted	6	-	1,659.82	-	1,659.82
Investments - Non - current - Unquoted	6	-	-	84.59	84.59
At fair value through Profit and Loss					
Investments	11	-	-	-	-
<b>Financial Liabilities</b>					
At amortised costs		-	-	-	-
Borrowings	20, 23	-	24,780.97	-	24,780.97

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		391.73	-	-	391.73
<b>Investments</b>					
Investments - Non - current - Quoted	6	-	1,659.82	-	1,659.82
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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (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, 2022 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 Group's businesses are subject to several risks and uncertainties including financial risks.

The Group'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, 2022 (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, 2022	March 31, 2021
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	27,150.06	25,274.32
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 2022 are as follows:

(₹ in Lakhs)

Particulars	Not Due	Less than 6 months past due	More than 6 months past due	Total
Gross Carrying Amount	13,544.92	6,423.07	2,145.96	22,113.95
Loss allowance provision	-	-	-99.35	-99.35
Net	13,544.92	6,423.07	2,046.61	22,014.60

### The loss allowance for trade receivables using expected credit losses for different ageing periods as at 31<sup>st</sup> March 2021 are as follows:

(₹ in Lakhs)

Particulars	Not Due	Less than 6 months past due	More than 6 months past due	Total
Gross Carrying Amount	10,974.40	5,027.38	3,078.83	19,080.61
Loss allowance provision	-	-	-74.87	-74.87
Net	10,974.40	5,027.38	3,003.96	19,005.74

### Reconciliation of loss allowance for trade receivables

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	74.87	125.38
Additions during the year	27.05	30.17
Amounts written off during the year	101.92	80.68
Amounts recovered during the year	2.58	-
Balance at the end of the year	99.34	74.87

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**Exposure to customers having more than 5% of outstanding in respect of Trade Receivables.** (₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
SCHNEIDER	2,340.55	3,009.99
NEWTEC CABLES	-	956.43
SALZER EXPORTS LTD	1,819.10	-
<b>TOTAL</b>	<b>2,340.55</b>	<b>3,966.42</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 2022 are as follows:**

Particulars	Less than 1 year	1-5 year	More than 5 year	Total
Borrowings	23,540.29	1,240.68	-	24,780.97
Trade Payables	7,622.44	-	-	7,622.44
Other financial Liabilities	462.62	13.70	9.58	485.90

**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

**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 Group 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, 2022	March 31, 2021
Fixed Rate Borrowings	-	-
Floating Rate	25,243.59	20,417.18
<b>Total Borrowings</b>	<b>25,243.59</b>	<b>20,417.18</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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022 (Contd.)

If interest rate had been 100 basis points higher/lower and all other variable were held constant, the Group's profit for the year ended 31.03.2022 would decrease/increase by ₹ **252.44 Lacs** (for the year ended 31.03.2021- decrease/increase by ₹ **204.17 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 31.03.2022 are as follows:**

Particulars	US\$	GPB	EURO
Financial Assets	34,05,602.72	6,08,021.32	3,66,939.32
Financial Liabilities	16,45,495.80	-	-
Net exposure	17,60,106.92	6,08,021.32	3,66,939.32

**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

### 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, 2022		March 31, 2021	
			0.5 %	-0.5 %
USD	0.09	-0.09	5.72	-5.72
GBP	0.03	-0.03	2.40	-2.40
EURO	0.02	-0.02	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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022 (Contd.)**
**The following table summarizes the capital of the Company:**

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Non-Current Borrowings (Refer Note : 20)	1,240.68	1,626.68
Current Borrowings (Refer Note : 23)	23,540.29	18,327.88
Current Maturities of Long term Debt (Refer Note : 25)	462.62	488.60
Total Borrowings (a)	25,243.59	20,443.16
Cash and Cash equivalents (Refer Note : 13)	190.21	529.85
Other Bank Balances (Refer Note : 14)	984.37	863.45
Current Investments (Refer Note : 11)	310.06	390.17
Total Cash (b)	1,484.64	1,783.47
Net Debt (c) = (a)-(b)	23,758.95	18,659.69
Equity (Refer Note : 18)	1,598.27	1,598.27
Other Equity (Refer Note : 19)	33,791.00	31,643.92
Total Equity (d)	35,389.27	33,242.19
Total Capital (e) = (c)+(d)	59,148.22	51,901.88
Gearing Ratio = (c)/(e)	0.40	0.36

**NOTE No. 48 RELATED PARTY DISCLOSURES**

Related Party Relationships

**A. Key Management Personnel**
**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) Post-employment benefit plans**

- a. Salzer Electronics Limited Employees Gratuity Trust
- b. Kaycee Industries Limited Employees Gratuity Fund and provident Fund

**(iv) 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

**ii) Enterprises Owned or significantly influenced by Key Managerial Personnel or their relatives**

- |                                    |   |
|------------------------------------|---|
| 1. Salzer Exports Limited          | 7. Trust under Common Control                     |
| 2. Salzer Spinners Limited         | 8. Salzer Educational Medical Research Trust      |
| 3. SRVE Industries                 | 9. Quebec Informations                            |
| 4. K R Health Care Private Limited | 10. Salzer EV Infra Private Limited               |
| 5. S R V E Industries Limited      | 11. Salzer Kostad EV Charges Private Limited and  |
| 6. K R Pharmacy                    | 12. Salzer Emarch Electromobility Private Limited |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022 (Contd.)

### iii) Trust under Common Control

a. Salzer Educational Medical Research Trust

#### Related Party Transactions

(₹ in Lakhs)

Particulars	Other Related Parties		Key Management Personnel	
	March 31,2022	March 31,2021	March 31,2022	March 31,2021
Purchase of goods	2.27	166.96	-	-
Sale of goods	3,501.76	2,217.46	-	-
Purchase of Fixed Assets	116.85	223.23	-	-
Rendering of Services	-	-	-	-
Receiving of Services	743.81	288.58	-	-
CSR spent through Trust	-	29.90	-	-
Voluntary Contribution to trust	43.15	34.93	-	-
Managerial remuneration	-	-	217.31	178.92
Outstanding Receivables	-	130.72	-	-
Director Sitting Fees	33.28	20.11	-	-
Equity Investments	19.50	-	-	-

Notes :

- Related party relationship is as identified by the management and relied upon by the auditors.
- No amount in respect of related parties have been written off / written back during the year or has not made any provision for doubtful debts / receivable,
- Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.
- Terms and conditions of sales and purchases: the sales and purchases transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2021 and 31st March 2022, the Company has not recorded any loss allowances for transactions between the related parties

#### NOTE No. 48 SEGMENT INFORMATION

The Company 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. 49 KEY FINANCIAL RATIOS

Particulars	March 31, 2022	March 31, 2021	Variance
Current Ratio	1.38	1.38	-
Debt-Equity Ratio	0.04	0.05	-0.28
Debt Service Coverage Ratio	8.32	7.89	-0.05
Return on Equity Ratio	6.84	6.43	0.06
Inventory turnover ratio / Days	92	98	-0.06
Trade Receivables turnover ratio, / Days	92	99	-0.07
Trade payables turnover ratio / Days	37	42	-0.12
Net capital turnover ratio,- Times	50.07	38.81	0.29
Net profit ratio	3.00%	3.41%	-0.12
Return on Capital employed *	15.05%	15.56%	-0.03
Return on Investment	30.00%	15.00%	0.96

\* ROCE : EBITDA / Total assets - Current Liabilities

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### NOTE No. 50 LEASES AS A LESSEES :

The Holding Company has taken land on lease for a period of 99 years. Whenever the lease includes extension option and it is certain, the same is considered for computing the lease term. Lease term includes non cancellable period and expected lease period.

Payment made towards long term leases during the year is Rs. 63 Lacs (PY Rs. NIL).

	(₹ in Lakhs)	(₹ in Lakhs)
Cost as of 1/4/2021	-	220.25
Additions / Deletions	-	-
Depreciation	-	-
As at 1/4/2021	49.77	-
Provided during the period	7.65	-
As at 31/3/2022	-	57.42
Net block as at 31/3/2022	-	162.83

Lease contract entered by the subsidiary company majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Subsidiary Company's factory at Ambernath is currently on a long term lease, which is expiring on 11/10/2099. The Right of Use Asset has been capitalized as a Lease hold building as of 31/3/2022 and depreciation is charged on a straight-line basis over the estimated useful lives of the assets (i.e. 30 years). Since there are no incremental payments, in the form of lease rentals to be made to the lessor in future, corresponding lease liability has not been disclosed as of 31/3/2022. The subsidiary company does not have any lease restrictions and commitment towards variable rent as per the contract.

### NOTE No. 51 Other Notes

- The Title deeds of the immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group.
- As per the Group's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- The Group has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.
- No proceedings have been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Group has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Group with such banks are in agreement with the books of accounts of the Group.
- The Group has adhered to debt repayment and interest service obligations on time. Wilful defaulter related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March 2022.
- All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended 31st March 2022.
- The Group has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022 (Contd.)

### NOTE No. 51 Other Notes (Contd.)

- The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary
- The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- The Group has not operated in any crypto currency or Virtual Currency transactions
- During the year the Group has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.
- 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)

#### **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  
May 21, 2022

The growing range....

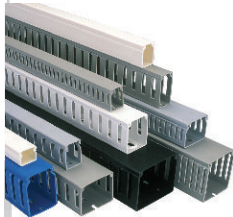
Rotary Switches



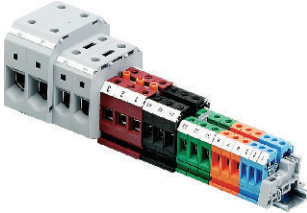
Load Break Switches



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



Book-post

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**salzer**  
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