

# ALFRED HERBERT LIMITED

## DIRECTORS’ REPORT TO THE MEMBERS

The Directors have pleasure in presenting the Thirty Third Annual Report of the Company together with Audited Accounts for the year ended 31<sup>st</sup> March 2021.

### FINANCIAL RESULTS:

Particulars	(Rs. In lakhs)	
	Year Ended 31 <sup>st</sup> March, 2021	Year Ended 31 <sup>st</sup> March, 2020
Gross Income	516.60	932.96
Profit/(Loss) before Tax	(180.68)	(95.53)
Provision for Tax	(3.12)	-
Deferred Tax	(5.94)	1.00
Profit/(Loss) After Tax for the period	(171.62)	(96.53)

### CHANGE IN NATURE OF BUSINESS:

There is no change in the nature of business of the Company.

### DIVIDEND:

Your Directors do not recommend any dividend for the year.

### SHARE CAPITAL:

There is no change in the Share Capital of the Company in the current Financial Year.

### OPERATIONS

The Company’s Sales performance was adversely affected, during the year due to severe contraction in demand in the Capital Goods industry due to Covid-19 pandemic. Orders inflow continued to dry up and execution of pending orders posed a serious challenge due to inadequate cash generation to support the supply chain for order completion due to Covid-19 lockdowns and skilled labour migration. Your company accordingly suffered a loss in the financial year under review.

A strategic analysis of the business revealed that there was significant unutilized capacity and with the demand slow down due to the pandemic especially in the bias segment, aggressive competition including cheaper pre-owned machinery and uncertain market conditions forcing stagnation of order inflow.

Your company concentrated in the supply of internal mixers for the technical rubber goods industry, where customer profile / demands were challenging. However, due to Corona crisis the market demands remains un-certain and inconsistent due to big recession in the automobile sector.

The operational results of the Company also suffered due to high manufacturing and overhead costs. The company has started implementing a restructuring exercise to reduce the costs across all levels to the extent possible. In order to stay afloat and ensure safe and healthy working situation.

#### **DEVELOPMENT**

During the year, your company was unable to complete the supplied equipment commissioning at M/s. Rigid Tyres Corporation Pvt Ltd., Srilanka due to travel restrictions. Due to current market situation prevailing due to pandemic, no new development work was undertaken.

#### **RESERVES:**

The Company has not transferred any amount to any Reserve Account.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Pursuant to the provisions of the Companies Act, 2013, Mr. V Matta, Director, retires by rotation under the Articles of Association of the Company and being eligible, offers himself for re-appointment.

Pursuant to the provisions of section 203 of the Act, Company is not required to appoint Key Managerial Personnel as on March 31, 2020.

#### **MEETING OF THE BOARD**

During the year five meetings of the Board of Directors were convened and held on 25.06.2020, 10.09.2020, 04.11.2020, 08.02.2021 and 17.03.2021.

#### **PERSONNEL**

The Industrial relations remain cordial and peaceful during this year. The Directors wish to place on review the appreciation for the continued efforts and support rendered by employees at all levels. We would like to inform that all unionized employees opted for the VRS scheme and retired peacefully. In addition many contract employees and staff left the organization due to Pandemic induced stress and situations.

#### **SECRETARIAL AUDIT:**

Pursuant to the provisions of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, it is necessary for material unlisted Subsidiaries to undertake Secretarial Audit of the Company.

Hence, the Company has appointed Mrs. Priyanka Tibrewal, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure C".

#### **RISK MANAGEMENT POLICY**

Your Directors opine the Company's business risk include Cyclical Nature of Business, Non availability of certain Technologies, Cheaper imports including those of second hand machinery and lack of comprehensive Research & Development Facilities along with the vulnerability of capital goods industry due to changes in the Pandemic induced environment.

The COVID-19 Pandemic prevailing currently is posing severe challenge to all Industries especially for your nature of industry (Capital Goods Industry). This may take a considerable time to bring in normalcy in operation by improving the supply and demand situation.

Also the availability of skilled labour at a reasonable and affordable cost is becoming a major bottleneck due to the current location of the manufacturing division as the whole area has become a well developed IT Area. This can be mitigated by evaluating options to deal with the same on a long terms basis. The Directors and the Key Managerial Personnel have evolved the risk policy and are addressing the same periodically.

The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively. The term "Internal Financial Controls" means the policies and procedures adopted the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safe guarding 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.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

As on 31<sup>st</sup> March 2020, the Company does not have any Subsidiary/Associate Company.

**PARTICULARS OF EMPLOYEES**

There was no employee of the Company whose particulars were required to be included in the category under Section 197(12) of the Companies Act, 2013 during the year.

**AUDITORS AND AUDITOR'S REPORT:**

M/s. KAMG Associates, Chartered Accountants (Registration NO. 311027E) existing Auditors of the Company, were appointed for a period of 5 (Five) years by the Members of the Company in the 29<sup>th</sup> Annual General Meeting of the Company held on 19th July, 2017. By virtue of the amendment made in the Companies (Amendment) Act, 2017, the Company is not required to place before the Annual General Meeting the matter pertaining to ratification of appointment of auditors.

Notes to Financial Statement are self-explanatory and therefore do not call for any further comments or explanations.

**AUDIT COMMITTEE, REMUNERATION & STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Provisions of Section 177 with respect to the Constitution of Audit Committee and provisions of Section 178 of the Companies Act, 2013 requiring setting up of a Nomination and Remuneration and Stakeholders Relationship Committee do not apply to our Company.

**ANNUAL RETURN:**

In pursuance to the provisions of Section 134(3) read with Section 92(3) of the Companies Act, 2013 and amendments thereon from time to time, the documents as stated therein are being attached as "Annexure A."

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information pursuant to section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to Conservation of Energy, Technology Absorption, Research & Development and Foreign Exchange Earnings and Outgo is given in the enclosed statement forming part of this Report.

**CORPORATE SOCIAL RESPONSIBILITY:**

The profit of the Company in the immediately preceding financial year is less than the amount specified under section 135 of the Companies Act 2013 as amended by the Companies (Amendment) Act, 2017 and, thereby, provision of Corporate Social Responsibilities and obligations thereof are not applicable to the Company.

**DISCLOSURE UNDER SEXUAL HARASSMENT AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company is not required to set up an Internal Complaints Committee as per the provisions of the Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2018.

**DECLARATION BY INDEPENDENT DIRECTOR:**

The Company was not required to appoint Independent Directors under section 149(4) of the Companies Act, 2013 and Rules 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 hence no declaration is required.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

As stipulated in Section 134(3)(c) of the Companies Act, 2013, your Director's subscribe to the "Directors' Responsibility Statement" and confirm as under :

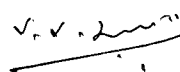
- i) That the preparation of the Annual Accounts, the applicable accounting standards has been followed along with proper explanation relating material departures.
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- iii) That the Directors had taken proper and sufficient care of the maintenance of adequate Accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the annual accounts on a going concern basis.
- v) That proper internal financial control was in place and that the financial controls were adequate and were operating effectively.
- vi) That the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation for the support received from their esteemed customers for their continued patronage, co-operation and confidence reposed in the Company's products.

Kolkata  
30<sup>th</sup> June, 2021

For and on behalf of the Board



S S Jain  
Director  
DIN: 0013732



V Matta  
Director  
DIN: 00338911



**ANNEXURE TO THE DIRECTOR'S REPORT**

Particulars as required under Companies (Accounts) Rules 2014 and forming part of the Director's Report for the year ended 31<sup>st</sup> March 2021.

**A. CONSERVATION OF ENERGY**

- i) Eliminated High Power Intensive Machines from our system
- ii) Single Shift operation by eliminating night shift.
- iii) Maintained the Power factor close to 0.9
- iv) Scale down the Maximum electricity demand based on the market conditions.

**B. TECHNOLOGY ABSORPTION**

- i) **Research & Development (R & D):** No progress due to uncertain market conditions
- ii) **Benefits derived as a result of R & D**
- iii) **Future Plan**
  - a) To survive in Intermixes segment catering to Technical Rubber Goods Industry using more of outsourcing activity
  - b) To undertake extensive reconditioning work in the Intermix working in the market and generate spare part sales.

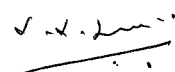
iv) Expenditure in R & D : NIL

C. FOREIGN EXCHANGE USED : 1,017,414

D. FOREIGN EXCHANGE EARNED : NIL  
(EXPORT OF PRODUCTS)

Kolkata  
30<sup>th</sup> June, 2021

For and on behalf of the Board



S S Jain  
Director  
DIN: 0013732



V. Matta  
Director  
DIN: 00338911

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2021
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	U32109WB1987PLC043261
ii	Registration Date	10TH NOVEMBER 1987
iii	Name of the Company	ALFRED HERBERT LIMITED
iv	Category/Sub-category of the Company	COMPANY HAVING SHARE CAPITAL
v	Address of the Registered office & contact details	13/3, STRAND ROAD, KOLKATA - 700001. TEL. NO. 033-22268619, 03322299124
vi	Whether listed company	NO
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	N. A.

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	RUBBER PROCESSING MACHINERY	28292 (As per NIC-2008)	98.35%
2			
3			
4			

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	ALFRED HERBERT (INDIA) LIMITED	L74999WB1919PLC003516	HOLDING COMPANY	100	2(46)
2					
3					



iii) Non Resident Individual	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	9,00,007	9,00,007	100.0000	-	9,00,007	9,00,007	100.0000	-

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
		9,00,001	99.9994	-	9,00,001	99.9994	-	-
1	ALFRED HERBERT (INDIA) LIMITED							
2	ALFRED HERBERT (INDIA) LIMITED J/A A. K. BASU	1	0.0001	-	1	0.0001	-	-
3	ALFRED HERBERT (INDIA) LIMITED J/A V. MATTA	1	0.0001	-	1	0.0001	-	-
4	ALFRED HERBERT (INDIA) LIMITED J/A P. K. PAL	1	0.0001	-	1	0.0001	-	-
5	ALFRED HERBERT (INDIA) LIMITED J/A A. V. LODHA	1	0.0001	-	1	0.0001	-	-
6	ALFRED HERBERT (INDIA) LIMITED J/A PRAKASH MAJUMDAR	1	0.0001	-	1	0.0001	-	-
7	ALFRED HERBERT (INDIA) LIMITED J/A M. BANERJEE	1	0.0001	-	1	0.0001	-	-
	Total	9,00,007	100.0000		9,00,007	100.0000	-	-

(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of		Cumulative Share holding during the	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
THERE IS NO CHANGE IN THE TOTAL SHAREHOLDING OF PROMOTERS BETWEEN 01.04.2020 & 31.03.2021					

(iv) Shareholding Pattern of top ten Shareholders (other than Direcors, Promoters & Holders of GDRs & ADRs)

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
NOT APPLICABLE					

(v) Shareholding of Directors & KMP

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	For Each of the Directors & KMP				
NOT APPLICABLE					

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	5,50,13,966	-	-	5,50,13,966
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,50,13,966	-	-	5,50,13,966
Change in Indebtedness during the financial year				
Additions	1,21,88,903	-	-	1,21,88,903
Reduction	1,30,13,966	-	-	1,30,13,966
Net Change	(8,25,063)	-	-	(8,25,063)
Indebtedness at the end of the financial year				
i) Principal Amount	5,41,88,903	-	-	5,41,88,903
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,41,88,903	-	-	5,41,88,903

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTG/Manager			Total Amount	
1	Gross salary	R. SUBRAMANIAN, MANAGER				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.				6,74,347	
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961				60,097	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				-	
2	Stock option				-	
3	Sweat Equity				-	
4	Commission					
	as % of profit					
	others (specify)				-	
5	Others, please specify				7,34,444	
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration		Name of the Directors			Total Amount	
1	Independent Directors						-
	(a) Fees for attending board committee meetings						
	(b) Commission						-
	(c ) Others, please specify						-
	Total (1)						
2	Other Non Executive Directors						-
	(a) Fee for attending board committee meetings						-
	(b) Commission						-
	(c ) Others, please specify.						-
	Total (2)						-
	Total (B)=(1+2)						
	Total Managerial Remuneration						-
	Overall Ceiling as per the Act.						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration		Key Managerial Personnel		Total	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.					-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961					-
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					-
2	Stock Option					-
3	Sweat Equity					-
4	Commission as % of Profit					-
5	Others, please specify					-
						-
	Total					-



VII                   PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeall made if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**INDEPENDENT AUDITORS' REPORT**

**To the Members of Alfred Herbert Limited**

**Report on Audit of Financial Statements**

**Opinion**

We have audited the accompanying Financial statements of **Alfred Herbert Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), statement of Changes in Equity and statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information for the year ended on that date (hereinafter referred to as "Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, ("the Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

**Material Uncertainty Related to Going Concern**

We draw attention to Note 41 to the Financial Statements which describes the economic and social consequences/disruption the entity is encountering as a result of COVID-19 and going concern assumption. The company incurred a net loss of Rs. 171.62 lakhs for the year ended 31st March, 2021 and the company's current liabilities exceeded its current assets by Rs. 631.80 lakhs as on that date. Further, the Company has disposed significant portion of its property plant & equipment (PPE) during the year. The Holding Company has so far infused Rs. 541.89 lakhs to provide financial support by way of loan to the Company. This includes repayment of dues of the Bank towards working capital facilities availed by the Company. Operations of the Company have been severely affected due to loss of production coupled with insufficient orders making it unviable to operate the plant efficiently with the required economies of scale on a sustainable basis and in absence of required volumes etc. there is significant uncertainty vis-a-vis sustained viability of the Company on an independent basis. The management states that, the Holding company's support in the future whenever considered necessary and the commitment of the company to work out suitable options and provide necessary financial support as done in the past for carrying out the operations in future and that no decision arrived at as on date to close the operations of the Company. However, we are unable to comment on the continuity of the entity in the foreseeable future on an independent basis considering particularly the facts and figures mentioned in the first part of this paragraph.

Our opinion is not modified in respect of the above.





### **Information Other than the Financial Statements and Auditors' Report thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report for the year ended March 31, 2021, but does not include the financial statements and our auditors' report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- 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 with respect to the above.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that gives a true and fair view of the state of affairs (financial position), Profit or loss (financial performance including other comprehensive income), changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 is also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from





fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 financial statements, including the disclosures, and whether the 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.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we based on our examination give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards as specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;



- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal control over financial statements of the Company.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements – Refer Note 44 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the reporting under section 197(16) of the Act to be included in the Auditor's Report, in our opinion and according to the information and explanations given to us, no remuneration (including sitting fee) has been paid by the Company to its directors.

For KAMG & Associates  
Chartered Accountants  
Firm Registration No. 311027E



S. Ganesh, Partner  
Membership No. 232115  
UDIN : 21232115AAAAAG4025  
Chennai Dated 30<sup>th</sup> June 2021





**Alfred Herbert Limited**  
**Annexure 'A' referred to in our report of even date**

- i) (a) The Company has disposed significant portion of fixed assets. The Company is in the process of updating Fixed Assets Register.
- (b) According to the information and explanation given to us, fixed assets have been physically verified by the management during the year. According to a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us, the company does not hold any immovable properties in the name of the company.
- ii) As informed, the inventories of the Company have been physically verified by the management during the year and adjusted the significant portion of inventory arising on account of physical verification carried out by the company has been given effect to in the financial statements.
- iii) According to the information and explanation given to us, the Company has not granted any loans to companies, firms or other parties as listed in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of Clause 3 (iii) of the Order are not applicable to the Company.
- iv) According to the information and explanation given to us, company has not given any loan to directors as mentioned in Section 185 and has not made any investments or given any guarantees & security as mentioned in Section 186. Accordingly, provisions of Clause 3 (iv) of the Order are not applicable to the Company.
- v) The Company has not accepted any deposits from public during the year. Accordingly, provisions of Clause 3 (v) of the Order are not applicable to the Company.
- vi) According to the information and explanation given to us, the Central Government has not prescribed for maintenance of cost records under section 148(1) of the Act and therefore clause 3(vi) of the Order is not applicable to the Company.
- (a) According to the information and explanations given to us, the Company is generally regular other than certain cases where delays observed in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it.

The company has not deposited Rs. 29,268/- in respect of unpaid wages which are unpaid for more three years to the Karnataka Labour Welfare Fund as per Section 2(10) of the Karnataka Labour Welfare Fund Act, 1965.

(b) According to the information and explanations given to us, there are no dues of Income tax, Sales Tax; Value added Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited on account of dispute except as given below:

Name of Statute	Nature of Dues	Amount (Rs in Lakhs)	Forum where dispute is pending
Central Excise and Service Tax law	Demand of Duty/Reversal of Cenvat	0.48	Appellate Tribunal
	Reversal of Cenvat	0.15	Appellate Tribunal
	Demand of Duty	1.79	Appellate Tribunal
	Reversal of Cenvat	2.18	Appellate Tribunal
	Reversal of Cenvat	25.17	Appellate Tribunal



\*The amounts herein above do not include interest and penalty amount in this respect are not ascertainable. The total amount of deposit paid (including interest Rs. 3.21 lakhs and penalty Rs. 1.03 lakhs) against above cases is Rs. 8.36 lakhs.

- vii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of borrowings from banks. The Company has no borrowings from financial institutions, government or debenture holders during the year.
- viii) According to the information and explanations given to us, the Company has not raised monies by way of public offer nor has raised term loans from banks during the year.
- ix) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- x) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not paid remuneration to its directors during the year; Section 197 of the Act is not applicable.
- xi) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly, the provision of Clause 3(xii) of the Order is not applicable to the Company.
- xii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required in terms of the applicable accounting standards.
- xiii) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and accordingly, the provision of Clause 3(xiv) of the Order is not applicable to the Company.
- xiv) According to the information and explanations given to us and based on our examination of the records, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors.
- xv) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For KAMG & Associates  
Chartered Accountants  
Firm Registration No. 311027E



S. Ganesh, Partner  
Membership No. 232115  
UDIN : 21232115AAAAAG4025  
Chennai Dated 30<sup>th</sup> June 2021





**Alfred Herbert Limited**

**'Annexure B' referred to in our report of even date**

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

We have audited the internal financial controls with reference to financial statements of **Alfred Herbert Limited** ("the Company") as at March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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") issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls with reference to financial statements**

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

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KAMG & Associates  
Chartered Accountants  
Firm Registration No. 311027E



S. Ganesh, Partner  
Membership No. 232115  
UDIN: 21232115AAAAAG4025  
Chennai Dated 30<sup>th</sup> June 2021



ALFRED HERBERT LIMITED  
BALANCE SHEET AS AT MARCH 31, 2021

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment	5	7.10	79.36
(b) Intangible Assets	6	-	-
(c) Financial Assets			
(i) Other Financial Assets	7	8.78	8.78
(d) Deferred Tax Asset (Net)	18	0.71	-
(e) Current Tax Assets (Net)	8	5.02	22.24
<b>Total Non Current Assets</b>		<b>21.61</b>	<b>110.38</b>
<b>Current Assets</b>			
(a) Inventories	9	103.30	487.35
(b) Financial Assets			
(i) Trade Receivables	10	19.35	37.50
(ii) Cash and Cash Equivalents	11	3.06	9.95
(iii) Other Bank Balances	12	-	21.00
(iv) Other Financial Assets	13	-	0.88
(c) Other Current Assets	14	41.11	53.36
<b>Total Current Assets</b>		<b>166.82</b>	<b>610.04</b>
<b>TOTAL ASSETS</b>		<b>188.43</b>	<b>720.42</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	15	90.00	90.00
(b) Other Equity	16	(721.81)	(550.19)
<b>Total Equity</b>		<b>(631.81)</b>	<b>(460.19)</b>
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
(a) Provisions	17	-	8.23
(b) Deferred Tax Liabilities (Net)	18	-	5.22
<b>Total Non Current Liabilities</b>		<b>-</b>	<b>13.45</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	541.89	550.14
(ii) Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises	20	-	35.28
- Total outstanding dues of creditors other than micro enterprises and small enterprises		66.99	275.68
(iii) Other Financial Liabilities	21	17.58	-
(b) Other Current Liabilities	22	193.78	305.84
(c) Provisions	23	-	0.22
<b>Total Current Liabilities</b>		<b>820.24</b>	<b>1,167.16</b>
<b>Total Liabilities</b>		<b>820.24</b>	<b>1,180.61</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>188.43</b>	<b>720.42</b>

Accompanying notes on Financial Statements  
These notes form an integral part of the Financial Statements

1 - 43

As per our report of even date

For KAMG & Associates

Chartered Accountants

Firm Regn. No. 311027E

S. C. L.  
S. GANESH  
Partner

Membership No. 232115



For and on behalf of the Board of Directors

*S.S. Jain*

S.S. Jain  
Director  
(DIN : 00013732)

*V. Matta*

V. Matta  
Director  
(DIN : 00338911)

Place:

Date: June 30, 2021

ALFRED HERBERT LIMITED  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Operations	24	465.37	929.48
Other income	25	51.23	3.48
<b>TOTAL INCOME (I)</b>		<b>516.60</b>	<b>932.96</b>
<b>EXPENSES</b>			
Cost of materials consumed	26	126.05	665.91
Changes in inventories of finished goods and work in progress	27	298.61	(56.18)
Employee Benefits Expense	28	158.43	206.63
Finance Costs	29	11.02	10.64
Depreciation and Amortisation Expense	30	2.22	8.92
Other Expenses	31	100.95	192.57
<b>TOTAL EXPENSES (II)</b>		<b>697.28</b>	<b>1,028.50</b>
<b>(III) Loss before tax (I - II)</b>		<b>(180.68)</b>	<b>(95.53)</b>
<b>(IV) Tax expense:</b>			
(1) Current Tax	32	-	-
(2) Deferred Tax - charge/(credit)	18	(5.94)	1.00
(3) Income Tax related to earlier years		(3.12)	-
<b>(V) Loss for the period (III - IV)</b>		<b>(171.62)</b>	<b>(96.53)</b>
<b>(VI) OTHER COMPREHENSIVE INCOME</b>			
(i) Items that will not be reclassified to Profit or Loss -Remeasurement of Defined Benefit Plans	33	-	(7.36)
(ii) Income Tax relating to items that will not be reclassified to Statement of Profit or Loss -Remeasurement of Defined Benefit Plans	32.3	-	1.91
Other Comprehensive Income for the period (net of taxes) (i + ii)		-	(5.45)
<b>(VII) Total Comprehensive Income for the period (V + VI) (comprising Loss for the period and Other Comprehensive Income for the period)</b>		<b>(171.62)</b>	<b>(101.98)</b>
<b>(VIII) Earnings per equity share of Par value of Rs. 10 each</b>			
Basic and Diluted	39	(19.07)	(10.73)

Accompanying notes on Financial Statements  
These notes form an integral part of the Financial Statements

1 - 43

As per our report of even date  
For KAMG & Associates  
Chartered Accountants  
Firm Regn. No. 311027E

S. C. L.  
S. GANESH  
Partner  
Membership No. 232115



Place:  
Date: June 30, 2021

*S.S. Jain*  
S.S.Jain  
Director  
(DIN : 00013732)

*V. Matta*  
V. Matta  
Director  
(DIN : 00338911)



ALFRED HERBERT LIMITED  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A Equity Share Capital

Particulars	Amount in Rs. Lakhs
As at April 1, 2019	90.00
Movement during the year	-
As at March 31, 2020	90.00
Movement during the year	-
As at March 31, 2021	90.00

B Other equity

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of Defined Benefit Plans	
As at April 1, 2019	0.01	32.89	(481.10)	-	(448.20)
Loss for the year	-	-	(96.53)	-	(96.53)
Other Comprehensive Income for the year	-	-	-	(5.45)	(5.45)
Transferred to Retained Earnings from Other Comprehensive Income	-	-	(5.45)	5.45	-
As at March 31, 2020	0.01	32.89	(583.08)	-	(550.19)
Loss for the year	-	-	(171.62)	-	(171.62)
Other Comprehensive Income for the year	-	-	-	-	-
Transferred to Retained Earnings from Other Comprehensive Income	-	-	-	-	-
As at March 31, 2021	0.01	32.89	(754.70)	-	(721.81)

(Amount in Rs. Lakhs)

Refer Note No. 16 for nature and purpose of reserves.

Accompanying notes on Financial Statements  
These notes form an integral part of the Financial Statements

1 - 43

As per our report of even date  
For KAMG & Associates  
Chartered Accountants  
Firm Registration No. : 311027E



**S. GANESH**  
Partner  
Membership No. 232115

For and on behalf of the Board of Directors

S.S.Jain  
Director  
(DIN : 00013732)

**V. Matta**  
V. Matta  
Director  
(DIN : 00338911)

Place :  
Date: June 30, 2021

ALFRED HERBERT LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash flow from Operating Activities</b>		
Net Profit/(Loss) Before Tax	(180.68)	(95.53)
Adjustment for:		
Depreciation/Amortisation	2.22	8.92
Finance Costs	11.02	10.64
Profit on sale of Property, Plant and Equipment (Net)	(29.31)	-
Liabilities/Provisions no longer required written back	(12.10)	-
Interest Income	-	(0.98)
Balances written off (Net)	3.49	-
Provision for Doubtful Debts	-	-
Operating Profit Before Working Capital Changes	(205.36)	(76.95)
Movement in working capital:		
Decrease/(Increase) in Inventories	384.05	(102.17)
Decrease/(Increase) in Trade Receivables	18.14	56.47
Decrease/(Increase) in Loans and Advances	(5.88)	23.10
Increase/(Decrease) in Trade and other payable and provisions	(320.03)	43.66
Cash generated from/(utilised in) operations	(129.08)	(55.89)
Income Tax paid	20.34	(0.02)
Net Cash generated from/(utilised in) Operating Activities	(108.74)	(55.91)
<b>B. Cash flow from Investing Activities</b>		
(Additions to)/Proceeds from sale of Property, Plant and Equipment	99.35	(0.19)
Deposits (made)/redeemed with maturity of more than 3 months but upto 12 months	21.00	(17.15)
Interest Received	-	0.25
Net Cash generated from/(utilised in) Investing Activities	120.35	(17.09)
<b>C. Cash flow from Financing Activities</b>		
Proceeds from/(Repayment of) Borrowings (net)	(8.25)	63.57
Interest paid	(10.25)	(10.64)
Net Cash generated from/(utilised in) Financing Activities	(18.50)	52.93
Net Changes in Cash & Cash Equivalents (A+B+C)	(6.89)	(20.07)
Cash & Cash Equivalents (Opening Balance)	9.95	30.02
Cash & Cash Equivalents (Closing Balance)	3.06	9.95

Note:-

1 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard 7 "Statement of Cash Flows".

2 Cash and cash equivalents as at the Balance Sheet date consists of :

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks in current accounts	3.06	9.86
Cash on hand	0.00	0.09
<b>Total</b>	<b>3.06</b>	<b>9.95</b>

3 Reconciliation of Liabilities arising from Financing Activities

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2020	Cash Flows	Non Cash Flows	As at March 31, 2021
Short term borrowings from bank	90.14	(90.14)	-	(0.00)
Inter corporate deposit from Holding Company	460.00	81.89	-	541.89
<b>Total</b>	<b>550.14</b>	<b>(8.25)</b>	<b>-</b>	<b>541.89</b>

Accompanying notes on Financial Statements

These notes form an integral part of the Financial Statements

1 - 43

As per our report on even date

For KAMG & Associates  
Chartered Accountants  
Firm Registration No. : 311027E

Partner **S. GANESH**  
Membership No. **232115**



For and on behalf of the Board of Directors

**S.S.Jain**  
Director  
(DIN : 00013732)

**V. Matta**  
Director  
(DIN : 00338911)

Place :

Date: June 30, 2021.



ALFRED HERBERT LIMITED  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021  
SIGNIFICANT ACCOUNTING POLICIES

1 Corporate Information

Alfred Herbert Limited (the "Company") is a company incorporated in India having the registered office at 13/3, Strand Road, Kolkata - 700 001, engaged in manufacturing and selling industrial machines.

2 Statement of Compliance with Ind AS and Recent Accounting Pronouncements

2.1 These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Ind ASs issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements approved for issue by the Board of Directors have been considered in preparing these financial statements.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

2.2 Application of new and revised standards

Effective April 01, 2020, there were certain amendments in Indian Accounting Standards (Ind AS) vide Companies (Indian Accounting Standards) Amendment Rules, 2020 notifying amendment to existing Ind AS 1 'Presentation of Financial Statements', Ind AS 8 'Accounting Policies, Changes in Estimates and Errors', Ind AS 10 'Events after the Reporting Period', Ind AS 34 'Interim Financial Reporting', Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets', Ind AS 103 'Business Combinations', Ind AS 107 'Financial Instruments: Disclosures', Ind AS 109 'Financial Instruments', Ind AS 116 'Leases'. Ind AS 1 has been modified to redefine the term 'Material' and consequential amendments have been made in Ind AS 8, Ind AS 10, Ind AS 34 and Ind AS 37. Ind AS 103 dealing with 'Business Combination' has defined the term 'Business' to determine whether a transaction or event is a business combination. Amendment to Ind AS 107 and 109 relate to hedging relationship directly affected by Interest Rate Benchmark reforms. The amendment among other things requires an entity to assume that Interest Rate Benchmark on which hedged cash flows are based is not altered as a result of Interest Rate Benchmark reforms.

Ind AS 116 dealing with 'Leases' permitted lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. Revision in these standards did not have any material impact on the profit/loss and earning per share for the period.

2.3 Recent Accounting Pronouncements  
Standards issued but not yet effective

On June 18, 2021, Ministry of Corporate Affairs ("MCA") has issued Companies (Indian Accounting Standards) Amendment Rules, 2021 notifying amendments to certain existing Ind AS. These amendments have been made effective from the date of publication in the Official Gazette i.e. on 18th June, 2021. Certain such Ind AS which are relevant to companies operations includes Ind AS 1 'Presentation of Financial Statements', Ind AS 8 'Accounting Policies, Changes in Estimates and Errors', Ind AS 12 'Income Taxes', Ind AS 16 'Property, Plant and Equipments', Ind AS 27 'Separate Financial Statements', Ind AS 34 'Interim Financial Reporting', Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets', Ind AS 38 'Intangible Assets', Ind AS 107 'Financial Instruments: Disclosures', Ind AS 109 'Financial Instruments', Ind AS 115 'Revenue from Contracts with Customers', Ind AS 116 'Leases'.

Even though the company will evaluate the impact of the above, none of these amendments as such are vital in nature and as are not likely to have any material impact on the financial statements of the company. There are other amendments in various others Ind AS which have not been listed hereinabove since these are not relevant to the company.

3 Significant Accounting Policies

3.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments which are measured in terms of relevant Ind AS at fair value/ amortized costs at the end of each reporting period.

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

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest Rupee.



#### Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

### 3.2 Property Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition and comprises purchase price of assets or its construction cost including duties and taxes, inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred.

#### Depreciation

Depreciation on PPE is provided as per Schedule II of the Companies Act, 2013 on straight line method.

Depreciation on Property, Plant and Equipment commences when the assets are ready for their intended use.

Depreciation methods, useful lives, residual values are reviewed and adjusted as appropriate, at each reporting date.

### 3.3 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortised over a period of five years and assessed for impairment whenever there is an indication of the same.

Amortisation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

### 3.4 Derecognition of Tangible and Intangible Assets

An item of Tangible and Intangible Asset is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of Tangible and Intangible Asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.





**3.5 Impairment of Tangible and Intangible Assets**

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of asset's fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

**3.6 Inventories**

Inventories are valued at lower of cost or net realisable value. Cost of the inventories is generally ascertained on weighted average basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished product in which they will be incorporated are expected to be sold at or above cost. Cost for the purpose of valuation of work-in-progress and stock-in-trade includes materials, labour and appropriate portion of production overheads.

**3.7 Foreign Currency Transactions**

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency assets and liabilities are translated at exchange rates prevailing at the year end. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transaction during the year are recognized in the Statement of Profit and Loss, except in the cases where any fixed asset acquired from a country outside India, in such case, these are adjusted to the cost of respective fixed assets.

**3.8 Financial Assets and Financial Liabilities**

Financial Assets and Financial Liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

**(i) Cash and cash equivalents**

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

**(ii) Financial Assets and Financial Liabilities measured at amortised cost**

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.





(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

(v) Financial Assets or Liabilities at Fair value through profit and loss (FVTPL)

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit and loss. These are recognised at fair value and changes therein are recognized in the Statement of Profit and Loss.

(vi) Impairment of financial assets

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

(vii) Derecognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in Statement of Profit and Loss.

On derecognition of assets measured at FVTOCI (except for equity instruments designated as FVTOCI) the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

3.9 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.



**3.10 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

**3.11 Employee Benefits**

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the related service is rendered.

(i) Gratuity (Defined Benefit Plan) : The liability in respect of Gratuity has been determined by actuarial valuation.

(ii) Leave Encashment : The liability in respect of Leave Encashment is accounted for on the basis of actuarial valuation.

(iii) Provident Fund (Defined Contribution Scheme) : Accounted for on accrual basis based on the monthly contribution made to the appropriate authorities.

**3.12 Revenue Recognition**

**Revenue from operations**

Revenue is measured based on the considerations specified in a contract with a customer and excludes amounts collected on behalf of third parties. The revenue from sales is recognised when control over a product or service has been transferred and/or products/services are delivered/provided to the customers. The delivery occurs when the product has been shipped or delivered to the specific location as the case may be and the customer has either accepted the products in accordance with contract or the Company has sufficient evidence that all the criteria for acceptance has been satisfied. Returns, discounts and rebates collected, if any, are deducted from sales.

**Other Income**

Interest has been accounted using effective interest rate method. Dividend is accounted for as and when the right to receive the same is established.

**3.13 Borrowing Costs**

Borrowing cost comprises of interest paid and other costs in connection with the borrowing of the funds. All borrowing costs are recognised in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property, Plant and Equipment which are capitalised to the cost of related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale.

**3.14 Taxes on Income**

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.





Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

### 3.15 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares

## 4 Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

### 4.1 Depreciation and impairment on property, plant and equipment.

Property, Plant and Equipment are depreciated on straight-line basis over the estimated useful lives in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The company reviews its carrying value of its Tangible Assets whenever there is objective evidence that the assets are impaired. In such situation Asset's recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

### 4.2 Current Tax and Deferred Tax

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

Deferred tax assets are recognised for unused losses (carry forward of prior years' losses) and unused tax credit to the extent that it is probable that taxable profit would be available against which the losses could be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



4.3 Provisions and Contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

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

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.





## 5 Property, Plant and Equipment

As at March 31, 2021

(Amount in Rs. Lakhs)

Particulars	Plant and Equipment	Furniture and Fixtures	Office Equipments	Computers	Total
Gross Block					
As at April 1, 2020	98.54	0.94	0.57	0.62	100.67
Additions	-	-	-	-	-
Disposal/Adjustments	88.69	-	-	-	88.69
As at March 31, 2021	9.85	0.94	0.57	0.62	11.98
Accumulated Depreciation					
As at April 1, 2020	19.98	0.46	0.33	0.53	21.31
Charge during the year	2.00	0.22	-	-	2.22
Disposal/Adjustments	18.65	-	-	-	18.65
As at March 31, 2021	3.33	0.69	0.33	0.53	4.88
Net Block as at March 31, 2021	6.52	0.26	0.24	0.09	7.10

As at March 31, 2020

(Amount in Rs. Lakhs)

Particulars	Plant and Equipment	Furniture and Fixtures	Office Equipments	Computers	Total
Gross Block					
As at April 1, 2019	98.54	0.94	0.38	0.62	100.48
Additions	-	-	0.19	-	0.19
Disposal/Adjustments	-	-	-	-	-
As at March 31, 2020	98.54	0.94	0.57	0.62	100.67
Accumulated Depreciation					
As at April 1, 2019	11.99	0.05	0.15	0.38	12.58
Charge during the year	7.99	0.42	0.18	0.15	8.73
Disposal/Adjustments	-	-	-	-	-
As at March 31, 2020	19.98	0.46	0.33	0.53	21.31
Net Block as at March 31, 2020	78.56	0.48	0.24	0.09	79.36

\* During the Financial year 2020-21, the Company has disposed significant portion of Property Plant & Equipment ("PPE"). Certain PPE which were non usable and lying unutilised have been sold. This includes certain fully depreciated and junked machineries which were dismantled, inventorised and disposed off. The Company is in the process of updating Fixed Assets Register.



## 6 Intangible Assets

As at March 31, 2021

(Amount in Rs. Lakhs)

Particulars	Computer Software
Gross Block	
As at April 1, 2020	1.37
Additions	-
Disposal/Adjustments	-
As at March 31, 2021	1.37
Accumulated Amortisation	
As at April 1, 2020	1.37
Charge during the year	-
Disposal/Adjustments	-
As at March 31, 2021	1.37
Net Block as at March 31, 2021	-

As at March 31, 2020

(Amount in Rs. Lakhs)

Particulars	Computer Software
Gross Block	
As at April 1, 2019	1.37
Additions	
Disposal/Adjustments	
As at March 31, 2020	1.37
Accumulated Amortisation	
As at April 1, 2019	1.19
Charge during the year	0.19
Disposal/Adjustments	
As at March 31, 2020	1.37
Net Block as at March 31, 2020	-



7 Other Financial Assets - Non Current

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
At Amortised Cost			
Security Deposits		8.78	8.78
Total		8.78	8.78

8 Current Tax Assets (Net)

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Advance Income Tax, including Tax deducted at source (Net of Provision for Income Tax)	8.1	5.02	22.24
Total		5.02	22.24

8.1 Advance Income Tax is net of provision for tax of Rs. Nil (March 31, 2020 - Rs. 70.75 lakhs)

9 Inventories

(Valued at lower of cost or net realisable value)

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Raw Materials		73.00	150.02
Work in progress		26.42	324.75
Finished Goods		-	8.70
Loose Tools		3.88	3.88
Total		103.30	487.35

During the year an extensive exercise have been undertaken for physical verification of inventories and discrepancies ascertained in this respect have been given effect to in these financial statements.

10 Trade Receivables

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
(a) Considered good - Secured		-	-
(b) Considered good - Unsecured		19.35	37.50
(c) Trade Receivables which have significant increase in credit risk		-	-
(d) Trade Receivables - credit impaired		21.36	17.26
Less: Loss allowance - Expected Credit Loss	10.1	(21.36)	(17.26)
Total		19.35	37.50

10.1 Movement in Provision for doubtful receivables :

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	17.26	17.26
Recognised during the year	4.10	-
Written back during the year	-	-
Balance as at the end of the year	21.36	17.26





## 11 Cash and Cash Equivalents

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Balances with banks			
In current accounts *		3.06	9.86
Cash on hand (March 31, 2021 - Rs. 47; March 31, 2020 - Rs. 9,172)		0.00	0.09
<b>Total</b>		<b>3.06</b>	<b>9.95</b>

\* The above includes balance of one bank account with balance of Rs. 0.54 lakhs as at March 31, 2021 (P.Y. - Rs. 0.54 lakhs) which are subject to confirmation as on March 31, 2021.

## 12 Other Bank Balances

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Margin deposits with bank	12.1	-	21.00
<b>Total</b>		<b>-</b>	<b>21.00</b>

12.1 Margin deposits has been done with bank against bank guarantee.

## 13 Other Financial Assets - Current

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Interest accrued on deposits		-	0.88
<b>Total</b>		<b>-</b>	<b>0.88</b>

## 14 Other Current Assets

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Advance to suppliers		60.33	36.04
Less : Provision for doubtful advances	14.1	(29.87)	(31.36)
		30.46	4.68
Interest receivable on income tax refund		0.06	-
Other advances		-	0.22
Balances with Government Authorities		10.59	48.45
Prepaid Expenses		-	0.02
<b>Total</b>		<b>41.11</b>	<b>53.36</b>

## 14.1 Movement in Provision for Doubtful advances :

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	31.36	31.36
Recognised during the year	-	-
Written back during the year	1.49	-
Balance as at the end of the year	29.87	31.36





15 Equity Share Capital

(Amount in Rs. Lakhs)			
Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Authorised			
Equity Shares 9,09,000 (March 31, 2020 - 9,09,000) equity shares of Rs. 10 each		90.90	90.90
8% Redeemable Preference Shares 100 (March 31, 2020 - 100) preference shares of Rs. 100 each		0.10	0.10
<b>Total</b>		<b>91.00</b>	<b>91.00</b>
Issued, Subscribed and Paid Up			
Equity Shares 9,00,007 (March 31, 2020 - 9,00,007) equity shares of Rs. 10 each		90.00	90.00
<b>Total</b>		<b>90.00</b>	<b>90.00</b>

15.1 The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity is entitled to one vote per share. The Company may declare and pay dividends. The dividend, if any proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by Equity Shareholders.

15.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2021	As at March 31, 2020
Number of shares as at the beginning of the year	9,00,007	9,00,007
Movement during the year	-	-
Number of shares as at the end of the year	9,00,007	9,00,007

15.3 The details of shareholders holding more than 5% of the aggregate shares in the company:

Particulars	As at March 31, 2021	As at March 31, 2020
Alfred Herbert (India) Limited (Holding Company)		
- Number of shares held	9,00,000	9,00,000
- Percentage of shareholding	100.00%	100.00%

7/6 & Associates

16 Other Equity

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Capital Redemption Reserve	16.2	0.01	0.01
General Reserve	16.3	32.89	32.89
Retained Earnings	16.4	(754.70)	(583.08)
<b>Total</b>		<b>(721.81)</b>	<b>(550.19)</b>

16.1 Refer Statement of Changes in Equity ("SOCE") for movement in balances of reserves.

16.2 Capital Redemption Reserve

This Reserve has been created on Redemption of Preference Shares.

16.3 General Reserve

The general reserve is created from time to time by appropriating profits from Retained Earnings. The general reserve is created by a transfer from one component of equity to another. Accordingly, it is not reclassified to the statement of profit and loss.

16.4 Retained Earnings

Retained Earnings generally represent the undistributed profits /accumulated earnings of the Company and includes remeasurement gains/losses on defined benefit obligations.



17 Provisions - Non Current

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits	35	-	8.23
Total		-	8.23

18 Deferred Tax Liabilities/(Assets)

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liabilities	18.1	-	5.22
Less : Deferred Tax Assets		(0.71)	-
Deferred Tax Liabilities/(Assets)		(0.71)	5.22

18.1 Components of Deferred Tax Liabilities/(Assets) are as follows :

As at March 31, 2021

(Amount in Rs. Lakhs)

Particulars	As at April 1, 2020	Charge/(Credit) recognised in Profit and Loss	Charge/(Credit) recognised in Other Comprehensive Income	As at March 31, 2021
Deferred Tax Liabilities				
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	4.12	(4.83)	-	(0.71)
Remeasurment of defined benefit plans	1.11	(1.11)	-	-
Total Deferred Tax Liabilities	5.22	(5.94)	-	(0.71)
Deferred Tax Assets	-	-	-	-
Total Deferred Tax Assets	-	-	-	-
Deferred Tax Liabilities/(Assets)	5.22	(5.94)	-	(0.71)



As at March 31, 2020

(Amount in Rs. Lakhs)

Particulars	As at April 1, 2019	Charge/(Credit) recognised in Profit and Loss	Charge/(Credit) recognised in Other Comprehensive Income	As at March 31, 2020
Deferred Tax Liabilities				
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	3.53	0.59	-	4.12
Remeasurment of defined benefit plans	3.02	-	(1.91)	1.11
<b>Total Deferred Tax Liabilities</b>	<b>6.55</b>	<b>0.59</b>	<b>(1.91)</b>	<b>5.22</b>
Deferred Tax Assets				
Expenses allowed on payment basis u/s 43B of Income Tax Act, 1961	0.41	0.41	-	-
<b>Total Deferred Tax Assets</b>	<b>0.41</b>	<b>0.41</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>6.14</b>	<b>1.00</b>	<b>(1.91)</b>	<b>5.22</b>

19 Borrowings - Current

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
At Amortised Cost			
Secured			
Cash Credit facilities from bank	19.1	-	90.14
Unsecured			
Inter corporate deposit from Holding Company		541.89	460.00
<b>Total</b>		<b>541.89</b>	<b>550.14</b>

19.1 Secured by hypothecation of stocks, book debts, Plant and Equipment and Furniture & Fixtures. The borrowing from bank towards cash credit facilities amounting to Rs. 106.83 lakhs (including interest Rs. 10.25 lakhs) had been paid in entirety by the Holding Company and the same has been settled during this financial year ended March 31, 2021. Intercompany deposits include the amount so paid by the Holding Company. The charge created against the assets are in the process of being regularised to be created in favour of the Holding Company.

20 Trade Payables

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
At Amortised Cost			
Total outstanding dues of micro enterprises and small enterprises	20.1	-	35.28
Total outstanding dues of creditors other than micro enterprises and small enterprises		66.99	275.68
<b>Total</b>		<b>66.99</b>	<b>310.96</b>





- 20.1 The disclosure in respect of the amount payable to Micro and Small Enterprises as on March 31, 2021 has been made in the financial statements on the basis of the information available with the Company.

Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers are as follows:

(Amount in Rs. Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
a) Interest amount remaining unpaid but not due as at year end	-	2.19
b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) Interest accrued and remaining unpaid as at year end	-	-
e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

21 Other Financial Liabilities - Current

(Amount in Rs. Lakhs)			
Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
At Amortised Cost			
Payable to related party		3.20	-
Payable to employees		14.38	-
Total		17.58	-

22 Other Current Liabilities

(Amount in Rs. Lakhs)			
Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Advance received from customers		168.36	301.59
Statutory Dues		25.42	4.25
Total		193.78	305.84

23 Provisions - Current

(Amount in Rs. Lakhs)			
Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits	35	-	0.22
Total		-	0.22



24 Revenue from operations

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Products	24.1	446.74	917.53
Sale of Services		6.20	4.89
Other Operating Revenue	24.2	12.43	7.06
Total		465.37	929.48

24.1 Geographical Information

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue by Geographical Market		
Sale of Products		
- Domestic	446.74	738.03
- Export	-	179.50
Total	446.74	917.53

24.2 Details of Other Operating Revenue :

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Scrap	12.43	5.91
Revenue from sub contracting	-	1.15
Total	12.43	7.06

25 Other Income

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit on sale of Property, Plant and Equipment (Net)		29.31	-
Interest Income on financial assets measured at amortised cost		-	0.98
Liabilities/Provisions no longer required written back		12.10	-
Net Gain on Foreign Currency Transactions		-	2.23
Interest income on Income Tax refund		9.81	-
Miscellaneous Income		-	0.28
Total		51.23	3.48

26 Cost of materials consumed

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Cost of materials consumed		126.05	665.91
Total		126.05	665.91



## 27 Changes in inventories of finished goods and work in progress

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Stock			
Finished Goods		0.28	0.28
Work in progress		324.75	268.57
		325.03	268.85
Closing Stock			
Finished Goods		-	0.28
Work in progress		26.42	324.75
		26.42	325.03
(Increase)/Decrease in inventories of finished goods and work in progress		298.61	(56.18)

\* Changes in inventories includes inventories adjusted due to difference arising on physical verification and recognition of inventories lying at the close of the year.

## 28 Employee benefits expense

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages		135.07	169.30
Contribution to Provident and other funds (Refer to Note No. 35)		13.84	13.89
Staff welfare expense		9.52	23.45
Total		158.43	206.63

## 29 Finance Costs

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense			
Borrowings		10.25	10.64
Others		0.76	-
Total		11.02	10.64

## 30 Depreciation and Amortisation expense

(Amount in Rs. Lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on Property, Plant and Equipment		2.22	8.73
Amortisation on Intangible Assets		-	0.19
Total		2.22	8.92



(Amount in Rs. Lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumable Stores		1.72	6.72
Power and Fuel		16.06	22.39
Testing Charges		1.00	0.67
Repairs to Buildings		0.02	0.70
Repairs to Plant and Machinery		1.28	20.06
Repairs: Others		2.02	2.51
Insurance		0.14	0.89
Rates and Taxes		0.44	0.81
Postage, Telephone & Courier		1.20	2.44
Travelling & Conveyance Expenses		0.78	9.30
Consultancy Charges		42.47	55.63
Auditors' Remuneration	31.1	2.62	1.85
Net Loss/(Gain) on Foreign Currency Transactions		0.40	-
Security Services		14.75	17.83
Motor Car Expenses		3.47	8.57
Internal Audit Fees		0.23	0.15
Printing & Stationaries		0.18	1.95
Data processing Expenses		0.03	0.59
Freight Outward		3.88	22.10
Commission		1.77	-
Balances written off (net)		3.49	-
Warranty Expenses		(0.00)	3.90
Miscellaneous expenses		2.99	13.52
<b>Total</b>		<b>100.95</b>	<b>192.57</b>

## 31.1 Auditors' Remuneration includes :

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Statutory Audit Fees	0.70	0.70
Limited Review Fees	0.50	0.50
Tax Audit Fee	0.20	0.20
Other services	-	0.45
<b>Total</b>	<b>1.40</b>	<b>1.85</b>





32 Tax Expenses- Current Tax

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Provision for Current Tax	-	-
Total	-	-

32.1 Components of Tax Expense:

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
In respect of the current year	-	-
Total Current tax expense recognised in the current year	-	-
Deferred tax		
In respect of the current year	(5.94)	1.00
Total Deferred tax expense recognised in the current year	(5.94)	1.00
Income Tax for earlier years		
In respect of earlier years	(3.12)	-
Total tax expense recognised in the current year in respect of earlier years	(3.12)	-
Total Tax expense recognised in the current year	(9.06)	1.00

32.2 Reconciliation of Income tax expense for the year with accounting profit is as follows:

In the absence of any taxable profits, the reconciliation of tax expense has not been provided.

32.3 Income tax recognised in other comprehensive income

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of Defined Benefit Plans	-	1.91
Total income tax recognised in other comprehensive income	-	1.91
Bifurcation of the income tax recognised in other comprehensive income into :		
Items that will not be reclassified to profit or loss	-	1.91
Items that may be reclassified to profit or loss	-	-

33 Components of Other Comprehensive Income

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Items that will not be reclassified to Statement of Profit and Loss		
· Remeasurement of Defined Benefit Plans	-	(7.36)
Total		(7.36)



## 34 Related Party Disclosures

Related parties have been identified in terms of Ind As 24 on "Related Party Disclosure" as listed below :

List of Related Parties where control exists

## A Name of the Related Party

## (i) Holding Company

Alfred Herbert (India) Limited

## (ii) Key Management Personnel and their Relatives

Mr. S.S.Jain

Mr. A.K.Basu [up to September 27th, 2019]

Ms Shobhana Sethi [ from September 27th, 2019]

Mr. Vikram Matta

## Relationship

Director

Director

Director

Director

## B Transactions with Related Parties during the year :

(Amount in Rs. Lakhs)

Nature of Transactions	Holding Company	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Borrowings</b>		
Inter corporate deposit availed during the year	121.89	100.00
Inter corporate deposit paid during the year	40.00	10.00
Expenses incurred by Holding Company	5.35	-

## C Balances of related parties as at the end of the year

(Amount in Rs. Lakhs)

Particulars	Holding Company	
	As at March 31, 2021	As at March 31, 2020
Inter corporate deposit payable to Holding Company	541.89	460.00
Expenses payable to holding company	3.20	-
Corporate Guarantee Outstanding	-	275.00

## D Note :

1) The above related party information is as identified by the management and relied upon by the auditor.

2) In terms with the prudential guidelines issued by the Reserve Bank of India and other applicable provisions of the Companies Act, 2013 and as a further measure to support the Company which is wholly owned subsidiary, the Board of Alfred Herbert (India) Ltd (AHIL) has accorded it's approval to write-off the interest ,amounting to Rs.5,65,820/-accrued for the year 2015-16 and waive the interest on any loans for the years 2016-17 and 2017-18 availed by the Company from AHIL. In view of this, no interest has been provided on Inter corporate deposit totaling to Rs. 541.89 lakhs (P.Y -Rs.460 Lakhs lakhs) outstanding as on 31st March 2021..



## 35 Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on "Employee Benefits" are given below:

## a) Defined Contribution Plans

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Company in a fund under the control of trustees.

Contribution to Defined Contribution Plan, recognized for the year are as under:

Particulars	(Amount in Rs. Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Employer's Contribution to Provident Fund	3.10	6.09

## b) Defined Benefit Plans

The employees' gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

During the year ended March 31, 2021, the Company had provided in the accounts the actual amount payable to employees on account of gratuity since the services of all the employees have been terminated and amount payable to them is determinable and the same is disclosed under Note No. 21. Hence, details pertaining to defined benefit obligation in respect of gratuity to be actuarially determined being not relevant has not been disclosed. Further, the liability in respect of leave encashment being no longer payable has been written back during the year.

The following table summarises the components of Net Benefit expenses recognised in the statement of Profit and Loss Account and the amounts recognised in the Balance Sheet for the previous year:

	(Amount in Rs. Lakhs)	
	Leave Encashment 2019-2020	Gratuity 2019-2020
i) Change in the fair value of the defined benefit obligation:		
Present Value of Defined Benefit Obligations at the beginning of period	2.68	81.30
Interest Cost	0.20	5.24
Current Service Cost	-	3.58
Actuarial (gain) / loss on obligations	(0.65)	7.53
Benefits Paid	-	(19.13)
Liability at the end of the year	2.22	78.51
ii) Changes in the Fair Value of Plan Asset		
Fair value of Plan Assets at the beginning of the year	-	85.70
Expected Return on Plan Assets	-	5.56
Contributions by the Company	-	-
Actuarial gain / (loss) on Plan Assets	-	0.17
Benefits paid	-	(19.13)
Fair value of Plan Assets at the end of the year	-	72.30
iii) Actual return on Plan Asset		
Expected return on Plan assets	-	5.56
Actuarial gain / (loss) on Plan Assets	-	0.17
Actual Return on Plan Assets	-	5.73
iv) Amount Recognized in Balance Sheet		
Liability at the end of the year	2.22	78.51
Fair value of Plan Assets at the end of the year	-	72.30
	(2.22)	(6.22)
v) Components of Defined Benefit Cost		
Current Service Cost	-	3.58
Interest Cost	0.20	(0.32)
Expected Return on Plan Assets	-	7.53
Net Actuarial (gain) / loss on remeasurement recognised in OCI	(0.65)	(0.17)
Total Defined Benefit Cost recognised in Profit and Loss and OCI	(0.45)	10.62
vi) Balance Sheet Reconciliation		
Opening Net Liability	2.68	(4.40)
Expenses as above	(0.45)	10.62
Employers Contribution	-	-
Amount Recognized in Balance Sheet	2.23	6.22

## vii) Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:

Particulars	As at	
	March 31, 2020	
G-Sec/ Corporate Securities		40.34%
Equity		3.38%
Fixed Deposit and other assets		56.28%





Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity except remeasurement benefit which is treated as part of OCI. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at March 31, 2020 is given below:

		(Amount in Rs. Lakhs)
		For the year ended March 31, 2020
Particulars		
Privileged Leave		2.23
Sick Leave		-
Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate		5.28%
Expected Rate of Salary Increase		6.00%

Notes:  
i) Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

				(Amount in Rs. Lakhs)
Sensitivity analysis:				
Particulars	Change in Assumption	Effect in Leave Encashment Obligation	Effect in Gratuity Obligation	
For the year ended 31st March, 2020				
Discount Rate	+1%	2.12	75.65	
	-1%	2.34	81.74	
Salary Growth Rate	+1%	2.34	81.69	
	-1%	2.12	75.64	
Withdrawal Rate	+50%	2.23	78.49	
	-50%	2.23	78.53	
Mortality Rate	-10%	2.23	78.51	
	-10%	2.23	78.52	

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

			(Amount in Rs. Lakhs)
Estimate of expected benefit payments (In absolute terms i.e. undiscounted)			
Particulars	Leave Encashment	Gratuity	
	For the year ended March 31, 2020	For the year ended March 31, 2020	
1st year	0.22	42.09	
2 to 5 years	1.66	22.92	
6 to 10 years	0.83	11.36	
More than 10 years	0.24	25.47	

		As at March 31, 2020
Particulars		
Average number of people employed		24



### 36. FINANCIAL INSTRUMENTS

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
<b>Financial Assets measured at Amortised Cost</b>				
Trade Receivables	19.35	19.35	37.50	37.50
Cash and cash equivalents	3.06	3.06	9.95	9.95
Other Bank Balances	-	-	21.00	21.00
Other Financial Assets	-	-	9.66	9.66
<b>Financial Liabilities</b>				
<b>Financial Liabilities measured at Amortised Cost</b>				
Borrowings	541.89	541.89	550.14	550.14
<b>Trade Payables</b>				
Total outstanding dues of micro enterprises and small enterprises	-	-	35.28	35.28
Total outstanding dues of creditors other than micro enterprises and small enterprises	66.99	66.99	275.68	275.68
Other Financial Liabilities	17.58	17.58	-	-

#### Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, other bank balances, trade receivables and payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.

#### FINANCIAL RISK FACTORS

The Company's activities are exposed to variety of financial risks. The key financial risks includes market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors reviews and approves policies for managing these risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

#### MARKET RISK

Market risk is the risk or uncertainty arising from possible market fluctuations resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are currency risk, interest rate risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk includes borrowings and trade receivables and payables.

#### Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

#### Interest rate risk

The Company does not have material exposure to changes in interest rate.

#### 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. The Company is exposed to credit risk from its operating activities. The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company periodically assesses the financial reliability of its borrowers, taking into account the financial condition and current economic trends.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of doubtful loans and advances. Receivables from its borrowers are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery there against has been considered to be remote.



Financial assets that are neither past due nor impaired

Cash and cash equivalents, deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

#### LIQUIDITY RISK

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times.

#### Maturity Analysis of Financial Liabilities

As at March 31, 2021						(Amount in Rs. Lakhs)
Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	541.89	541.89	-	-	-	541.89
Trade Payables	66.99	-	66.99	-	-	66.99
Other Financial Liabilities	17.58	-	17.58	-	-	17.58

As at March 31, 2020						(Amount in Rs. Lakhs)
Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	550.14	-	90.14	40.00	420.00	550.14
Trade Payables	310.96	-	179.39	131.57	-	310.96
Other Financial Liabilities	-	-	-	-	-	-

The company relies on borrowings and operating cash flows to meet its need for funds and ensures that it does breach any financial covenants stipulated by the lender.

#### CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without where the risk profile of the Company.

The gearing ratio are as follows :

Particulars	(Amount in Rs. Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Loans and borrowings	541.89	550.14
Cash and Cash Equivalents	3.06	9.95
Net Debt	538.83	540.19
Total Equity attributable to Equity shareholders of the Company	(631.81)	(460.19)
Capital and Net Debt	(92.98)	80.00
Gearing Ratio	-579.53%	675.22%





37 Contingent Liabilities and Commitments (to the extent not provided for):

(a) Contingent Liabilities

(Amount in Rs. Lakhs)

Sl. No.	Particulars	As at March 31, 2021	As at March 31, 2020
i)	Bank Guarantees for Advance issued in favour of customers	-	21.00
ii)	Central Excise demands not accepted by the company	29.77	29.77
iv)	Penalty u/s 72 of KVAT Act for delay in filing VAT 100 for the month of January 2007, against which the Interim Order was passed by the Hon'ble High Court of Karnataka on April 13, 2007 staying the Order of Penalty until further consideration of the writ petition.	-	0.77

The Company's pending litigations comprises of claims against the company and proceedings pending with Statutory/ Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed contingent liabilities, where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial positions.

(b) Capital and other commitments

There are no capital and other commitments as at the reporting date.

38 Disclosures as required by Indian Accounting Standard (Ind AS) 37 "Provisions, Contingent Liabilities and Contingent Assets"

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, unresolved claims remains outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

39 Calculation of Earnings Per Share is as follows:

(Amount in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit for basic and diluted earnings per share as per Statement of Profit and Loss		
Net Profit/ (Loss) for Basic and Diluted earnings per share	(171.62)	(96.53)
Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value Rs. 10/- per share)		
Number of equity shares outstanding as on March 31	9,00,007	9,00,007
Weighted average number of equity shares considered for calculation of basic and diluted earnings per share	9,00,007	9,00,007
Earnings per share (EPS) of Equity Share of Rs. 10/- each:		
Basic EPS (Rs.)	(19.07)	(10.73)
Diluted EPS (Rs.)	(19.07)	(10.73)



## 40 Segment Reporting

The company's operates mainly in one business segment i.e. "Manufacturing and selling industrial machineries" and all other activities revolve around the main activity and as such there are no other reportable segment as identified by the Chief Operating Decision Maker of the Company as required under Ind AS-108.

## 41 Impact of COVID 19 and going concern assumption

The Outbreak of COVID - 19 and resultant lockdowns declared by Central and/or State Governments of India have impacted business and earnings prospects. Operations of the Company have been severely affected due to loss of production coupled with insufficient orders making it unviable to operate the plant efficiently with the required economies of scale on a sustainable basis. Production remained suspended significantly during the year and the Company continued to incur significant losses. However, the Holding Company has so far infused Rs. 541.89 lakhs to provide financial support by way of loan to the Company. This includes repayment of dues of the Bank towards working capital facilities availed by the Company. In the given situation and in absence of required volumes etc. there is significant uncertainty vis-a-vis sustained viability of the Company on an independent basis.

Pending final decision and review of the alternatives for continuing operations including through third party sources and also taking into account the support of the Holding Company, accounts of the Company have continued to be prepared on a going concern basis till the year end.

Based on indicators available from internal and external sources of current and future economic conditions, the Company expects to recover the carrying amount of financial and non-financial assets barring any unforeseen circumstances. The Company will continue to monitor any material changes to the future economic conditions and effective steps will be taken on crystallisation thereof.

## 42 Previous year's figures have been reclassified/regrouped wherever necessary to confirm with figures of the current year.

## 43 These financial statements have been approved by Board of Directors of the Company in their meeting dated June 30, 2021 for issue to the shareholders for their adoption.

As per our report of even date

For KAMG & Associates  
Chartered Accountants  
Firm Regn. No. 311027E

  
**S. GANESH**  
Partner  
Membership No. 232115\*





S.S. Jain  
Director  
(DIN : 00013732)



V. Matta  
Director  
(DIN : 00338911)

Place:

Date: June 30, 2021