



Eim/Sec/SE

Date: 6<sup>th</sup> June, 2023

To, BSE Ltd. Phiroze Jeejeebhoy Towers 25th Floor, Dalal Street Mumbai - 400 001  Company Code 523708	To, National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Symbol EIMCOELECO - Series EQ
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**Sub.: Annual Report for the Financial Year 2022-23 including Notice convening the 49<sup>th</sup> Annual General Meeting (AGM) - reg**

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2022-23 along with the Notice convening the 49<sup>th</sup> Annual General Meeting of the Members of the Company, being sent to the Members through electronic mode, is attached.

The Annual Report including Notice is also uploaded on the Company's website and can be accessed at [https://eimcoelecon.in/wp-content/uploads/2023/06/AR-2022-23\\_Eimco-Final.pdf](https://eimcoelecon.in/wp-content/uploads/2023/06/AR-2022-23_Eimco-Final.pdf).

Please take the same on your record.

Thanking you,

Yours faithfully,

**For Eimco Elecon (India) Limited****Rikenkumar Dalwadi  
Company Secretary & Compliance Officer**

Enclosure: As above

Regd. Office & Works :  
**EIMCO ELECON (INDIA) LTD.**, Anand Sojitra Road, Vallabh Vidyanagar - 388 120. Gujarat, India.  
Tel. : (02692) 230502, 230602, 230902, Telefax : (02692) 236506  
Website : [www.eimcoelecon.in](http://www.eimcoelecon.in) | CIN : L29199GJ1974PLC002574





EIMCO ELECON

# ROOF BOLTER



**49<sup>TH</sup> ANNUAL  
REPORT**  
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Cover Photo : Machine Model – Roof Bolter for Underground Mining Segment

**BOARD OF DIRECTORS**

Shri Pradip M. Patel  
Shri Mukulnarayan Dwivedi  
Shri Prayasvin B. Patel  
Shri Prashant C. Amin  
Shri Nirmal P. Bhogilal  
Shri Nalin M. Shah (upto 25<sup>th</sup> January, 2023)  
Smt. Manjuladevi P. Shroff  
Ms. Reena P. Bhagwati  
Shri Venkatraman Srinivasan (from 24<sup>th</sup> April, 2023)

**CHIEF FINANCIAL OFFICER**

Shri Vishal C. Begwani

**COMPANY SECRETARY**

Shri Rikenkumar Dalwadi

**CORPORATE IDENTITY NUMBER (CIN)**

L29199GJ1974PLC002574

**REGD. OFFICE & WORKS**

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

**AUDITORS**

K C Mehta & Co LLP  
Chartered Accountants  
Vadodara

**BANKERS**

State Bank of India  
Axis Bank Limited

**REGISTRAR & SHARE TRANSFER AGENT****Mumbai Office**

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

**Vadodara Office**

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

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**EIMCO ELECON (INDIA) LIMITED**

(CIN : L29199GJ1974PLC002574)

Registered Office : Anand-Sojitra Road,

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

E-mail : [investor@eimcoelecon.in](mailto:investor@eimcoelecon.in)Website : [www.eimcoelecon.in](http://www.eimcoelecon.in)

Phone : 02692 - 230502 / 230602,

Fax : 02692 - 236506

**NOTICE OF THE 49<sup>TH</sup> ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 49th Annual General Meeting of Members of Eimco Elecon (India) Limited will be held on **Wednesday, the 28<sup>th</sup> day of June, 2023** at **10:00 a.m.** IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

**ORDINARY BUSINESS**

1. To consider and adopt the Audited Financial Statements (Both Standalone and Consolidated) of the Company for the financial year ended on 31<sup>st</sup> March, 2023 and the Reports of the Board of Directors ("the Board") and Auditors thereon.
2. To declare Dividend on Equity Shares for the financial year ended on 31<sup>st</sup> March, 2023.
3. To appoint a Director in place of Shri Prayasvin B. Patel, (DIN: 00037394), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:-**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Venkatraman Srinivasan (holding DIN 00246012), who was appointed as an Additional Director (Non-Executive Independent Director) of the Company by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 with effect from 24<sup>th</sup> April, 2023, as recommended by the Nomination

and Remuneration Committee and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years with effect from 24<sup>th</sup> April, 2023 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013."

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

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

**"RESOLVED THAT** pursuant to Regulation 23 and such other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable provisions of the Companies Act, 2013, approval of the Members of the Company be and is hereby accorded to the material related party transactions/proposed transactions (set out in the explanatory statement) between the Company and Emtici Marketing LLP, a related party of the Company, for an aggregate value upto ₹ 20 Crore entered or to be entered into by the Company for the Financial Year 2023-24 in the ordinary course of business and at arm's length basis.

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

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the payment of remuneration of ₹ 55,000/- (Rupees Fifty Five Thousand only) per annum plus taxes as applicable and out of pocket expenses incurred in



connection with the audit to Messrs Diwanji & Co., Cost Accountants (Firm Registration No.000339) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending on 31<sup>st</sup> March, 2024, be and is hereby ratified.

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

By Order of the Board of Directors,

Registered Office:

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

Place : Vallabh Vidyanagar

Date : 24<sup>th</sup> April, 2023

**Rikenkumar Dalwadi**

*Company Secretary*

**NOTES :**

- A. The Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020; April 13, 2020; January 13, 2021; December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022 (collectively referred to as “MCA Circulars”) permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (‘the Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC / OAVM.
- B. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
- C. Generally, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
- D. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- E. Since the AGM will be held through VC/ OAVM, the route map of the venue of the meeting is not annexed hereto. The venue of the meeting shall be deemed to be the Registered Office of the Company at Vallabh Vidyanagar-388120, Gujarat.
- F. As required by Regulation 36 of the SEBI (LODR) Regulations, 2015 (Listing Regulations) and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India, the relevant details of Director retiring by rotation and seeking appointment / re-appointment at the ensuing AGM are given in the Annexure to the Notice of the AGM.
- G. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE: In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories Participants. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company’s website [www.eimcoelecon.in](http://www.eimcoelecon.in), websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
- H. For receiving all communication (including Annual Report) from the Company electronically:
- Members holding shares in physical mode and who have not registered/updated their e-mail address with the Company are requested to register/update the same by visiting the website of Link Intime India Private Limited at [https://www.linkintime.co.in/EmailReg/Email\\_Register.html](https://www.linkintime.co.in/EmailReg/Email_Register.html) with details of folio number and attaching/uploading a self-attested documents required therein. The Company urges all the members to use this link effectively since the Email IDs and Mobile Numbers could help the Company for sending paperless communication in future.
  - Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.
- I. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LINK INTIME at <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.
- J. Procedure for Inspection of Documents:
- The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by



the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [investor@eimcoelecon.in](mailto:investor@eimcoelecon.in).

- b) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Friday, 16th June, 2023 through email on [investor@eimcoelecon.in](mailto:investor@eimcoelecon.in). The same will be replied by the Company suitably.

K. IEPF related information:

- a) The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2014-15, from time to time, to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).

- b) The details of unpaid and unclaimed dividends are available on the Company's website at [www.eimcoelecon.in](http://www.eimcoelecon.in).

Details of unpaid and unclaimed dividends up to March 31, 2023 are also uploaded on the website of the IEPF Authority and can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).

Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2022-23, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e., August 31, 2023. Details of shares so far transferred to the IEPF Authority are available on the website of the Company's at [www.eimcoelecon.in](http://www.eimcoelecon.in).

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

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

The concerned members/investors are advised to visit the weblink of the IEPF Authority

<http://iepf.gov.in/IEPF/refund.html>, or contact Link Intime India Private Limited, for detailed procedure to lodge the claim with the IEPF Authority.

<b>Due dates for transfer to IEPF, of the unclaimed/unpaid dividends for the financial year 2014-15 and thereafter, are as under:</b>		
<b>Financial year</b>	<b>Declaration Date</b>	<b>Due Date</b>
2015-16	25 <sup>th</sup> July, 2016	31 <sup>st</sup> August, 2023
2016-17	2 <sup>nd</sup> August, 2017	7 <sup>th</sup> September, 2024
2017-18	31 <sup>st</sup> July, 2018	5 <sup>th</sup> September, 2025
2018-19	25 <sup>th</sup> July, 2019	30 <sup>th</sup> August, 2026
2019-20	10 <sup>th</sup> August, 2020	16 <sup>th</sup> September, 2027
2020-21	5 <sup>th</sup> August, 2021	10 <sup>th</sup> September, 2028
2021-22	27 <sup>th</sup> June, 2022	2 <sup>nd</sup> August, 2029

L. DIVIDEND RELATED INFORMATION:

Subject to approval of the Members at the AGM, the dividend will be paid within 30 days from the conclusion of the AGM, to the Members whose names appear on the Company's Register of Members as on the Record Date, and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts will be despatched to the registered address of the shareholders who have not updated their bank account details, after normalisation of the postal service. Members are requested to register / update their complete bank details:

- I. with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialised mode by submitting the requisite documents, and
- II. with the Company / Link Intime India Private Limited or by emailing at [investor@eimcoelecon.in](mailto:investor@eimcoelecon.in) or [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in), if shares are held in physical mode, by submitting (i) scanned copy of the signed request letter which shall contain shareholder's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details), (ii) self-attested copy of the PAN card and (iii) cancelled cheque leaf.

OR

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

**TAX DEDUCTIBLE AT SOURCE/WITHHOLDING TAX:**

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

❖ **RESIDENT SHAREHOLDERS:**

a) Tax Deductible at Source for Resident Shareholders:

Sr. No.	Particulars	Withholding tax Rate	Documents required (if any)
1	Valid PAN updated in the Company's Register of Members	10%	No document required If dividend does not exceed ₹ 5,000/-, no TDS withholding tax will be deducted. Also, please refer note (v) below.
2	No PAN/Valid PAN not updated in the Company's Register of Members	20%	TDS/ Withholding tax will be deducted, regardless of dividend amount, if PAN of the shareholder is not registered with the Company/Link Intime/ Depository Participant. All the shareholders are requested to update, on or before 99th Juneth June, 2023, their PAN with their Depository Participant (if shares are held in electronic form) and Company/Link Intime (if shares are held in physical form). Please quote all the folio numbers under which you hold your shares while updating the records. Please also refer note (v) below.
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961.	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority to be submitted on or before 9 <sup>th</sup> June 2023.

b) No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents as mentioned in column no.4 of the below table with the Company /Link Intime/ Depository Participant on or before 9<sup>th</sup> June, 2023.

Sr. No.	Particulars	Withholding tax Rate	Documents required (if any)
1	Submission of form 15G/15H	NIL	Declaration in Form No. 15G (applicable to an Individual who is below 60 years)/ Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions.
2	Shareholders to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc.	NIL	Documentary evidence for exemption u/s 194 of Income Tax Act, 1961.
3	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds.	NIL	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961
4	Category I and II Alternative Investment Fund	NIL	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961
5	<ul style="list-style-type: none"> <li>• Recognised provident funds</li> <li>• Approved superannuation fund</li> <li>• Approved gratuity fund</li> </ul>	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	NIL	No TDS as per section 197A (1E) of Income Tax Act, 1961
7	Any resident shareholders exempted from TDS deduction as per the provisions of Income Tax Act or by any other law or notification.	NIL	Necessary documentary evidence substantiating exemption from deduction of TDS.

❖ **NON-RESIDENT SHAREHOLDERS:**

The table below shows that withholding tax on dividend payment to non-resident shareholders who submit, on or before 9<sup>th</sup> June 2023, the following document(s), as mentioned in column no.4 of the below table, to the Company / Link Intime. In case all necessary documents are not submitted, then the TDS/Withholding tax will be deducted @20% (plus applicable surcharge and cess).

Sr. No.	Particulars	Withholding tax Rate	Documents required (if any)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)/Other Non-Resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<p>FPI registration certificate in case FIIs/ FPIs.</p> <p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> <li>1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received</li> <li>2. PAN or declaration as per Rule 37BC of Income Tax Rules, 1962 in a specified format.</li> <li>3. Form 10F filled &amp; duly signed</li> </ol>

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

**Notes:**

- (i) The Company will issue soft copy of the TDS certificate to its shareholders through email registered with the Company / LINK INTIME post payment of the dividend. Shareholders will be able to download Form 26AS from the Income Tax Department's website <https://incometaxindiaefiling.gov.in>.
- (ii) The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link <https://www.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before 9th June 2023 to enable the Company to determine the appropriate TDS/withholding tax rate applicable. Any communication on the tax determination/ deduction received after 9th June 2023 shall not be considered.
- (iii) Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company / Link Intime.
- (iv) In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.
- (v) No TDS will be deducted in case of resident individual shareholders who furnish their PAN details and whose dividend does not exceed ₹ 5,000/-. However, where the PAN is not updated in Company/Link Intime/Depository Participant records or in case of an invalid PAN, the Company will deduct TDS u/s 194 without considering the exemption limit of ₹ 5,000/-. All the shareholders are requested to update their PAN with their Depository Participant (if shares are held in electronic form) and Company/Link Intime (if shares are held in physical form) against all their folio holding on or before 9th June 2023.
- (vi) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

**M. OTHER INFORMATION**

- i. In compliance with Section 108 of the Act, read

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

- ii. The e-voting period begins on **Sunday, 25<sup>th</sup> June, 2023 at 09:00 a.m.** and ends on **Tuesday, 27<sup>th</sup> June, 2023 at 5:00 p.m.** During this period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Wednesday, 21<sup>st</sup> June, 2023** may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited (“LI IPL”) for voting thereafter.
- iii. The voting rights of shareholders shall be in proportion to their shares of the paid up Equity Share Capital of the Company as on the cut-off date.
- iv. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
- v. Any person who acquires shares of the Company and becomes a shareholders of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in). However, if he/she is already registered with LI IPL for remote e-voting then he/she can use his/her existing user ID and password for casting the vote.
- vi. Shri Dineshkumar G. Bhimani, Practicing Company Secretary (Membership No. FCS: 8064; CP No. 6628) has been appointed as the Scrutinizer to scrutinize the e-voting at the meeting and remote e-voting process in a fair and transparent manner.
- vii. The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorised by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The results declared along with the Scrutinizer’s Report shall be communicated to the stock exchanges, LINK INTIME and will also be displayed on the Company’s website.
- viii. Securities and Exchange Board of India (“SEBI”) has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company / LI IPL have stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.
- ix. Members holding shares in physical mode are: a) required to submit their Permanent Account Number (PAN) and bank account details to the Company/ LI IPL, if not registered with the Company/LI IPL, as mandated by SEBI by writing to the Company at [investor@eimcoelecon.in](mailto:investor@eimcoelecon.in) or to LI IPL at [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in) along with the details of folio no., self-attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque.
- x. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form may file their nomination in the prescribed Form SH-13 with the Company’s Registrar and Share Transfer Agent i.e. LI IPL. In respect of shares held in electric/demat form, the nomination form may be filed with the respective Depository Participant.
- xi. Non-Resident Indian members are requested to inform LI IPL / respective DPs, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address

of the bank with pin code number, if not furnished earlier.

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

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

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

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
  - ▶ Select the “**Company**” and ‘**Event Date**’ and register with your following details:-
- A. **Demat Account No. or Folio No.:** Enter your 16 digit Demat Account No. or Folio No.
  - Shareholders/members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
  - Shareholders/members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
  - Shareholders/members holding shares in **physical form shall provide Folio Number** registered with the Company
- B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
- C. **Mobile No.:** Enter your mobile number.
- D. **Email ID:** Enter your email id, as recorded with your DP/Company.
  - ▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

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

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

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

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

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

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/ Against’.



5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:**

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

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

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

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

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

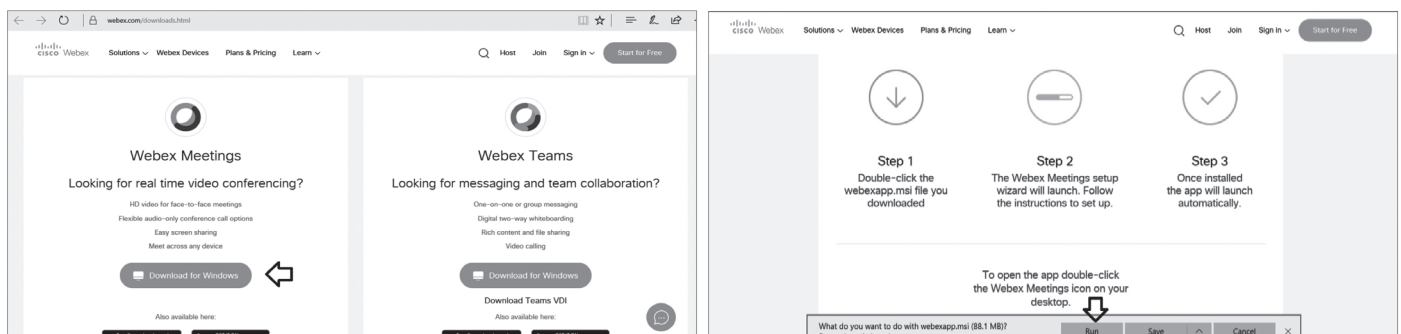
**InstaMeet Support Desk,  
Link Intime India Private Limited.**

**Annexure**

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

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

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



**Step 1**  
Double-click the webexapp.msi file downloaded

**Step 3**  
Once installed app will launch automatically.

To open the app double-click the Webex Meetings icon on your

**Step 1**  
Double-click the webexapp.msi file downloaded

**Step 3**  
Once installed app will launch automatically.

**Step 1**  
Double-click the webexapp.msi file downloaded

**Step 3**  
Once installed app will launch automatically.

OR





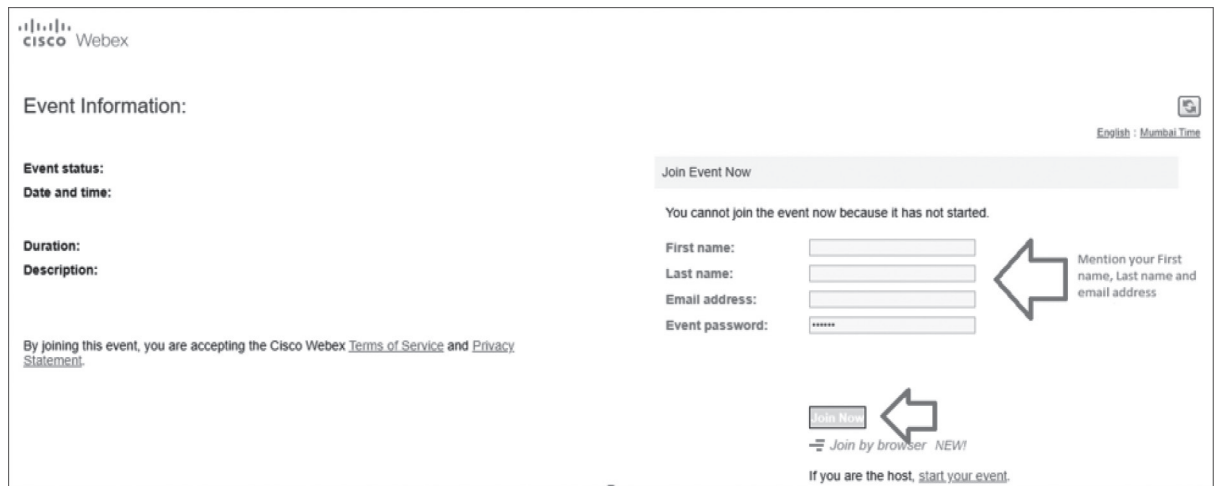
**Step 1 : Enter your First Name, Last Name and Email ID and click on Join Now.**

- 1 (A) If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
- 1 (B) If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.

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

OR

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



**O. Remote e-Voting Instructions for shareholders:**

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. Existing IDeAS user can visit the e-Services website of NSDL viz... <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> </ol>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) & login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

**Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

- Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details

**A. User ID:**

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

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

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

*\*Shareholders holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above*

*\*Shareholders holding shares in **NSDL form**, shall provide ‘D’ above*

- ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
- ▶ Click “confirm” (Your password is now generated).

- Click on ‘Login’ under ‘**SHARE HOLDER**’ tab.

- Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘**Submit**’.

**Cast your vote electronically:**

- After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.
- E-voting page will appear.
- Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
- After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.

**Guidelines for Institutional shareholders:**

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

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000

Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
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**Individual Shareholders holding securities in Physical mode has forgotten the password:**

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

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

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

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

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

By Order of the Board of Directors,

**Registered Office:**

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

Place : Vallabh Vidyanagar

Date : 24<sup>th</sup> April, 2023

**Rikenkumar Dalwadi**  
Company Secretary

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES Act, 2013****Item No. 4**

Shri Venkatraman Srinivasan (DIN 00246012) holds a Bachelor's Degree in Commerce from the University of Bombay and is a Fellow Member of the Institute of Chartered Accountants of India since 1981. He is a partner in M/s. V. Sankar Aiyar & Co., Chartered Accountants, since 1984. He is engaged in audit & assurance practice and direct tax & corporate advisory services since 1984, specializing in statutory audits of banks, mutual funds and financial companies, public sector companies, and advisory in the areas of direct tax, company law, competition law, the Foreign Exchange Management Act (FEMA) and Securities and Exchange Board of India (SEBI) matters.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the Act) and applicable rules made thereunder and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015, the Board has, appointed Shri Venkatraman Srinivasan (DIN 00246012) as an Additional Director (Non-Executive Independent Director) with effect from 24<sup>th</sup> April, 2023.

The Nomination & Remuneration Committee at its meeting held on 24<sup>th</sup> April, 2023 has recommended and the Board at its meeting held on 24<sup>th</sup> April, 2023 has approved the appointment of Shri Venkatraman Srinivasan as an Independent Director as per the letter of appointment for a period of five (5) years with effect from 24<sup>th</sup> April, 2023, subject to approval of members.

Shri Venkatraman Srinivasan has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. In the opinion of the Board, he fulfills the conditions specified in the Act and the rules framed thereunder for appointment as an Independent Director and he is independent of the Management.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, his appointment as a Non-Executive Independent Director is now being placed before the Members for their approval. The terms and conditions of the appointment of Shri Venkatraman Srinivasan as an Independent Director of the Company shall be opened for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Sundays between 10.00 a.m. to 12.00 noon and on the website of the Company. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Except Shri Venkatraman Srinivasan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 4.

A brief profile of Shri Venkatraman Srinivasan is attached to this notice.

**Item No.5**

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that all related party transactions shall require approval of the Audit Committee and all material related party transactions require approval of the shareholders through an Ordinary Resolution. A transaction with a related party shall be considered material, if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year exceed ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. Section 188 of the Companies Act, 2013 deals with Related Party Transactions and sub-section (1) of the Section 188 of the Companies Act, 2013 provides that nothing in this sub section shall apply to any transaction entered into by the Company in its ordinary course of business and at arm's length basis. All the related party transactions entered/proposed to be entered into are in the ordinary course of business and at arm's length basis.

Approval of Material Related Party Transactions under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Background, details and benefits of the proposed Material Related Party Transactions by the Company** with Emtici Marketing LLP is Related Parties as defined under Section 2 (76) of the Companies Act, 2013 and/ or under applicable accounting standards.

**Emtici Marketing LLP**

Your Company has transactions with Emtici Marketing LLP, related party, which are of value exceeding 10% of the Annual Turnover of the Company as per the Last Audited Financial Statement of the Company, being the threshold limit for Material Related Party Transactions under the SEBI (LODR) Regulations, 2015, your approval is being sought for the financial year 2023-24. The proposed value of the transactions with Emtici Marketing LLP is estimated to be ₹ 20 Crore and a specific detail as required for Material Related Party Transaction with Emtici Marketing LLP is provided at Annexure A to the Notice.

Hence, the transactions are required to be approved by the shareholders. These transactions are in the ordinary course of business of the Company and on arm's length

basis. Prior approval of the Audit Committee has been received for the same.

The Board of Directors recommends passing of the resolution as set out at Item No. 5 of this Notice as an Ordinary Resolution.

Pursuant to SEBI (LODR) Regulations, 2015, all the related parties i.e. all entities falling under definition of related parties as per Regulation 2(1)(zb) of the SEBI (LODR) Regulations, 2015, whether the entity is a related party in the context of the proposed transaction(s) or not, would not be eligible to vote (in favour) on the Item No. 5.

Shri Prayasvin B. Patel, Executive Director and Shri Pradip M. Patel, Director are interested in the resolution. None of the other directors and any other Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the Resolution set out in 5.

#### Item No. 6

The Board of Directors at its meeting held on 24th April, 2023, upon the recommendation of the Audit Committee, approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2024 as per the following details:

Sr. No.	Name of Cost Auditor	Industry	Audit Fees
1.	M/s. Diwanji & Co.	Engineering	₹ 55,000/- Plus Govt. Levies/Taxes as applicable and out of pocket expenses at actual.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (as amended from time to time) the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year ending on 31st March, 2024, as set out in the Ordinary Resolution for the aforesaid services to be rendered by them.

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

The Board of Directors recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

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

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

**Item No. 3**

<b>Name of Director</b>	<b>Shri Prayasvin B. Patel</b>
Director Identification Number	00037394
Date of Birth	03-04-1958
Date of Appointment	09-11-2016
Nationality	Indian
Qualifications	B.E. (Mech.), M.B.A. (USA)
Experience (including expertise in specific functional area) / Brief Resume	Shri Prayasvin B. Patel has more than 47 years of experience in Engineering Industry. Presently, He is a Chairman and Managing Director of Elecon Engineering Company Limited with vast knowledge in material handling equipments, earth moving equipments and Gears.
Terms and Conditions of Appointment / Re-appointment	As per the resolution set out in this notice
Details of remuneration sought to be paid	As per the Nomination and Remuneration Policy of the Company.
Details of remuneration last drawn	For remuneration details, please refer to the Board's Report.
Number of equity shares held in the Company	17796
No. of Board Meetings attended	4 out of 4
List of Directorships held in other Companies	<ul style="list-style-type: none"> <li>- Elecon Engineering Co. Ltd.</li> <li>- Emtici Engineering Ltd.</li> <li>- Prayas Engineering Ltd.</li> <li>- Elecon Peripherals Ltd.</li> <li>- Elecon Information Technology Ltd.</li> <li>- Akaaish Mechatronics Ltd.</li> <li>- Eimco Elecon Electricals Ltd.</li> <li>- Kirloskar Power Build Gears Ltd.</li> <li>- K. B. Investments Pvt. Ltd.</li> <li>- Tech Elecon Pvt. Ltd.</li> <li>- Akaaish Investments Pvt. Ltd.</li> <li>- Power Build Pvt. Ltd.</li> <li>- Elecon Hydraulics Pvt. Ltd.</li> <li>- Vijay M. Mistry Construction Pvt. Ltd.</li> <li>- Modsonic Instruments Manufacturing Co. Pvt. Ltd.</li> </ul>
Chairman/Membership of the Audit Committee and Stakeholders' Relationship Committee in other Listed Companies in which he is Director	NIL
Relationship with other Directors / Key Managerial Personnel	Sister of Shri Prayasvin B. Patel, Executive Director has married to Shri Pradip M. Patel

## Item No. 4

<b>Name of Director</b>	<b>Shri Venkatraman Srinivasan</b>
Director Identification Number	00246012
Date of Birth	09-03-1959
Date of Appointment	24-04-2023
Nationality	Indian
Qualifications	Graduate in Commerce, Fellow Member of the ICAI
Experience (including expertise in specific functional area) / Brief Resume	He is a partner in M/s. V. Sankar Aiyar & Co., Chartered Accountants, since 1984. He is engaged in audit & assurance practice and direct tax & corporate advisory services since 1984, specializing in statutory audits of banks, mutual funds and financial companies, public sector companies, and advisory in the areas of direct tax, company law, competition law, the Foreign Exchange Management Act (FEMA) and Securities and Exchange Board of India (SEBI) matters.
Terms and Conditions of Appointment / Re-appointment	As per the resolution set out in this notice
Details of remuneration sought to be paid	-
Details of remuneration last drawn (during the Financial Year 2022-23)	-
Number of equity shares held in the Company	-
No. of Board Meetings attended	-
List of Directorships held in other Companies	<b>HDB Financial Services Limited</b> - Audit Committee (Chairman) <b>Mahanagar Gas Limited</b> - Audit Committee (Chairman) - Stakeholders' Relationship Committee (Member) <b>Fairchem Organics Limited</b> - Audit Committee (Member) - Stakeholders' Relationship Committee (Member) <b>Tata Coffee Limited</b> - Audit Committee (Chairman)
Chairman/Membership of the Audit Committee and Stakeholders' Relationship Committee in other Listed Companies in which he is Director	NIL
Relationship with other Directors / Key Managerial Personnel	He is not related to any other directors of the Company.

By Order of the Board of Directors,

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

Place : Vallabh Vidyanagar

Date : 24<sup>th</sup> April, 2023**Rikenkumar Dalwadi**  
Company Secretary



**Annexure A****Item No. 5**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
<b>1</b>	<b>Name of Related Party</b>	<b>Emtici Marketing LLP</b>
<b>2</b>	Nature of relationship	<b>Group Company</b>
<b>3</b>	Nature and Material Terms of Contract	Commission payment as per Dealership Agreement
		Purchase of Goods or Materials
		Rendering Services
		Availing Services
		Material terms and conditions are based on the agreement/contract which includes the commercial terms which are market linked.
<b>4</b>	Whether in Ordinary Course of Business	<b>Yes</b>
<b>5</b>	Whether at Arm's Length basis	<b>Yes</b>
<b>6</b>	Expected value of approval being sought	<b>₹ 20 Crore</b>
<b>7</b>	Justification as to how these RPTs is in the interest of the Company	These transactions are in the ordinary course of business and commercially beneficial to the Company. These are essential for the Company to achieve its sales.
<b>8</b>	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction.	11.6% of the turnover of the preceding financial year.
<b>9</b>	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary: i) details of the source of funds in connection with the proposed transaction; ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, nature of indebtedness; cost of funds; and tenure; iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not Applicable

By Order of the Board of Directors,

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

Place : Vallabh Vidyanagar

Date : 24<sup>th</sup> April, 2023**Rikenkumar Dalwadi**  
Company Secretary

## BOARD'S REPORT

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

The Directors take pleasure in presenting the 49<sup>th</sup> Annual Report together with the Audited Financial Statements for the Financial Year ended on 31<sup>st</sup> March, 2023.

### 1. HIGHLIGHTS OF PERFORMANCE

Total Revenue for the year increased to ₹ 17,269.70 Lakh as compared to ₹ 8,444.37 Lakh in the previous year. Profit Before Tax for the year was ₹ 2,648.62 Lakh as compared to ₹ 987.69 Lakh in the previous year. Profit After Tax for the year was ₹ 2,086.75 Lakh as compared to ₹ 851.94 Lakh in the previous year.

### 2. FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Revenue from Operations	17,269.70	8,444.37	17,269.70	8,444.37
Other Income	1,048.61	918.21	905.81	918.21
<b>Total Income from Operations</b>	<b>18,318.31</b>	<b>9,362.58</b>	<b>18,175.51</b>	<b>9,362.58</b>
<b>Profit Before Tax</b>	<b>2,648.62</b>	<b>987.70</b>	<b>2514.36</b>	<b>1,003.54</b>
Tax Expenses	561.87	135.75	561.87	135.75
Share in Profit of Associates	-	-	8.54	15.84
<b>Profit for the Year</b>	<b>2,086.75</b>	<b>851.95</b>	<b>1,952.49</b>	<b>867.79</b>
Other Comprehensive Income	(19.19)	(26.49)	(19.19)	(26.49)
<b>Total Comprehensive Income for the year</b>	<b>2,067.56</b>	<b>825.46</b>	<b>1,933.30</b>	<b>841.30</b>
Equity Reserves	34,309.89	32,386.53	34,496.28	32,707.19

### 3. DIVIDEND

Your directors recommend for your consideration a dividend of 50% i.e. ₹5/- per share on 57,68,385 equity shares of ₹10/- each for the year ended on 31<sup>st</sup> March, 2023 (Previous Year ₹2.5/- per share on 57,68,385 equity shares of ₹10/- each). Dividend is subject to approval of members at the ensuing Annual General Meeting (AGM) and shall be subject to deduction of income tax at source.

The Dividend Distribution Policy is available on the Company's website [www.eimcoelecon.in](http://www.eimcoelecon.in).

During the year, the unclaimed dividend pertaining to the Financial Year 2014-15 has been transferred to the Investor Education & Protection Fund.

### 4. TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profit for the Financial Year 2022-23 in the Statement of Profit & Loss.

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

The Company has neither subsidiary nor Joint Venture Company.

#### Associate Company :

##### Eimco Elecon Electricals Limited

Your Company holds 47.62% of the Equity Shares of Eimco Elecon Electricals Limited. The profit of the Associate for the Financial Year ended on 31<sup>st</sup> March, 2023 was ₹ 8.54 Lakh as against profit of ₹15.84 Lakh for the previous year.

#### Consolidated Financial Statements

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

### 6. SHARE CAPITAL

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2023 was ₹576.84 Lakh. During the year under review, the Company has neither issued shares with differential voting rights nor granted stock options or sweat equity.

### 7. FINANCE

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

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

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

### 9. FIXED DEPOSITS

The Company has not accepted any deposit from



public falling within the ambit of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014. There are no unpaid / unclaimed deposits as on 31<sup>st</sup> March, 2023.

## 10. DIRECTORS

### **Resignation by Independent Directors**

Shri Nalin M. Shah, Independent Director, ceased to be a director of the Company w.e.f. 25<sup>th</sup> January, 2023. The Board placed on record their appreciation for the assistance and guidance provided by Shri Nalin M. Shah during his tenure as Non-Executive Independent Director of the Company.

### **Director Retiring by Rotation**

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

### **Appointment of Independent Directors**

Shri Venkatraman Srinivasan (DIN: 00246012) was appointed as an Additional Non-Executive Independent Director of the Company for a period of 5 years with effect from 24<sup>th</sup> April, 2023, subject to approval of the members at the 49<sup>th</sup> Annual General Meeting of the Company. He holds a Bachelor's Degree in Commerce from the University of Bombay and is a Fellow Member of the Institute of Chartered Accountants of India since 1981. He has more than 36 years of rich experience in Finance, Accounts, Governance and Corporate Laws.

In the opinion of the Board, he is well versed in the fields of accountancy, finance, risk management, insurance, governance and corporate laws etc., who brings a wealth of experience and financial acumen to the Eimco's Board and his vast experience in the realm of various fields will be beneficial to the Company. Further, he possesses relevant proficiency which will bring tremendous value to the Board and to the Company. The Board recommends his appointment to the shareholders. The notice convening the 49<sup>th</sup> AGM forming part to this annual report sets out the details.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Regulation 16(1) (b) and other applicable regulations of the Listing Regulations, an Independent Director shall hold office for a term of five consecutive years and not be liable to retire by rotation. Accordingly, Shri Venkatraman

Srinivasan (DIN: 00246012) shall be appointed as an Independent Director to hold office for a term of five consecutive years from the date of 24<sup>th</sup> April, 2024 subject to approval of the members at the ensuing 49<sup>th</sup> Annual General Meeting of the Company and shall not be liable to retire by rotation.

Members' approval for his appointment as an Independent Director, under Sections 149 and 152 of the Companies Act, 2013 and under Listing Regulations has been sought in the Notice convening the 49<sup>th</sup> Annual General Meeting of the Company.

### **Independent Directors**

The Independent Directors met on 2nd March, 2023 without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors and Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### **Statutory Declarations/Disclosures by Directors**

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

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

## 11. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the frame work of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory, cost and secretarial auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year ended on 31<sup>st</sup> March, 2023. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, based on the above and

the representations received from the Operating Management, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom;
- (ii) They have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2023 and of the profit of the Company for the year ended on that date;
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the annual accounts on a going concern basis;
- (v) They have laid internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the year ended on 31<sup>st</sup> March, 2023; and
- (vi) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended on 31<sup>st</sup> March, 2023.

## 12. KEY MANAGERIAL PERSONNEL (KMP)

As on 31<sup>st</sup> March, 2023, Shri Mukulnarayan Dwivedi, Executive Director; Shri Vishal C. Begwani, Chief Financial Officer and Shri Rikenkumar Dalwadi, Company Secretary are designated as KMP of the Company.

## 13. COMMITTEES OF THE BOARD

The Board of Directors have the following Committees:

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

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

## 14. BOARD EVALUATION

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

## 15. REMUNERATION POLICY

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

## 16. NUMBER OF MEETINGS OF THE BOARD

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

## 17. RELATED PARTY TRANSACTIONS

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

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

The Form No. AOC-2 envisages disclosure of material contracts or arrangement or transaction at arm's length basis is annexed with as **Annexure '1'**.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. The weblink of the policy is [https://eimcoelecon.in/wp-content/uploads/2022/08/7\\_g\\_EIMCO-ELECON\\_RPT-Policy\\_31012022.pdf](https://eimcoelecon.in/wp-content/uploads/2022/08/7_g_EIMCO-ELECON_RPT-Policy_31012022.pdf).

#### **18. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

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

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

#### **20. MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

#### **21. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

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

#### **22. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has established Vigil Mechanism system and framed Whistle Blower Policy. Whistle Blower Policy is disclosed on the website of the Company at following web-link- [https://eimcoelecon.in/wp-content/uploads/2023/01/The-Whistle-Blower-Policy\\_30012023.pdf](https://eimcoelecon.in/wp-content/uploads/2023/01/The-Whistle-Blower-Policy_30012023.pdf).

#### **23. CORPORATE GOVERNANCE**

Your Company has always striven to incorporate appropriate standards for good Corporate Governance. It has taken adequate steps to ensure that the provisions of Corporate Governance as prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 are complied with. A detailed report on Corporate Governance is appearing as **Annexure 'C'** to this Report along with the Auditors' Certificate on its compliance by the Company.

#### **24. PARTICULARS OF EMPLOYEES**

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

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

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

**26. STATUTORY AUDITORS**

Messrs K. C. Mehta & Co LLP, Chartered Accountants, Vadodara were appointed as the Statutory Auditors of the Company for a period of 5 (five) consecutive years at the 48th Annual General Meeting of the Company.

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

**27. COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its activity are required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed Messrs Diwanji & Co., Cost Accountants, to audit the cost accounts of the Company for the financial year ending 31<sup>st</sup> March, 2024 on a remuneration of ₹ 55,000/- plus taxes as applicable and out of pocket expenses. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to Messrs Diwanji & Co., Cost Accountants, the Cost Auditors is included at Item No. 6 of the Notice convening the Annual General Meeting.

**28. SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs D. G. Bhimani & Associates a firm of Company Secretary in Practice to undertake the Secretarial Audit of the Company for the Financial Year 2022-23. The Report on the Secretarial Audit carried out by the Secretarial Auditor during the Financial Year 2022-23 is annexed herewith as **Annexure 'F'**. There is no secretarial audit qualification for the year under review.

Further, your Directors have on the recommendation of the Audit Committee appointed M/s. J. J. Gandhi & Co., Vadodara, Practicing Company Secretary, as a Secretarial Auditors of the Company to undertake the Secretarial Audit of the Company and provide Annual Secretarial Compliance Report for the Financial Year 2023-24

**29. ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on 31<sup>st</sup> March, 2023 is available on the Company's website <https://eimcoelecon.in/annual-return-as-provided-under-section-92-of-the-companies-act-2013/>.

**30. INSURANCE**

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

**31. REPORTING OF FRAUDS**

No fraud has been reported by the Auditors to the Audit Committee or the Board.

**32. RISK MANAGEMENT**

The Company operates in a competitive environment and is generally exposed to various risks at different times such as technological risks, business risks, operational risks, financial risks etc. The Company has a system based approach to business risk management backed by strong internal control systems. A range of responsibilities from strategy to the operations is specified. A strong independent internal audit function at the corporate level carries out risk focused audits across all businesses enabling identification of areas where risk managements processes may need to be improved. The Management prepares the Risk Register which is reviewed by the Audit Committee and the Board of the Company.

The Board reviews internal audit findings and provides strategic guidance on internal control, monitors internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented. The combination of policies and procedures adequately addresses the various risks associated with your company's businesses.

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

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



The following is a summary of sexual harassment complaints received and disposed-off during the year 2022-23:

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

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

**34. INDUSTRIAL RELATIONS/PERSONNEL**

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

**35. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

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

**36. MATERIAL CHANGES AND COMMITMENTS**

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

**37. APPLICATION MADE OR PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

During the financial period under review, no application was made under the Insolvency and Bankruptcy Code, 2016 ("IBC 2016") by the

Company. No proceedings are pending under IBC 2016 against the Company.

**38. PARTICULARS OF VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS**

During the financial period under review, there were no instances of any one-time settlement against loans taken from Banks or Financial Institutions.

**39. CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of business during the year under review.

**40. COMPLIANCE OF SECRETARIAL STANDARDS**

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

**41. ACKNOWLEDGEMENT**

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

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

**For and on behalf of the Board of Directors,**

**Mukulnarayan Dwivedi**  
Executive Director  
DIN : 08442155

**Prayasvin B. Patel**  
Executive Director  
DIN : 00037394

Place : Vallabh Vidyanagar

Date: 24<sup>th</sup> April, 2023

**ANNEXURE '1' TO BOARD'S REPORT - ITEM NO. 17**

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

**Form No. AOC-2: Material Related Party Transaction**

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014].

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

**Details of material contracts or arrangement or transactions at arm's length basis during the year ended on 31st March, 2023:**

Not Applicable.

**Details of material contracts or arrangement or transactions at arm's length basis during the year ended on 31st March, 2023:**

Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are required to be disclosed in Form AOC-2. The Form AOC – 2 envisages disclosure of material contracts or arrangements or transactions at arm's length basis. The details herein are as per the policy on dealing with related party transactions adopted by the Company.

Name of related party & Nature of Contract	Nature of relationship	Duration of contract	Salient terms	( ₹ in Lakh)
Emtici Marketing LLP Sales Commission	Related party of the Company u/s 2(76) read with Section 188 of the Companies Act, 2013	1 year w.e.f. 1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023.	Material terms and conditions are based on the agreement/ contract which inter-alia includes the commercial terms which are market linked.	1416.21
Emtici Marketing LLP Purchase of Goods or Materials				26.42
Emtici Marketing LLP Sale of Goods or Materials				0.72

**Note:**

- Amount paid as advances, if any: Nil
- The contracts / arrangement to be entered with EMTICI Marketing LLP by the Company were approved by Board of Directors on 29<sup>th</sup> April, 2022 and by the members of the Company at its 48<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> June, 2022.
- The amount is exclusive of tax.

**For and on behalf of the Board of Directors,**

**Mukulnarayan Dwivedi**  
Executive Director  
DIN : 08442155

**Prayasvin B. Patel**  
Executive Director  
DIN : 00037394

Place : Vallabh Vidyanagar  
Date: 24<sup>th</sup> April, 2023



**ANNEXURE - 'A' TO BOARD'S REPORT - ITEM NO.18****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES****1. Brief outline on CSR Policy of the Company:**

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

**2. Composition of the CSR Committee:**

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

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

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

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).**

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

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1.	Prior to 2022-23	2.41	2.41
	<b>Total</b>	<b>2.41</b>	<b>2.41</b>

**6. Average net profit of the company as per section 135(5): ₹ 352.14 Lakh****7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 7.04 Lakh**

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

(c) Amount required to be set off for the financial year, if any: ₹ 2.41 Lakh

(d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 4.63 Lakh

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

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

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

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

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
1	Provide support for Health treatment	Clause (i)	Yes	Gujarat	Anand	4.63	No	B. I. Patel Charitable Trust	CSR00004791
<b>Total</b>						<b>4.63</b>			

(d) Amount spent in Administrative Overheads: ₹ Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 4.63 Lakh

(g) Excess amount for set off, if any

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

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

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

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

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed / Ongoing
1	Not Applicable							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

(a) Date of creation or acquisition of the capital asset(s) : NA

(b) Amount of CSR spent for creation or acquisition of capital asset : NA

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

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):  
The Company has completed spending its CSR obligation in full for the financial year 2022-23.

**Mukulnarayan Dwivedi**  
Executive Director  
DIN : 08442155

**Prayasvin B. Patel**  
Executive Director  
DIN : 00037394

**Pradip M. Patel**  
Chairman of  
CSR Committee  
DIN : 00012138

Place : Vallabh Vidyanagar

Date : 24<sup>th</sup> April, 2023

## Management's Discussion and Analysis

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

#### INDUSTRY STRUCTURE AND DEVELOPMENT

##### INDUSTRY STRUCTURE AND DEVELOPMENTS :

##### COAL / METAL INDUSTRY

This FY 2022-23, Coal India Limited the largest coal producer in India, could increase their production over 13 percent (to 703 MT against 622 MT in 2021-22). On the other hand Singareni Collieries Company Limited's annual production improved marginally over the last FY to 67 MT against 65 MT. Captive and commercial coal blocks produced 121 MT as against 91 MT last FY.

For the FY 2022-23, total coal and coke imports increased by around 6 percent over last FY. Thermal coal imports were driven by an upstick in demand from utilities as power demand surged due to a resurgence in industrial activities following the easing of covid related restrictions.

However to reduce coal import bill the Coal mining industry needs to enhance its capacity rapidly. In fact the captive coal blocks already allocated were also taken at unreasonably high price and therefore, they are either not working or working at the lowest possible capacities.

In 2019, our Parliament passed a bill that removed end-use restrictions for participating in coal mine auctions and open up the coal sector fully for commercial mining by domestic and global companies. The government offered major rebates on revenue share to winners of commercial coal block auctions in order to draw investments from local and global miners. So far 87 coal blocks have been successfully auctioned with peak rated capacity of 220 MT / year. Out of these 49 have been actually allocated so far (till 31.03.2023). Further, 106 coal blocks have been identified for next round of auctions.

##### **OPPORTUNITIES AND THREATS :**

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

The renewable energy uses and alternate fuels are growing in India but the demand increase in power sector is much higher to be compensated by them only. The use of electrical automotive may further accelerate the demand for coal. Our steel sector also has more growth potentials and the coal demand for them also will be in the rising trend.

##### **FUTURE SCENARIO:**

Coal is the largest source of electricity in the India. Thermal power plants generate 70% of India's electricity. This, combined with the growth of coal-consuming industrial sectors like steel, is why the solid fuel source will continue to be integral to India's economy in the next couple of decades. This is despite the government's ambitious plans to increase generation of renewable energy.

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

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

There has been considerable increase in overall coal production in Coal India Limited and The Singareni Collieries Company Limited. Also, there has been steady increase in production from blast free technology in underground coal mining. Several tenders have been finalised/ to be finalised by the subsidiaries of Coal India Limited and several projects are in the pipeline.

##### **PRODUCT WISE PERFORMANCE :**

Intermediate technology continues to be the backbone of underground production with around 65 percent of the total underground production being met by SDLs and LHDs. Our indigenously developed CM package is under trial and will be established in the coming days. Our bigger size LHD of 7 Tone and 10 Tone capacities have been established successfully.

##### **CONSTRUCTION EQUIPMENT INDUSTRY**

The Government 'Vision Plan 2030' proposed an action plan to become a manufacturing and export hub for construction equipment and propel the development of world-class infrastructure in the country. The general atmosphere for infrastructural development in the country is conducive to growth in Construction & Mining activities.

The highly ambitious National Infrastructure Pipeline (NIP) with an investment lay-out of INR 111 Trillion for FY 2020-25 is a first-of-its-kind, whole-of-government exercise, to provide world-class infrastructure to citizens and improving their quality of life.

'Infrastructure & Investment' is one among 7 priorities named 'Saptrishi' in Union Budget 2023-24. A Big Pie of INR 75,000 Cr allocation for PM Gati Shakti Master Plan – multi-modal connectivity for the states with focus on Roads, Railways, Airports, Ports & Waterways, with 100 Critical Infrastructure Gap Projects in 2023-24 would provide tremendous push for infrastructure development in the country, which also will be the major growth drivers for construction equipment industry.

#### **FUTURE SCENARIO**

The Government of India has made infrastructure creation a major pillar for sustainable growth. The initiatives of the present Government in promoting domestic players through 'Make in India' initiatives has encouraged many domestic & international players to invest in Infrastructure Equipment Industry.

Your company has also taken the lead by manufacturing Piling Rig, which is a high end engineering product used for cast-in place piles, diaphragm walls & foundation reinforcement of buildings. These machines will find its market in all major Infrastructure Projects like Road or Railway Over Bridges, High Rise Buildings, Dams, Metros & other Infrastructure Structures. One of the company's recent products is the EC 216 Piling Rig, which is the first Indian-made completely indigenized Piling Rig under 'Make in India' in technical collaboration with CZM from USA. It has started showing signs of acceptability by Indian Market due to its better performance over its rivals. Your company is going to add more Models of Piling Rigs in the forthcoming/impending Financial Year to increase the Offered Product Bouquet to Indian Buyers.

#### **OPPORTUNITIES & THREATS**

With a focus on Infrastructure development to promote growth with increased fund allocation & accelerated pace of construction, there will be an opportunity for various construction equipment including Piling Rig. The technologically advanced Rig with unique features has started consolidating its market place in presently Imported Equipment Market. Product acceptability among the users will further consolidate our foot prints in the country.

A few local players are also planning to enter Piling Rig manufacturing which may lead to addition of competition in the field. With higher market reach, focused customer service & quality consciousness there will be a scope to strengthen our product positioning against competition.

#### **RISKS AND CONCERNS**

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

#### **INTERNAL CONTROL SYSTEM**

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

#### **DEVELOPMENTS ON HUMAN RESOURCE/ INDUSTRIAL RELATIONS FRONT**

The Company attaches utmost priority to human resource development with focus on regular upgradation of the knowledge and skills of all employees and equipping them with the necessary expertise to meet the challenges of change and growth successfully. The company continuously monitors its manpower requirement to ensure that it has adequate human skills commensurate with its needs. Industrial relations of the Company continue to be cordial. As on 31<sup>st</sup> March, 2023, there were 127 permanent employees on role of the Company.

#### **KEY FINANCIAL RATIOS**

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

No.	Ratio	2022-23	2021-22
i.	Debtors Turnover	3.71	1.65
ii.	Inventory Turnover Ratio	1.20	0.68
iii.	Interest Coverage Ratio	53.86	23.87
iv.	Current Ratio	4.42	7.69
v.	Debt Equity Ratio	0	0
vi.	Operating Margin	13.90%	12.10%
vii.	Net Profit Margin	11.39%	9.10%

The Annual Report has details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios as applicable, along with detailed explanations thereof is also part of this Annual Report.

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

Sales & Other income for the year ended 31<sup>st</sup> March, 2023 were ₹ 18,318.31 Lakh as compared to ₹ 9,362.58 Lakhs on 31<sup>st</sup> March, 2022. The net profit stood at ₹ 2,067.56 Lakhs (previous year ₹ 825.46 Lakhs).

#### **CAUTIONARY STATEMENT**

Statements in this report on describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are

based on certain assumptions and expectations of future events. Actual results could, however, differ materially from those expressed or implied.

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

**For and on behalf of the Board of Directors,**

**Mukulnarayan Dwivedi**

Executive Director

DIN : 08442155

**Prayasvin B. Patel**

Executive Director

DIN : 00037394

Place : Vallabh Vidyanagar

Date: 24<sup>th</sup> April, 2023



## Corporate Governance Report

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

#### A. MANDATORY REQUIREMENTS

##### Company's philosophy

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

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

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

##### Board of Directors (the Board)

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

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

Composition of the Board as on 31<sup>st</sup> March, 2023

Category	No. of Directors
Independent Directors	3
Executive Directors	2
Non-Executive Director	1
#Nominee Director	1
<b>Total</b>	<b>7</b>

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

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

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

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

the Board. He is a relative of Shri Prayasvin. B. Patel.

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

Shri Prayasvin B. Patel is one of the promoters of the Company and was re-appointed as Executive Director of the Company with effect from 9<sup>th</sup> November, 2021. He is MBA (USA) and the Chairman and Managing Director of Elecon Engineering Company Limited. He has more than 47 years of experience in top management. He is a relative of Shri Pradip M. Patel.

##### **Shri Nirmal P. Bhogilal, Independent Director (DIN : 00173168)**

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

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

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

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

Ms. Reena P. Bhagwati was appointed as an Independent Director with effect from 9<sup>th</sup> November, 2016. She is the Managing Director of Bhagwati Autocast Limited and has very vast experience in management field. She is MBA from USA. She is the Member of the Nomination & Remuneration Committee of the Board.

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

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

##### **Shri Mukulnarayan Dwivedi, Executive Director (DIN : 08442155)**

Shri Mukulnarayan Dwivedi was appointed as Executive Director and KMP w.e.f. 10<sup>th</sup> September, 2019 and holds Bachelor of Mechanical Engineering degree and having 35 years of experience in Mining and Mineral industries. He has worked in MOIL Limited; The Hutti Gold Mines Company Limited; Emtici Engineering Limited and Mcnally Sayaji Engineering Limited. He has been associated with Eimco Elecon (India) Limited since August-2016.

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

**Notes :**

- \* The Directorship held by the Directors, as mentioned above, excludes directorship in the Company, directorships in foreign companies, companies under Section 8 of the Companies Act, 2013 and private companies which are not the subsidiaries of Public Limited Companies.
- In above table, Membership / Chairmanship of two Committees only viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Companies have been considered for committee positions.

NED : Non-Executive Director

NI : Non-Independent

ED : Executive Director

ND : Nominee Director

I : Independent Director

CMD : Chairman & Managing Director

WTD : Whole-time Director

MD : Managing Director

- # Shri Nalin M. Shah resigned from the Board due to health reason w.e.f. 25<sup>th</sup> January, 2023.

- As on March 31, 2023, None of the Directors of the Company was related to each other except Shri Pradip M. Patel, who is Shri Prayasvin B. Patel's Sister's husband.

- As on March 31, 2023, the Non-Executive Directors hold equity shares of the Company are as follows :

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



## BOARD MEETINGS AND PROCEDURES

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

- i. The meetings are being convened by giving appropriate advance notice after obtaining the approval of the Chairman of the Board. Detailed agenda, management reports and other explanatory statements are circulated in advance amongst the members for facilitating meaningful, informed and focused decisions. To address specific urgent needs, meetings are also being called at shorter notice. The Board is also authorized to pass resolution by circulation for all such matters, which are of utmost urgent nature.
- ii. Where it is not practicable to attach any document or an agenda is of price sensitive in nature, the same is placed on the table with the approval of Chairman of the Board. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are permitted. Sensitive subject matters are discussed at the meeting without written materials being circulated.
- iii. The agenda papers are prepared by the Company Secretary and submitted to the Chairman for his approval. Duly approved agenda papers are circulated amongst the Board Members by the Company Secretary.
- iv. As per convenience of the Members of the Board and Committees, the Meetings are usually held at the Company's registered office at Vallabh Vidyanagar, Dist. Anand, Gujarat. Video Conferencing (VC)/ Other Audio Visual Means (OAVM) facilities are used as and when required to facilitate directors at other locations to participate in the meetings.
- v. The Members of the Board have complete access to all information of the Company. The Board is also free to recommend inclusion of any matter in agenda for discussion. Senior Management Officials are called to provide inputs to the items discussed by the Board as and when required.

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

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

### (C) Compliance

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

## BOARD MEETINGS

During the year 2022-23, four (4) Board Meetings were held i.e. on 29<sup>th</sup> April, 2022; 20<sup>th</sup> July, 2022; 2<sup>nd</sup> November, 2022 and 23<sup>rd</sup> January, 2023. The maximum gap between two consecutive meetings was as stipulated under Section 173(3) of the Companies Act, 2013 and Regulation 17(2) of the SEBI (LODR) Regulation, 2015. The necessary quorum was present in all the meetings. Leave of absence was granted to the concerned Directors who could not attend the respective Meetings.

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

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

# Shri Nalin M. Shah resigned from the Board due to health reason w.e.f. 25<sup>th</sup> January, 2023

### Resignation by Independent Directors

Shri Nalin M. Shah, Independent Director, ceased to be a director of the Company w.e.f. 25<sup>th</sup> January, 2023. The Board placed

on record their appreciation for the assistance and guidance provided by Shri Nalin M. Shah during his tenure as Non-Executive Independent Director of the Company.

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

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

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

**Appointment of Independent Directors**

Shri Venkatraman Srinivasan (DIN: 00246012) was appointed as an Additional Non-Executive Independent Director of the Company for a period of 5 years with effect from 24<sup>th</sup> April, 2023, subject to approval of the members at the 49<sup>th</sup> Annual General Meeting of the Company. He holds a Bachelor's Degree in Commerce from the University of Bombay and is a Fellow Member of the Institute of Chartered Accountants of India since 1981. He has more than 36 years of rich experience in Finance, Accounts, Governance and Corporate Laws.

In the opinion of the Board, he is well versed in the fields of accountancy, finance, risk management, insurance, governance and corporate laws etc., who brings a wealth of experience and financial acumen to the Eimco's Board and his vast experience in the realm of various fields will be beneficial to the Company. Further, he possesses relevant proficiency which will bring tremendous value to the Board and to the Company. The Board recommends his appointment to the shareholders.

The notice convening the 49<sup>th</sup> AGM forming part to this annual report sets out the details.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Regulation 16(1) (b) and other applicable regulations of the Listing Regulations, an Independent Director shall hold office for a term of five consecutive years and not be liable to retire by rotation. Accordingly, Shri Venkatraman Srinivasan (DIN: 00246012) shall be appointed as an Independent Director to hold office for a term of five consecutive years from the date of 24<sup>th</sup> April, 2024 subject to approval of the members at the ensuing 49<sup>th</sup> Annual General Meeting of the Company and shall not be liable to retire by rotation.

Members' approval for his appointment as an Independent Director, under Sections 149 and 152 of the Companies Act, 2013 and under Listing Regulations has been sought in the Notice convening the 49<sup>th</sup> Annual General Meeting of the Company.

**DECLARATION FROM THE INDEPENDENT DIRECTORS**

All Independent Directors of the Company have given declarations to the Company under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.

**Core Skills/ Expertise / Competencies available with Board**

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

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

## COMMITTEES OF THE BOARD

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

### AUDIT COMMITTEE

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

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and the Auditors Report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by the Management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditors' independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, including reporting structure coverage and frequency of internal audit;
14. Discussion with the internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.

22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

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

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

The composition of the Audit Committee is as under:

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

# Shri Nalin M. Shah resigned from the Board due to health reason w.e.f. 25th January, 2023, thus vacating the Committee and position as well. In the reconstitution of the Committee, Shri Nirmal P. Bhogilal is appointed as the Chairman of the Audit Committee w.e.f. 30th January, 2023.

Meetings and attendance during the year:

Members	Attendance at Committee Meeting held on			
	29 <sup>th</sup> April, 2022	20 <sup>th</sup> July, 2022	2 <sup>nd</sup> November, 2022	23 <sup>rd</sup> January, 2023
Shri Nirmal P. Bhogilal	No	Yes	Yes	Yes
Shri Pradip M. Patel	Yes	Yes	Yes	Yes
Smt. Manjuladevi P. Shroff	Yes	Yes	Yes	Yes
Shri Nalin M. Shah	Yes	Yes	Yes	No

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

#### **NOMINATION AND REMUNERATION COMMITTEE**

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

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

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;



- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates.
  - Formulation of criteria for evaluation of Independent Directors and the Board;
  - Devising a policy on Board diversity;
  - Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
  - whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
  - recommend to the Board, all remuneration, in whatever form, payable to senior management.

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

<b>Name of Members</b>	<b>Designation</b>	<b>Category</b>
Shri Nirmal P. Bhogilal	Chairman	NED(I)
Shri Pradip M. Patel	Member	NED(NI)
Ms. Reena P. Bhagwati*	Member	NED(I)
Shri Nalin M. Shah#	Member	NED(I)

# Shri Nalin M. Shah resigned from the Board due to health reason w.e.f. 25<sup>th</sup> January, 2023, thus vacating the Committee and position as well. In the reconstitution of the Committee, Shri Nirmal P. Bhogilal is appointed as the Chairman of the Nomination & Remuneration Committee w.e.f. 30<sup>th</sup> January, 2023.

\* Inducted in to the Committee w.e.f., 30<sup>th</sup> January, 2023.

Meetings and attendance during the year:

<b>Members</b>	<b>Attendance at Committee Meeting held on</b>
	<b>29<sup>th</sup> April, 2022</b>
Shri Nalin M. Shah	Yes
Shri Pradip M. Patel	Yes
Shri Nirmal Bhogilal	Yes
Ms. Reena P. Bhagwati	NA

The Company Secretary acts as the Secretary of the Committee.

#### **REMUNERATION POLICY**

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

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

<b>Name</b>	<b>Salary (₹)</b>	<b>Perquisites &amp; Retirement benefits</b>	<b>Commission Payable</b>	<b>Total (₹)</b>	<b>Period of contract</b>
Shri Prayasvin B. Patel, Executive Director	60,00,000	Perquisites & Retirement benefits as per terms of appointment and subject to overall ceiling of the Companies Act, 2013.	Nil	62,88,000	3 years from 9th November, 2021
Shri Mukulnarayan Dwivedi#	40,56,000		Nil	47,15,440	3 years from 10th September, 2022

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

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

Name	Sitting Fees for 2022-23		Commission on Annual basis for the year 2022-23	Total (₹)
	Board Meeting	Committee Meeting		
Shri Pradip M. Patel	1,20,000	1,42,000	3,00,000	5,62,000
Shri Prashant C. Amin	1,20,000	12,000	3,00,000	4,32,000
Shri Nalin M. Shah	90,000	1,06,000	3,00,000	4,96,000
Shri Nirmal P. Bhogilal	90,000	1,02,000	3,00,000	4,92,000
Smt. Manjuladevi P. Shroff	1,20,000	1,38,000	3,00,000	5,58,000
Ms. Reena P. Bhagwati	90,000	12,000	3,00,000	4,02,000

**Note:** The Commission related to Financial Year ended 31<sup>st</sup> March, 2023, will be paid after the Annual General Meeting to be held on 28<sup>th</sup> June, 2023.

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

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

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

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

Name of Members	Designation	Category
Shri Prashant C. Amin	Chairman	NED(ND)
Shri Pradip M. Patel	Member	NED(NI)
Mrs. Manjuladevi Shroff*	Member	NED (I)
Shri Nalin M. Shah#	Member	NED (I)

# Shri Nalin M. Shah resigned from the Board due to health reason w.e.f. 25<sup>th</sup> January, 2023, thus vacating the Committee and position as well.

\* Inducted into the Committee w.e.f., 30<sup>th</sup> January, 2023.

Meetings and attendance during the year:

Members	Attendance at Committee Meeting held on
	29 <sup>th</sup> April, 2022
Shri Prashant C. Amin	Yes
Shri Pradip M. Patel	Yes
Shri Nalin M. Shah	Yes
Mrs. Manjuladevi Shroff	NA

The Company Secretary acts as the Secretary of the Committee.

### CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee has been constituted as per Section 135 of the Companies Act, 2013 and rules made thereunder. The composition of the Corporate Social Responsibility Committee is as under:

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

Meetings and attendance during the year:

Members	Attendance at Committee Meeting held on 29 <sup>th</sup> April, 2022
Shri Pradip M. Patel	Yes
Shri Prashant C. Amin	Yes
Smt. Manjuladevi P. Shroff	Yes

The Company Secretary acts as a Secretary of the Committee.

### INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 2nd March, 2023, inter alia, to discuss: Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.

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

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

### PERFORMANCE EVALUATION

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

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

### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

## RELATED PARTY TRANSACTIONS

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

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

The Form No. AOC-2 envisages disclosure of material contracts or arrangement or transaction at arm's length basis is annexed with as **Annexure '1'**.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website at following link- [https://eimcoelecon.in/wp-content/uploads/2022/08/7\\_g\\_EIMCO-ELECON\\_RPT-Policy\\_31012022.pdf](https://eimcoelecon.in/wp-content/uploads/2022/08/7_g_EIMCO-ELECON_RPT-Policy_31012022.pdf).

## Compliance with Accounting Standards

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

## Internal Controls

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

## CODE OF CONDUCT

### i) For prevention of Insider Trading

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

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

The Board of Directors of the Company has laid down a "Code of Conduct" for all Board Members including Independent Directors and Members of Senior Management of the Company. The Code of Conduct is posted on the website of the Company [www.eimcoelecon.in](http://www.eimcoelecon.in). The Board Members (including Independent Directors) and Senior Management Personnel have affirmed compliance with the "Code of Conduct" for the year ended on 31<sup>st</sup> March, 2023.

## Declaration regarding affirmation of Code of Conduct

In terms of the requirement of the Schedule V of the SEBI (LODR) Regulations, 2015, this is to confirm that all the members of the Board and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2023.

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

The Weblink for the Whistle Blower is [https://eimcoelecon.in/wp-content/uploads/2023/01/The-Whistle-Blower-Policy\\_30012023.pdf](https://eimcoelecon.in/wp-content/uploads/2023/01/The-Whistle-Blower-Policy_30012023.pdf).



## General Body Meetings

### A. Annual General Meetings

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

Year	Venue	AGM	Date	Day	Time	No. of Special Resolution Passed
2021-22	Meeting conducted through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM") pursuant to MCA circulars	AGM	27.06.2022	Monday	03:00 p.m.	1
2020-21	Meeting conducted through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM") pursuant to MCA circulars	AGM	05.08.2021	Thursday	04:00 p.m.	1
2019-20	Meeting conducted through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM") pursuant to MCA circulars	AGM	10.08.2020	Monday	10:00 a.m.	1

### POSTAL BALLOT

The Company has not passed any resolution through postal ballot during the year 2022-23.

### PROCEDURE FOR POSTAL BALLOT

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

### CEO/CFO CERTIFICATION

The Executive Director/ CEO and the Chief Financial Officer of the Company have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the SEBI (LODR) Regulations, 2015 pertaining to CEO/CFO certification for the financial year ended on 31<sup>st</sup> March, 2023. The said certificate is part of the Annual Report.

### Means of Communication

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

**GENERAL SHAREHOLDER INFORMATION**

- i. **AGM – date, time and venue** Wednesday, 28<sup>th</sup> June, 2023 at 10:00 a.m. IST through Video Conferencing (“VC”) /Other Audio Visual Means (“OAVM”). The place of the meeting deemed to be at Registered Office of the Company at Vallabh Vidyanagar – 388120, Dist. Anand, Gujarat.
- ii. **Financial Year** 2022-23 (year ending on 31<sup>st</sup> March, 2023)
- iii. **Book Closure Date** Saturday, 17<sup>th</sup> June, 2023, to Wednesday, 28<sup>th</sup> June, 2023 (both days inclusive)
- iv. **Dividend Payment Date** Credit / Dispatch of Dividend Warrants / Demand Draft on/after Tuesday, 4<sup>th</sup> July, 2023 but within 30 days of AGM.

**v. Unclaimed Dividend :**

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

Financial Year	Date of Declaration	Date of Payment	Unclaimed Amount (₹)	Date on which dividend will become part of IEPF
2015-2016	25 <sup>th</sup> July, 2016	28 <sup>th</sup> July 2016	2,93,300.00	31 <sup>st</sup> August, 2023
2016-2017	2 <sup>nd</sup> August, 2017	4 <sup>th</sup> August 2017	3,17,155.00	7 <sup>th</sup> September, 2024
2017-2018	31 <sup>st</sup> July, 2018	3 <sup>rd</sup> August, 2018	1,90,825.00	5 <sup>th</sup> September, 2025
2018-2019	25 <sup>th</sup> July, 2019	29 <sup>th</sup> July, 2019	2,48,038.00	30 <sup>th</sup> August, 2026
2019-2020	10 <sup>th</sup> August, 2020	13 <sup>th</sup> August, 2020	1,91,929.00	16 <sup>th</sup> September, 2027
2020-2021	5 <sup>th</sup> August, 2021	12 <sup>th</sup> August, 2021	1,88,151.00	10 <sup>th</sup> September, 2028
2021-2022	27 <sup>th</sup> June, 2022	4 <sup>th</sup> July, 2022	1,00,349.00	2 <sup>nd</sup> August, 2029

**vi. Unclaimed Shares**

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

	Number of Shareholders	Number of Equity Shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 1 <sup>st</sup> April, 2022	1	50
Number of shareholders who approached the Company for transfer of shares from suspense account during the year.	NIL	NIL
Number of shareholders to whom shares were transferred from the suspense account during the year.	NIL	NIL
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 31 <sup>st</sup> March, 2023	1	50
That the voting rights on this shares shall remain frozen till the rightful owner of such shares claims the shares	1	50

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

During the Financial Year 2022-23, 18 numbers of shareholders holding 2,160 shares have been transferred to IEPF Authority. The Company in compliance with the aforesaid provisions and rules made thereunder, transferred total 32,593 number of equity shares of 304 folios of which dividend had remained unpaid or unclaimed for a period of seven consecutive years or more, to the demat account of IEPF Authority.

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

#### vii. Listing on Stock Exchanges

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

BSE Limited, P. J. Towers, 25<sup>th</sup> Floor, Dalal Street, Mumbai - 400 001.

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

The listing fees for the year 2022-23 for the above Stock Exchanges have been paid in time and the shares of the Company have been neither de-listed nor suspended from trading during the year under review.

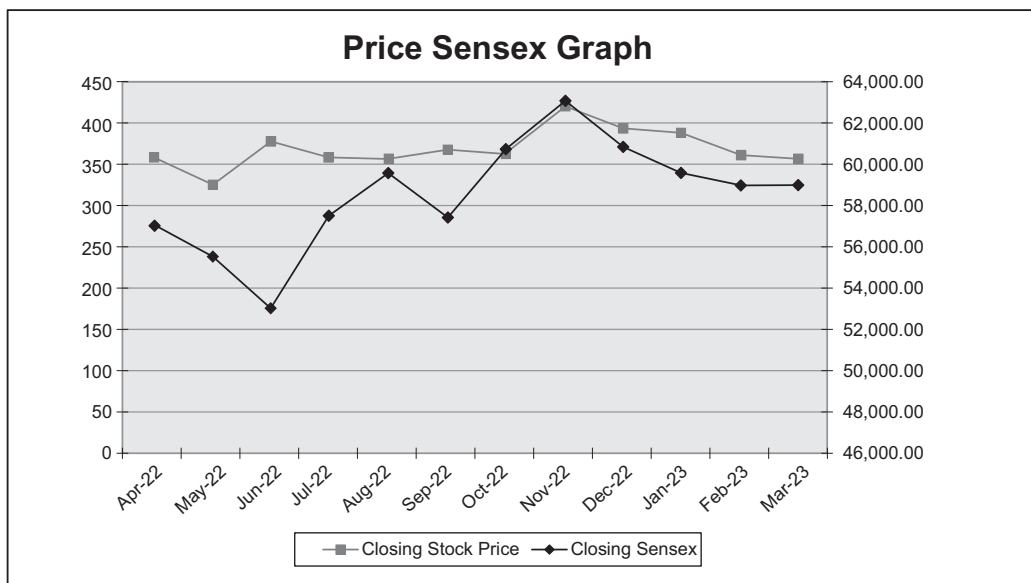
#### viii. Stock Code

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

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

#### ix. Stock Market Price Data

Months 2022-23	BSE Limited (BSE)			BSE Index		National Stock Exchange of India Limited (NSE)		
	High (₹)	Low (₹)	Volume (Nos.)	High	Low	High (₹)	Low (₹)	Volume (Nos.)
Apr-22	390.00	313.20	52,919	60,845.10	56,009.07	393.00	313.85	1,86,038
May-22	423.00	299.60	82,127	57,184.21	52,632.48	423.70	300.00	3,61,973
Jun-22	404.90	324.45	27,373	56,432.65	50,921.22	406.60	322.55	1,59,176
Jul-22	400.75	358.00	17,476	57,619.27	52,094.25	404.80	355.80	1,30,757
Aug-22	400.00	343.10	7,775	60,411.20	57,367.47	380.00	340.00	72,160
Sep-22	405.20	353.10	12,724	60,676.12	56,147.23	406.00	351.25	1,25,084
Oct-22	390.00	345.00	4,921	60,786.70	56,683.40	380.00	346.75	34,474
Nov-22	464.00	358.00	98,098	63,303.01	60,425.47	464.00	354.10	3,25,349
Dec-22	462.35	364.55	26,725	63,583.07	59,754.10	464.00	361.50	1,77,117
Jan-23	464.00	374.00	19,269	61,343.96	58,699.20	450.00	373.00	1,00,419
Feb-23	400.00	351.25	16,036	61,682.25	58,795.97	405.00	352.30	70,177
Mar-23	386.00	333.10	15,718	60,498.48	57,084.91	374.90	333.55	75,814

**x. Index graph**

**xi. Share Transfer System**

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

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

The below complaints were received from the SEBI SCORE by the Company during the Financial Year 2022-23

Complaints pending as on 1 <sup>st</sup> April, 2022	0
Complaints received during the year	0
Complaints resolved during the year	0
Complaints pending as on 31 <sup>st</sup> March, 2023	0

**xiii. Distribution of Shareholding as on 31<sup>st</sup> March, 2023:**

Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	7458	95.4930	630616	10.93
501-1000	174	2.2279	134680	2.33
1001-2000	91	1.1652	134108	2.32
2001-3000	31	0.3969	79175	1.37
3001-4000	14	0.1793	50029	0.87
4001-5000	13	0.1665	61256	1.06
5001-10000	13	0.1665	100882	1.75
10001 & above	16	0.2049	4577639	79.36
<b>Total</b>	<b>7810</b>	<b>100.00</b>	<b>5768385</b>	<b>100.00</b>

**xiv. Shareholding Pattern as on 31<sup>st</sup> March, 2023**

	Category	No. of Shares held	% of Shareholding
A.	Promoters' holding		
1.	- Indian Promoters	2817645	48.85
	- Foreign Promoters	1447875	25.10
2.	Persons acting in concert	6275	0.10
	<b>Sub-total (a)</b>	<b>4271795</b>	<b>74.05</b>
B.	Non-Promoters' Holding		
3.	Institutions		
a.	Mutual Funds / UTI	0	0.00
b.	Financial Institutions/ Banks	105	0.00
	<b>Sub-total (b)</b>	<b>105</b>	<b>0.00</b>
4.	Non-Institutions		
a.	Bodies Corporate	109362	1.90
b.	Indian Public	1239237	21.49
c.	Non-Resident Indians	38227	0.65
d.	HUF	76575	1.32
e.	IEPF Authority	32593	0.57
f.	Any Other	491	0.02
	<b>Sub-total (c)</b>	<b>1496485</b>	<b>25.95</b>
	<b>GRAND TOTAL (a+b+c)</b>	<b>5768385</b>	<b>100.00</b>

**xv. Dematerialization of shares and liquidity.**

As on 31st March, 2023, 57,07,134 shares have been dematerialized from representing 98.93% of total shares. The Company's shares are traded on BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

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

**Electronic Clearing Service**

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

**Service of documents through electronic mode**

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

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

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

**xviii. Address for correspondence:** As above

**xix. CREDIT RATING :**

CRISIL has given the credit rating of CRISILA-/Stable for long-term and CRISILA1 for short-term financial instruments of the Company.

**xx. Certificate from Company Secretary in Practice**

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

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

The details of number of complaints filed and disposed of during the year and pending as on 31<sup>st</sup> March, 2023 are given in the Boards' report.

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

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

**xxiv. Fees paid to Statutory Auditor:**

A total fee of ₹ 4.62 Lakh was paid by the Company, on a consolidated basis, for all services to K C Mehta & Co. LLP, Statutory Auditors and all entities in the network firm/ network entity of which they are part.

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

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

**xxvii. Name and Designation of the Compliance Officer:-**

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

**Shri Rikenkumar Dalwadi**  
**Company Secretary & Compliance Officer**

**Eimco Elecon (India) Limited**  
Vallabh Vidyanagar - 388 120  
Dist. Anand, Gujarat  
Tel. No.:- +91 2692 230602 / 230502  
Fax No.:- +91 2692 236506  
Email Address:- [investor@eimcoelecon.in](mailto:investor@eimcoelecon.in)

**Registrar & Share Transfer Agent**

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

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



## DISCLOSURES

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

### **Commodity price risk or foreign exchange risk and hedging activities**

The raw materials of the Company are subject to market rate fluctuations including raw materials prices and foreign exchange volatility. The Company has in place a risk management framework for identification, monitoring and mitigation of above market rate fluctuations by way of hedging instruments as well as pass through of the impact to the Customers.

The exposure to currency risk is explained in detail in the notes to the financial statements.

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

During the period under review, it is not applicable to the Company.

### **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'**

During the period under review, it is not applicable to the Company.

### **Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.**

During the period under review, it is not applicable to the Company.

The Company has complied with all the requirements as specified in the Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.

## B. NON-MANDATORY REQUIREMENTS

The status of adoption of the discretionary requirements as specified in sub - regulation 1 of Regulation 27 of the Listing Regulations are as follows:

### **1. The Board:**

The Company has a Non-Executive Chairman. He is entitled to maintain an office at the Company's expense and the Company reimburses the expenses incurred by the Chairman in the course of performance of his duties.

### **2. Shareholder Rights:**

Half-yearly and other quarterly financial results are published in newspapers. Quarterly results as approved by the Board are disseminated to BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) and uploaded on the website of the Company at [www.eimcoelecon.in](http://www.eimcoelecon.in).

### **3. Modified opinion(s) in audit report:**

The Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2023 are with unmodified audit opinion.

### **4. Reporting of Internal Auditor:**

The Internal Auditors of the Company are permanent invitees to the Audit Committee Meeting and regularly attend the meeting for reporting their findings of the internal audit to the Audit Committee Members.

For and on behalf of the Board of Directors,

**Mukulnarayan Dwivedi**  
*Executive Director*  
DIN : 08442155

**Prayasvin B. Patel**  
*Executive Director*  
DIN : 00037394

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

**Declaration regarding affirmation of Code of Conduct**

In terms of the requirement of the Schedule V of the SEBI (LODR) Regulations, 2015, this is to confirm that all the members of the Board and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended on 31<sup>st</sup> March, 2023.

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

**Mukulnarayan Dwivedi**  
*Executive Director*  
DIN : 08442155

**Prayasvin B. Patel**  
*Executive Director*  
DIN : 00037394





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

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

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

- (a) We have reviewed financial statements and cash flow statement for the financial year ended on 31<sup>st</sup> March, 2023 and that to the best of my knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended on 31<sup>st</sup> March, 2023, which are fraudulent, illegal or violative of the Company’s Code of Conduct or ethics policy.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we confirm that no deficiencies in the design or operation of such internal controls of which we are aware were noticed during the year.
- (d) We have indicated to the Auditors and the Audit Committee:-
  - (i) there are no significant changes in internal control over financial reporting during the financial year ended on 31<sup>st</sup> March, 2023;
  - (ii) there are no significant changes in accounting policies during the financial year ended on 31<sup>st</sup> March, 2023; and
  - (iii) there are no instances of significant fraud of which the Management have become aware and the involvement, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

**For Eimco Elecon (India) Limited**

**Mukulnarayan Dwivedi**  
*Executive Director*  
DIN : 08442155

**Vishal C. Begwani**  
*Chief Financial Officer*

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

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

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

Place : Anand  
Date : 17<sup>th</sup> April, 2023  
UDIN : F008064E000115732

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



## **CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

*(Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

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

I, Chirag Rathod, Proprietor, Rathod & Co., Practicing Company Secretary, have examined the compliance of conditions of Corporate Governance by **Eimco Elecon (India) Limited** ('the Company') for the year ended on March 31, 2023, as stipulated in Chapter IV and referred in Regulation 15 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

For **RATHOD & CO.**  
*Practicing Company Secretaries*

**Chirag Vinodbhai Rathod**

Membership No. 54460

C.O.P. No. 20186

Peer Review Certificate No.: 1762/2022

UDIN : A054460E000179365

Place : Anand

Date : 24<sup>th</sup> April, 2023

**ANNEXURE – ‘D’ TO BOARD’S REPORT- ITEM NO. 24**

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

- i. Details of the top 10 employees of the Company in terms of remuneration drawn as required under with Section 134 of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial ended on March 31, 2023.

Sr. No.	Name	Age (Yrs.)	Qualification	Date of Joining	Designation	Nature of Duty	Remuneration (₹ in Lakhs)	Experience (Yrs.)	Last Employment
1.	Shri Prayasvin B. Patel	65	B. E. (Mech.) M.B.A. (U. S. A.)	09-11-2016	Executive Director	Contractual	62.88	47	Elecon Engg. Co. Ltd. (on going)
2.	Shri Mukul Dwivedi	56	B. E. (Mech.)	30-08-2016	Executive Director	Contractual	47.15	35	Mcnally Sayaji Engg. Ltd.
3.	Shri Vishal Chhattarsingh Begwani	39	CA	19-07-2021	CFO	Permanent	40.45	17	Larsen & Toubro Limited
4.	Shri Hitendra Shukla	56	B.E. (Mech.)	07-04-1990	VP (UGM)	Permanent	40.05	35	Power Build Pvt. Ltd.
5.	Shri Neeraj Bhatia	54	B.E. (Mech.) M.B.A. (Mkg.)	09-01-2012	GM, Construction	Permanent	39.84	32	Quippo Construction Equip. Ltd.
6.	Shri Veeresh G. Hondadakatti	56	B.E. (Mech.)	21-09-2017	Sr. Dy. General Manager	Permanent	32.25	32	Case New Holland Construction & Equipment Pvt. Ltd.
7.	Shri Ram Ramesh Kale	44	B.E. (Mech.)	02-04-2022	Sr. Dy. General Manager	Permanent	29.67	20	JCB India Limited
8.	Shri Sharadkumar Maganlal Chavda	58	B.E. (Mech.)	09-09-1989	Sr. Dy. General Manager	Permanent	27.53	34	-
9.	Shri Gagan Deep Singh Rupaal	52	B.Sc., M.Sc., B.Tech (Mech.) M.Tech (Mech.)	10-08-2022	GM	Permanent	25.28	29	Jakson Limited
10.	Shri Manas Naishad Vora	34	M.Tech Auto Electrical	01-07-2022	Sr. Manager	Permanent	15.75	10	Mahindra & Mahindra Ltd.

**Notes:**

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

The percentage increase in remuneration of each Director, CFO & Company Secretary during the financial year 2022-23 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 are as under:

**Details of Remuneration of KMPs:-**

Sr. No.	Name	Designation	Remuneration p.a. (₹ in Lakhs)	% Increase in Remuneration in F.Y. 2022-23 over the F.Y. 2021-22	Ratio (Remuneration of KMP to Median Remuneration)
1.	Shri Mukulnarayan Dwivedi	ED	47.15	(31.63)	6.46
2.	Shri Vishal C. Begwani	CFO	40.44	#	5.54
3.	Shri Rikenkumar Dalwadi	CS	8.39	44.16	1.15

# Details not given as Shri Vishal C. Begwani appointed as CFO and KMP w.e.f. 1<sup>st</sup> October, 2021.

**Details of Remuneration of other Directors:-**

Sr. No.	Name of the Other Directors	Designation	Details of Remuneration	Remuneration p.a. for FY 2022-23 ₹	Remuneration p.a. for the FY 2021-22 ₹	% increase / decrease in Remuneration (in F.Y. 2022-23)	Ratio of Remuneration of each Director to Median Remuneration of Employee
1.	Shri Pradip M. Patel	Non-Independent	Sitting Fees	2,62,000	3,00,000	12.40	0.77
		NED	Commission	3,00,000	2,00,000		
2.	Shri Prashant C. Amin	Non-Independent	Sitting Fees	1,32,000	1,50,000	23.43	0.59
		NED	Commission	3,00,000	2,00,000		
3.	Shri Nalin M. Shah	Independent	Sitting Fees	1,96,000	3,06,000	(1.98)	0.68
		NED	Commission	3,00,000	2,00,000		
4.	Shri Nirmal P. Bhogilal	Independent	Sitting Fees	1,92,000	2,82,000	2.07	0.67
		NED	Commission	3,00,000	2,00,000		
5.	Smt. Manjuladevi P. Shroff	Independent	Sitting Fees	2,58,000	2,58,000	21.08	0.76
		NED	Commission	3,00,000	2,00,000		
6.	Ms. Reena P. Bhagwati	Independent	Sitting Fees	1,02,000	1,32,000	17.41	0.55
		NED	Commission	3,00,000	2,00,000		
7.	Shri Prayasvin B. Patel	Non-Independent	Remuneration	62,88,000	62,88,000	-	8.61
		ED	Commission	-	-		

- iii. The median remuneration of employees of the Company during the Financial Year was ₹ 7.30 Lakh.
- iv. In the Financial Year, there was increase of 11.84 % in the median remuneration of employees.
- v. There were 127 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2023.
- vi. There was an increase of 13% in average percentage salaries of employees other than the managerial personnel in the last Financial Year i.e. 2022-23 whereas the decrease in the managerial personnel remuneration for the same Financial Year was 16.54%.
- vii. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- viii. The Commission related to Financial Year ended 31<sup>st</sup> March, 2023, will be paid after the Annual General Meeting to be held on 28<sup>th</sup> June, 2023.

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

For and on behalf of the Board of Directors,

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

**Mukulnarayan Dwivedi**  
*Executive Director*  
DIN : 08442155

**Prayasvin B. Patel**  
*Executive Director*  
DIN : 00037394

## ANNEXURE – ‘E’ TO BOARD’S REPORT - ITEM NO. 25

Particulars required to be disclosed in the report of Board of Directors pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

### [A] Conservation of energy :

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

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

### [B] Technology absorption :

Form B (rule 2)

Research & Development (R & D)

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

1. **Benefit derived as a result of the above R & D:**  
R&D efforts have helped to bring out improvements in processes, new product design and operating efficiencies. Indigenous development & supply of the underground mining machinery saved the country a sizable amount of foreign exchange, besides availability of machines at shorter notice.
2. **Future plan of action:**  
Continuous measures are being taken to achieve indigenisation of machines and efforts are put to introduce new models suitable to Indian mining conditions.
3. **Expenditure:**

Capital	- Nil
Recurring	- 288.23 Lakhs
Total R & D expenditure	- 288.23 Lakhs
Percentage of total turnover	- 1.67%

### Technology absorption, adaptation & innovation:

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

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

2. Benefits derived as a result of above efforts:

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

3. Technology imported:

The Company had signed Consultancy Agreement in 2017 with Bormex Engineering, Criciuma SC Brazil for Continuous Miner Package.

The Company had also signed Collaboration Agreement in 2018 with CZM USA Corp. for Piling Rigs.

Technology for the aforesaid are being absorbed.

### [C] Foreign exchange earning & outgo:

1. During the year, the Company has exported goods worth ₹ 47 Lakhs and continues to make efforts to push up exports.
2. Foreign Exchange used & earned:

<u>Used</u>	<u>Earned</u>
₹ 2,125.11 Lakhs	₹ 47.00 Lakhs

For and on behalf of the Board of Directors,

**Mukulnarayan Dwivedi**  
Executive Director  
DIN : 08442155

**Prayasvin B. Patel**  
Executive Director  
DIN : 00037394

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

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

## Form No. MR - 3

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023**

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

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

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **EIMCO ELECON (INDIA) LIMITED** (CIN:L29199GJ1974PLC002574) (hereinafter called the Company). Secretarial Audit was conducted in accordance with the Guidance Notes issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 Complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and the other records maintained by **EIMCO ELECON (INDIA) LIMITED** for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings –  
**As informed to us, there were no FDI transaction**

in the Company during the year under review.

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Company has appointed SEBI registered Category-I Registrar and Share Transfer Agent.

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

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

**(vi) Other Applicable Acts**

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

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

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





- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

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

Place : Anand  
Date : 24<sup>th</sup> April, 2023  
UDIN : F008064E000182282

Adequate notice was given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

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

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

**ANNEXURE - A**

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Place : Anand  
Date : 24<sup>th</sup> April, 2023  
UDIN : F008064E000182282

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

## INDEPENDENT AUDITORS' REPORT

To,  
 The Members of **Eimco Elecon (India) Limited**  
**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying standalone financial statements of Eimco Elecon {India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made 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 audit opinion.

### **Key Audit Matters**

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

<b>KEY AUDIT MATTER</b>	<b>HOW OUR AUDIT ADDRESSED THE MATTER</b>
<p><b><u>Existence and valuation of investments</u></b>  <i>(Refer to note 6(a) to the standalone financial statements)</i>                      Total investments of ₹16,456.81 Lakhs represent 42.53% of total assets of the company. These investments mainly consist of current and non-current investments in mutual funds. Valuation of the investments is done at fair market value at each balance sheet date. Thus, being very high proportion of total assets of the company as well as high amount of gain or loss credited / debited to statement of profit and loss account, made us conclude that existence and valuation of investments are a key audit matter of our audit.</p>	<p>Our audit procedures to test the existence of the investments mainly consist of verifying quantity / unit balances and market values with demat statement / statements of respective assets management companies as well as verifying the relevant recording of gain or loss in value of respective investments at each balance sheet date.</p> <p>Based on the procedures described we consider the disclosure of investments value as current as well as non-current and recording of gain or loss on the same as acceptable.</p>

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE MATTER
<p><b><u>Litigations and claims</u></b> (Refer to note 29 to the standalone financial statements) The cases are pending with tax authorities like Income Tax and Excise. In normal course of business, financial exposures may arise from pending proceedings and from litigation and claims. Whether a claim needs to be recognised as liability or disclosed as contingent liability in the standalone financial statements is dependent on number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognised or disclosed in the standalone financial statements, is inherently subjective. We considered the above area as a key audit matter due to associated uncertainty related to the outcome of these matters and application of material judgement in interpretation of law.</p>	<p>Our audit procedures, inter alia, included the following:</p> <ul style="list-style-type: none"> <li>• Evaluation of management’s judgment of tax risks, estimates of tax exposures, other claims and contingencies. Past and current experience with the tax authorities and management’s response on the subject matter were used to assess the appropriateness of management’s best estimate of the most likely outcome of each uncertain contingent liability.</li> <li>• Understanding the current status of the tax assessments &amp; other litigations and discussing selected matters with the entity’s management.</li> <li>• Assessing the entity’s assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the standalone financial statements.</li> <li>• Assessment of the probability of negative result of litigation and the reliability of estimates of related obligations.</li> </ul> <p><b>Conclusion:</b> Based on procedure described above, we did not identify any material exceptions relating to management’s assertions, and treatment, presentation and disclosure of the subject matter in the standalone financial statements.</p>

**Information Other than the Standalone Financial Statements and Auditors’ Report Thereon**

The Company’s Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Board’s Report including Annexures to Board’s Report, Management Discussion and Analysis, Corporate Governance Report and Shareholder’s Information but does not include the standalone financial statements and our auditors’ report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

**Responsibilities of Management and Those Charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the 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 of the assets of the Company and for preventing and detecting frauds

and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

The comparative financial information included in these standalone financial statements, are based on the previously issued standalone financial statements for the year ended March 31, 2022 which were audited by the predecessor auditors who, vide their report dated April 29, 2022, expressed an unmodified opinion. Our Opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone financial statements comply with the Ind AS prescribed under Section 133 of the Act;
  - e. on the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
  - g. with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
  - h. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 29 to the standalone financial statements;
    - ii. the Company did not have any long-term contracts including derivative contracts as at March 31, 2023 for which there were any material foreseeable losses;
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to



- or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 11 to the standalone financial statements
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company from Financial Year beginning April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year 2022-2023.

**For K C Mehta & Co LLP**  
*Chartered Accountants*  
(Firm’s Registration No. 106237W/W100829)

**Neela R. Shah**  
*Partner*  
Membership No. 045027  
UDIN:- 23045027BGTEMB2564

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

**‘ANNEXURE – A’ TO THE INDEPENDENT AUDITORS’ REPORT**

The annexure referred to in our Independent Auditors' Report to the members of Eimco Elecon (India) Limited ("the Company") on the standalone financial statements for the year ended March 31, 2023, we report that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ("PPE") including Investment Property.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) As explained to us, the Company has a regular program of physical verification of PPE which, in our opinion is reasonable. The PPE which were to be covered as per the said program have been physically verified by the management during the year. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title/ lease deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
  - d) The Company has not revalued its PPE (including Right of Use Assets) or intangible assets or both during the year, and hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.
  - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a) In our opinion and according to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion the coverage and procedure of such verification by the management is appropriate and discrepancies noticed were not in excess of 10% or more in aggregate for each class of inventory and same have been properly dealt with in the books of account.
- b) According to the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the Company.
- iii. The Company has not made any investments, provided any guarantee or security, or granted any loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable to the Company.
- iv. The Company has not given any loans, investments, guarantees or security covered under Section 185 of the Act. In respect of the investments made, in our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act.
- v. According to the information and explanations given to us, the Company has not accepted or is not holding any deposit or amounts which are deemed to be deposits during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the order of the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employee's State Insurance, Income Tax, Sales



Tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it. Further, no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employee's state insurance, income tax, value added tax, cess and any other statutory dues were in arrears, as at March 31, 2023, for a period of more than six months from the date they become payable.

- (b) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no disputed statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes except the following:

Sr. No.	Name of the Statute (Nature of disputed dues)	Amount (₹ in Lakhs)	Period to which the amount Relates	Forum where pending
1.	Central Excise Act, 1944 (Excise Duty & Service Tax)	765.44	From 2006-07 to 2013-14	CESTAT, Ahmedabad
2	Income Tax Act, 1961 (Income Tax)	5.33	A.Y 2018-19	CIT Appeal

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowing or in the payment of interest to any lender during the year.
- b) According to the information and explanations given to us and on the basis of audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year, and hence reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have not been used during the year for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the records of the company, we report that the company has not taken any funds from any entity or person, and hence reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its associate company, and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year, and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally), and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) To the best of our knowledge and according to information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;
- (c) According to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year.
- xii. The Company is not a Nidhi company, and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the

records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Ind AS.

- xiv. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) as per section 135 of the Act read with rules made thereunder. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable for the year.
- xxi. According to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order 2020 (CARO 2020) reports of the companies included in the consolidated financial statements.

For **K C Mehta & Co LLP**

*Chartered Accountants*

(Firm's Registration No. 106237W/W100829)

**Neela R. Shah**

*Partner*

Membership No. 045027

UDIN:- 23045027BGTEMB2564

Place : Vallabh Vidyanagar

Date : 24<sup>th</sup> April, 2023



## **ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT**

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Eimco Elecon (India) Limited** on the standalone financial statements 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 Act.**

We have audited the internal financial controls with reference to standalone financial statements of **Eimco Elecon (India) Limited** (“the Company”) as of March 31, 2023, in conjunction with our audit of the standalone 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 standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). 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 standalone 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls with reference to standalone Financial Statement and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

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

A Company’s internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial controls with reference to standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the standalone financial statements.

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

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

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K C Mehta & Co LLP**  
*Chartered Accountants*  
(Firm's Registration No. 106237W/W100829)

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

**Neela R. Shah**  
*Partner*  
Membership No. 045027  
UDIN:- 23045027BGTEMB2564

**STANDALONE BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2023**

(₹ in Lakhs)

Particulars	Note No.	31-March-2023	31-March-2022
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment	3	6,170.47	6,492.44
(b) Capital work-in-progress	3	52.27	5.12
(c) Investment property	4	279.03	294.91
(d) Intangible assets	5	1,159.05	1,275.78
(e) Financial assets			
(i) Investments	6(a)	16,456.81	8,402.76
(ii) Other financial assets	6(b)	160.31	36.48
(f) Other non-current assets	7	-	10.31
<b>Total Non-current Assets</b>		<b>24,277.94</b>	<b>16,517.80</b>
<b>II. Current assets</b>			
(a) Inventories	8	7,878.73	7,093.70
(b) Financial assets			
(i) Investments	6(a)	-	6,939.87
(ii) Trade receivables	6(c)	5,283.14	3,912.31
(iii) Cash and cash equivalents	6(d)	265.67	307.60
(iv) Bank balances other than (iii) above	6(e)	15.30	17.52
(v) Other financial assets	6(b)	89.28	73.22
(c) Current tax assets (net)	9	145.65	433.20
(d) Other current assets	7	735.45	938.19
<b>Total Current Assets</b>		<b>14,413.22</b>	<b>19,715.61</b>
<b>Total Assets</b>		<b>38,691.16</b>	<b>36,233.41</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	10	576.84	576.84
(b) Other equity	11	34,309.89	32,386.53
<b>Total Equity</b>		<b>34,886.73</b>	<b>32,963.37</b>

STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2023 (Conti.)

(₹ in Lakhs)

Particulars	Note No.	31-March-2023	31-March-2022
<b>LIABILITIES</b>			
<b>(I) Non - current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	12(a)	23.52	14.78
(b) Provisions	13	13.68	22.43
(c) Deferred tax liabilities (net)	24	508.09	668.61
<b>Total Non-Current Liabilities</b>		<b>545.29</b>	<b>705.82</b>
<b>(II) Current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	12(a)	40.19	24.94
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	12(b)	377.18	335.29
(b) Total outstanding dues of trade payables other than micro enterprises and small enterprises	12(b)	1,455.41	1,357.06
(iii) Other financial liabilities	12(c)	94.14	58.22
(b) Other current liabilities	14	1,025.66	665.74
(c) Provisions	13	266.56	122.97
<b>Total Current Liabilities</b>		<b>3,259.14</b>	<b>2,564.22</b>
<b>Total Equity and Liabilities</b>		<b>38,691.16</b>	<b>36,233.41</b>

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

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As per our report of even date attached

For **K C MEHTA & CO LLP**  
Chartered Accountants

**Neela R. Shah**  
Partner  
Membership No. 045027

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

**Mukulnarayan Dwivedi**  
Executive Director  
DIN : 08442155

**Prayasvin B. Patel**  
Executive Director  
DIN : 00037394

**Vishal C. Begwani**  
Chief Financial Officer

**Rikenkumar Dalwadi**  
Company Secretary

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(₹ in Lakhs)

Particulars	Note No.	31-March-2023	31-March-2022
Revenue from operations	15	17,269.70	8,444.37
Other Income	16	1,048.61	918.21
<b>Total income (I)</b>		<b>18,318.31</b>	<b>9,362.58</b>
<b>Expenses</b>			
Cost of materials consumed	17	4,688.31	4,146.97
Purchase of Stock in Trade	18	3,124.98	2,452.88
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	1,187.05	(2,928.34)
Manufacturing expense	20	664.92	575.76
Employee benefits expense	21	1,525.82	1,248.54
Finance costs	22	50.11	43.18
Depreciation and amortisation expense	3,4 & 5	780.18	809.39
Other expenses	23	3,648.32	2,026.50
<b>Total Expenses (II)</b>		<b>15,669.69</b>	<b>8,374.88</b>
<b>Profit before tax (III) = (I-II)</b>		<b>2,648.62</b>	<b>987.70</b>
<b>Tax Expense</b>			
Current tax	24	727.50	286.00
Adjustment of tax relating to earlier periods	24	(11.56)	70.06
Deferred tax	24	(154.07)	(220.31)
<b>Total tax expense (IV)</b>		<b>561.87</b>	<b>135.75</b>
<b>Profit for the year (V) = (III-IV)</b>		<b>2,086.75</b>	<b>851.95</b>

## STANDALONE STATEMENT OF PROFIT AND LOSS (Contd...)

(₹ in Lakhs)

Particulars	Note No.	31-March-2023	31-March-2022
<b>Other comprehensive income</b>			
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains / (losses) on defined benefit plans		(25.64)	(37.37)
Income tax effect of above		6.45	10.88
<b>Other comprehensive income (net of tax) for the year (VI)</b>		<b>(19.19)</b>	<b>(26.49)</b>
<b>Total comprehensive income VII = (V + VI)</b>		<b>2,067.56</b>	<b>825.46</b>
<b>Earning per equity share</b>			
Equity share of share Rs.10/- each			
Basic		36.18	14.77
Diluted		36.18	14.77
The accompanying notes are an integral part of the standalone financial statements.	1-35		

As per our report of even date attached

For **K C MEHTA & CO LLP**  
Chartered Accountants

**Neela R. Shah**  
Partner  
Membership No. 045027

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

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

**Mukulnarayan Dwivedi**  
Executive Director  
DIN : 08442155

**Vishal C. Begwani**  
Chief Financial Officer

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

**Prayasvin B. Patel**  
Executive Director  
DIN : 00037394

**Rikenkumar Dalwadi**  
Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit before Tax</b>	<b>2,648.62</b>	<b>987.70</b>
<i>Adjustments for:</i>		
Depreciation and Amortisation of Property, Plant and Equipments, Intangible Assets and Investment Property	780.18	809.39
Finance Cost	50.11	43.18
Gain on sale / fair valuation of Investment (Net)	(466.58)	(661.75)
Loss on Sale of Property, Plant and Equipments (Net)	5.05	11.88
Interest Income	(290.82)	(187.39)
Dividend Income	(161.21)	(2.83)
Provision for Doubtful receivable/sundry balances written off	43.43	12.03
Provision for Warranty and others	223.65	(370.49)
Unrealised foreign exchange (gain)/loss (Net)	(0.07)	1.26
<b>Operating Profit before changes in working capital</b>	<b>2,832.36</b>	<b>642.98</b>
<b>Adjustments for (increase)/decrease in operating assets</b>		
Trade and other receivables	(1,414.26)	2,222.27
Inventories	(785.03)	(3,374.31)
Other financial assets	(139.89)	20.04
Other current and non-current assets	213.05	(62.09)
<b>Adjustments for increase/(decrease) in operating liabilities</b>		
Trade payables	104.95	(247.27)
Other payables	245.47	16.48
Other financial liabilities	38.14	(4.54)
<b>Cash flow from Operations after changes in working capital</b>	<b>1,094.79</b>	<b>(786.44)</b>
Net Direct taxes paid/(refunded)	428.38	201.22
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>666.41</b>	<b>(987.66)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of property, plant and equipment	11.40	5.20
Sale/(Purchase)of investments (Net)	(647.60)	785.21
Interest income	290.82	187.39
Dividend income	161.21	2.83
Purchase of property plant and equipment and CWIP	(283.80)	(168.01)
Bank balance not considered as cash and cash equivalent (Net)	2.22	0.14
<b>NET CASH FLOW FROM / (USED IN ) INVESTING ACTIVITIES (B)</b>	<b>(465.75)</b>	<b>812.76</b>

## CASH FLOW STATEMENT (Contd...)

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Finance Cost	(50.11)	(43.18)
Repayment of borrowing	-	(83.25)
Principal Payment of lease liability (including interest)	(46.05)	(45.94)
Dividend Paid	(146.43)	(288.56)
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(242.59)</b>	<b>(460.93)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(41.93)</b>	<b>(635.83)</b>
<b>Opening Cash and Cash equivalents</b>	<b>307.60</b>	<b>943.43</b>
<b>Closing Cash and Cash equivalents (Refer Note 6(d))</b>	<b>265.67</b>	<b>307.60</b>
<b>Components of Cash &amp; Cash Equivalents :-</b>		
Cash on hand	-	0.05
<b>Balances with banks</b>		
In Current Accounts	265.67	307.55
	<b>265.67</b>	<b>307.60</b>

As per our report of even date attached

For **K C MEHTA & CO LLP**  
Chartered Accountants

**Neela R. Shah**  
Partner  
Membership No. 045027

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

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

**Mukulnarayan Dwivedi**  
Executive Director  
DIN : 08442155

**Vishal C. Begwani**  
Chief Financial Officer

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

**Prayasvin B. Patel**  
Executive Director  
DIN : 00037394

**Rikenkumar Dalwadi**  
Company Secretary

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023****A. Equity Share Capital** (₹ in Lakhs)

Particulars	Amount
Balance as at 1-April-2021	576.84
Additions/(Reductions)	-
Balance as at 31-March-2022	576.84
Additions/(Reductions)	-
<b>Balance as at 31-March-2023</b>	<b>576.84</b>

**B. Other Equity**

Particulars	Other equity				Total Equity
	Capital Reserve	General Reserve	Security premium	Retained Earnings	
	Note 11	Note 11	Note 11	Note 11	
<b>Balance as at 1-April- 2021</b>	<b>2.91</b>	<b>22,443.45</b>	<b>753.83</b>	<b>8,649.30</b>	<b>31,849.49</b>
Profit for the year	-	-	-	851.95	<b>851.95</b>
Other comprehensive income for the year*	-	-	-	(26.49)	<b>(26.49)</b>
Total Comprehensive income for the year	-	-	-	825.46	<b>825.46</b>
Dividend	-	-	-	(288.42)	<b>(288.42)</b>
<b>Balance as at 31-March-2022</b>	<b>2.91</b>	<b>22,443.45</b>	<b>753.83</b>	<b>9,186.34</b>	<b>32,386.53</b>
Profit for the year	-	-	-	2,086.75	<b>2,086.75</b>
Other comprehensive income for the year	-	-	-	(19.19)	<b>(19.19)</b>
Total Comprehensive income for the year	-	-	-	2,067.56	<b>2,067.56</b>
Dividend	-	-	-	(144.21)	<b>(144.21)</b>
<b>Balance as at 31-March-2023</b>	<b>2.91</b>	<b>22,443.45</b>	<b>753.83</b>	<b>11,109.70</b>	<b>34,309.89</b>

\* Remeasurement of Defined Benefit Plans

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

1-35

As per our report of even date attached

For **K C MEHTA & CO LLP**  
Chartered Accountants**Neela R. Shah**  
Partner  
Membership No. 045027Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023For and on behalf of the Board of Directors  
**Eimco Elecon (India) Limited**  
CIN : L29199GJ1974PLC002574**Mukulnarayan Dwivedi**  
Executive Director  
DIN : 08442155**Vishal C. Begwani**  
Chief Financial OfficerPlace : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023**Prayasvin B. Patel**  
Executive Director  
DIN : 00037394**Rikenkumar Dalwadi**  
Company Secretary

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

Eimco Elecon (India) (the Company) Limited is a public company domiciled in India and is incorporated in 1974 under the provisions of the Companies Act, 1956. Its Equity shares are listed on the Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE') in India. The registered office of the company is located at Vallabh Vidyanagar, Gujarat. The Company is principally engaged in the business of Manufacturing of Equipment for Mining and Construction sector.

The standalone financial statements are approved by the Company's Board of directors on 24-April-2023

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 STATEMENT OF COMPLIANCE

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act as amended from time to time.

#### 2.2 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016. The Company's Financial Statements for the year ended 31st March, 2023 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

The Company has consistently applied accounting policies to all periods presented in these financial statements.

#### 2.3 Basis of measurement

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

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

#### Current Versus Non-current Classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

#### Functional and Presentation Currency

The standalone financial statements are presented in Indian Rupees ( INR ), which is also the Company's presentation and functional currency. All values are rounded to the nearest lakh up to two decimals, except when otherwise indicated.

#### Operating cycle

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

### Measurement of fair values

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

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

- In the principal market for the asset or liability

Or

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

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

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

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

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

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

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

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

At each reporting date, Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

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

- Significant accounting judgments, estimates and assumptions (note no. 2.5)
- Quantitative disclosures of fair value measurement hierarchy (note no. 26)
- Investment properties (note no. 2.4(b) and note no. 4)
- Financial instrument (note no. 2.4(g))

## 2.4 Summary of significant accounting policies

### a. Property, Plant and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of PPE comprises of its purchase price or its construction cost (net of applicable tax credit, trade discount and rebate if any), Exchange rate variations attributable to the assets 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 by the management and initial estimate of decommissioning costs. Direct costs are capitalized until the asset is ready for use and includes borrowing cost capitalised in accordance with the Company's accounting policy.

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under Other Non-Current Assets and the cost of the assets not ready for intended use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses which are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell. Company has availed fair value as deemed cost on the date of transition to Ind AS for Buildings & Plant & Machinery and for other assets as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para 7AA of Ind AS 101.

### Depreciation

Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for the assets mentioned below for which useful lives estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Detail of asset depreciated on straight line basis and its useful life is as under:

Assets	Year
Road	10 Years
Plant and Machinery	15-25 Years
Computers	3 Years
Networks	6 Years
Electric Installation	10 Years

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

### b. Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by Registered Valuer, as defined under Rule 2 of Companies (Registered Valuers and Valuation) applying a valuation model recommended by the International Valuation Standards Committee.

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

### c. Intangible Assets

Intangible assets with finite useful life acquired separately, are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives from the date they are available for use. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The management estimates the useful life of assets as under:

Assets	Year
Technical Knowhow	7 years
Software	7 years

Subsequent expenditures are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in the Statement of Profit and Loss when the asset is derecognised.

The Company has elected to continue with the carrying value of its Intangible assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para 7AA of Ind AS 101.

### d. Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence, if any. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale. Cost of inventories comprises of cost of purchase (net of recoverable taxes), cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

Inventory cost formula is as under:

Inventories	Basis of Valuation and Cost Formula
Raw material	Landed cost at weighted average basis
Work in Progress	Raw material, labour and appropriate proportion of manufacturing expenses and overheads as per stage of completion at weighted average.
Finished Goods	Raw material, labour and appropriate proportion of manufacturing expenses and overheads at weighted average.

### e. Impairment

#### Impairment of financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost credit - impaired.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The Company follows a 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company is not required to track changes in credit risk. Rather, it recognised impairment loss allowance based on lifetime Expected credit losses ('ECL") together with appropriate Management's estimate of credit loss at each reporting date, from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the group of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Measurement of expected credit losses Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfall (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Presentation of allowance for expected credit losses in the balance sheet Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off the gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

is no realistic prospect of recovery. This is generally the case when the Company determines that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**Impairment of non-financial assets**

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

**f. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**g. Financial Instruments**

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets****Initial recognition and measurement**

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

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

**Subsequent Measurement**

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

- (a) Financial assets at amortised cost
- (b) Financial assets at fair value through other comprehensive income (FVTOCI)
- (c) Financial assets at fair value through profit or loss (FVTPL)
- (d) Equity instruments measured at fair value through profit or loss (FVTPL)

**Financial assets at amortised cost**

A financial assets is measured at the amortised cost if:

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

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

**Financial assets at fair value through other comprehensive income**

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

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

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

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

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

### **Financial assets at fair value through profit or loss**

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

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

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

### **Equity investments**

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

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

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

### **Derecognition of financial assets**

A financial asset is derecognised when:

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

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

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

### **Loans and Borrowings**

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

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

**Financial guarantee contracts**

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

**Derecognition**

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

**h. Hedge Accounting**

Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

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

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

**(i) Fair Value Hedges**

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

**(ii) Cash flow hedges**

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

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

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

**i. Revenue from Contracts with Customers**

Revenues from sale of goods or services are recognised upon transfer of control of the goods or services to the customer in an amount that reflects the consideration which the company expects to receive in exchange for those goods or services.

Revenue is measured at the transaction price of the consideration received or receivable duly adjusted for variable consideration & customer's right to return the goods and the same represents amounts receivable for goods and services provided in the normal course of business. Revenue also excludes taxes collected from customers. Any retrospective revision in prices is accounted for in the year of such revision.



## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Revenue is recognised at a point in time on accrual basis as per the terms of the contract, when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

When sales discount and rebate arrangements result in variable consideration, appropriate estimates are made and estimated variable consideration is recognised as a deduction from revenue at the point of sale (to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not be required). The Company typically uses the expected value method for estimating variable consideration, reflecting that such contracts have similar characteristics and a range of possible outcomes.

The contract asset or a contract liability is recognised when either party to a contract has performed, depending on the relationship between the entity's performance and the customer's payment. When the company has a present unconditional rights to consideration, it is recognised separately as a receivable.

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

Dividend income is recognised when the right to receive the same is established.

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

Export incentives (Duty Drawback Scheme benefits) are accrued in the year when the right to receive the same is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization/ utilization of such benefits/ duty credit.

Other income is recognised on accrual basis except when realization of such income is uncertain.

### **j. Employee benefits**

#### **a) Short Term Employee Benefits**

Short term employee benefits such as salaries, wages, short term compensated absences, bonus, ex-gratia, and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the service are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employee to the company. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### **b) Post-Employment Benefits**

##### **(i) Defined contribution plan**

These are plans in which the company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprises of contribution to Employee provident fund and superannuation fund. The Company payments to the defined contribution plans are reported as expenses during the period in which the employee performs the services that the payment covers.

##### **(ii) Defined benefit plan**

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

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

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

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

**Other long term employment benefits:**

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

**k. Leases****IND AS 116 Lease**

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

**Company as a lessee**

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

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

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

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

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

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

Lease payments have been classified as financing activities.

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

**Company as a lessor**

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

### **Operating lease**

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

### **Foreign Exchange Transactions**

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss.

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

## **i. Income taxes**

### **Current income tax**

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

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

### **Deferred tax**

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

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

## **m. Provisions**

### **General**

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

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

### **Warranty provisions**

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

## **n. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

### o. Earnings per share

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

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

## 2.5. Critical Accounting Judgments, Estimates, Assumptions and Key Sources of Estimation Uncertainty

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

### Judgments

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

- Identification of whether the Company has significant influence over an investee where the shareholding is below 20% of the issued share capital.
- Identification of the land &/or building as an investment property.
- Determining the amount of Impairment loss.
- Determining the amount of expected credit loss on financial assets (including trade receivables)
- Identification of performance obligation in revenue recognition

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### Defined benefit plans (gratuity benefits)

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

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

Further details about gratuity obligations are given in Note 31.

### Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available



## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### **Allowance for uncollectible trade receivables**

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

### **Warranty Provision**

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

### **Intangible assets**

Refer Note 2.4 (c) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 5.

### **Property, Plant and Equipment**

Refer Note 2.4 (a) for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 3.

### **Determination of lease term**

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

## **2.6 Recent pronouncements**

### **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

### **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements."

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Particulars	(₹ in Lakhs)									
	Land Freehold	Buildings	Plant & Equipment	Furniture & Fixture	Vehicles	Office Equipment	Electrical Fittings	Jigs	ROU Asset	Total
<b>Cost</b>										
<b>As at 1-April-2021</b>	3,113.25	2,006.55	3,129.97	360.16	390.52	1,556.80	168.53	174.32	1,056.24	11,956.34
Additions	-	-	78.20	-	-	115.23	8.56	-	-	201.99
Deductions / Reclassifications / Adjustments	-	(0.43)	(12.81)	0.60	18.94	287.86	-	25.79	-	319.95
<b>As at 31-March-2022</b>	3,113.25	2,006.98	3,220.98	359.56	371.58	1,384.17	177.09	148.53	1,056.24	11,838.38
Additions	-	57.63	6.92	-	-	82.34	-	-	70.04	216.93
Deductions / Reclassifications / Adjustments	-	-	73.54	-	28.11	5.77	-	78.09	70.02	255.53
<b>As at 31-March-2023</b>	3,113.25	2,064.61	3,154.36	359.56	343.47	1,460.74	177.09	70.44	1,056.26	11,799.78
<b>Depreciation and Impairment</b>										
<b>As at 1-April-2021</b>	-	960.78	2,038.30	279.81	286.19	1,183.50	122.20	137.53	86.50	5,094.81
Depreciation for the year	-	135.21	139.42	20.35	29.42	177.62	6.28	2.88	43.25	554.43
Deductions/Reclassifications/ Adjustments	-	0.28	6.49	1.17	(14.89)	(285.51)	-	(10.84)	-	(303.30)
<b>As at 31-March-2022</b>	-	1,096.27	2,184.21	301.33	300.72	1,075.61	128.48	129.57	129.75	5,345.94
Depreciation for the Period	-	144.25	134.77	15.08	18.45	157.40	6.65	2.60	43.25	522.45
Deductions	-	-	67.36	-	23.41	5.67	-	72.62	70.02	239.08
<b>As at 31-March-2023</b>	-	1,240.52	2,251.62	316.41	295.76	1,227.34	135.13	59.55	102.98	5,629.31
<b>Net Block</b>										
<b>As at 31-March-2023</b>	3,113.25	824.09	902.74	43.15	47.71	233.40	41.96	10.89	953.28	6,170.47
<b>As at 31-March-2022</b>	3,113.25	910.71	1,036.77	58.23	70.86	308.56	48.61	18.96	926.49	6,492.44
<b>Ageing Schedule of CWIP</b>										
Year ended on	Less than 1 year	1 to 2 year	2 to 3 year	More than 3 year	Total					
<b>31-Mar-23</b>										
Project in progress	52.27	-	-	-	52.27					
Project temporarily suspended	-	-	-	-	-					
<b>31-Mar-22</b>										
Project in progress	5.12	-	-	-	5.12					
Project temporarily suspended	-	-	-	-	-					

1. Cash Credit/Working capital demand loan is secured by first charge on the stock and book debts, all other current assets and a second charge on factory land, building, plant and machinery and all other fixed assets.



**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)**
**Note 4 : Investment Property (at cost)**

Particulars	(₹ in Lakhs)
<b>Gross Block</b>	
<b>As at 1-April-2021</b>	<b>524.12</b>
Additions	-
Deductions	-
<b>As at 31-March-2022</b>	<b>524.12</b>
Additions	-
Deductions	-
<b>As at 31-March-2023</b>	<b>524.12</b>
<b>Depreciation and Impairment</b>	
<b>As at 1-April-2021</b>	<b>212.37</b>
Depreciation for the year	16.84
Deductions	-
<b>As at 31-March-2022</b>	<b>229.21</b>
Depreciation for the year	15.88
Deductions	-
<b>As at 31-March-2023</b>	<b>245.09</b>
<b>Net Block</b>	
<b>As at 31-March-2023</b>	<b>279.03</b>
As at 31-March-2022	294.91

**Information regarding income and expenditure of Investment Properties**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Rental income derived from Investment Properties	49.65	44.52
Direct operating expenses (including repairs and maintenance) generating rental income	19.33	9.09
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	3.46
<b>Profit / (Loss) arising from investment properties before depreciation and indirect expenses</b>	<b>30.32</b>	<b>31.97</b>
<b>Less : Depreciation</b>	<b>15.88</b>	<b>16.84</b>
<b>Profit/(Loss) arising from investment properties before Indirect Expenses</b>	<b>14.44</b>	<b>15.13</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

As at 31-March-2023 and 31-March-2022 the fair values of the properties are based on market valuations performed by a Registered Valuer, as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, by applying valuation model recommended by the International Valuation Standards Committee.

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

The valuation of investment property as at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 is done based on market feedback on values of similar properties and hence considered under "Level 2" of fair value measurement.

**Fair value of the Investment properties are as under (Buildings)**

Fair Value	(₹ in Lakhs)
<b>Balance as at 1-April-2021</b>	<b>981.78</b>
Fair value difference for the year	35.20
Purchases	-
<b>Balance as at 31-March-2022</b>	<b>1,016.98</b>
Fair value difference for the year	26.76
Purchases	-
<b>Balance as at 31-March-2023</b>	<b>1,043.74</b>

**Note 5 : Intangible Assets**

(₹ in Lakhs)

Particulars	Software license	Technical Knowhow	Total
<b>Cost</b>			
<b>As at 1-April-2021</b>	<b>391.25</b>	<b>1,923.60</b>	<b>2,314.85</b>
Additions	-	-	-
Deductions	-	-	-
<b>As at 31-March-2022</b>	<b>391.25</b>	<b>1,923.60</b>	<b>2,314.85</b>
Additions	41.50	83.62	125.12
Deductions	-	-	-
<b>As at 31-March-2023</b>	<b>432.75</b>	<b>2,007.22</b>	<b>2,439.97</b>
<b>Amortisation and Impairment</b>			
<b>As at 1-April-2021</b>	<b>367.13</b>	<b>433.82</b>	<b>800.95</b>
<b>Addition</b>			
Amortisation for the year	6.31	231.81	238.12
Deductions	-	-	-
<b>As at 31-March-2022</b>	<b>373.44</b>	<b>665.63</b>	<b>1,039.07</b>
Amortisation for the year	7.35	234.50	241.85
Deductions	-	-	-
<b>As at 31-March-2023</b>	<b>380.79</b>	<b>900.13</b>	<b>1,280.92</b>
<b>Net Block</b>			
<b>As at 31-March-2023</b>	<b>51.96</b>	<b>1,107.09</b>	<b>1,159.05</b>
<b>As at 31-March-2022</b>	<b>17.81</b>	<b>1,257.97</b>	<b>1,275.78</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)**
**Note 6 : Financial Assets**

(₹ in Lakhs)

Particulars	Face Value	31-March-2023		31-March-2022	
		No of share	Amount	No of share	Amount
<b>6(a) Investments</b>					
<b>A. Non-current investments</b>					
<b>A1. Investment in Equity share of Associate at Cost</b>					
Eimco Elecon Electrical Limited	10	5,10,000	51.00	5,10,000	51.00
<b>Investment at cost</b>			<b>51.00</b>		<b>51.00</b>
<b>A2. Investment in equity shares of others at fair value through profit or loss</b>					
<b>Quoted</b>					
GOL Offshore Limited	10	238	0.02	238	0.02
Aditya Birla Capital Limited	10	7,000	10.75	7,000	7.54
<b>Fair value of Quoted Equity Shares</b>			<b>10.77</b>		<b>7.56</b>
<b>Unquoted</b>					
Charotar Gas Sahakari Mandali Limited	500	5	0.03	5	0.03
<b>Total Investment in Equity Shares</b>			<b>10.80</b>		<b>7.59</b>
<b>A3. Investment at fair value through profit or loss</b>					
Mutual Fund -Unquoted			12356.75		4242.55
Corporate Bonds and Debentures -Quoted			772.77		915.06
REIT and InvIT funds -Quoted			597.40		665.54
			<b>13726.92</b>		<b>5823.15</b>
<b>A4. Investment at amortised cost</b>					
Corporate Bonds -Quoted			2668.09		2521.02
<b>Investment at cost</b>			<b>2668.09</b>		<b>2521.02</b>
<b>Fair value</b>			<b>2501.10</b>		<b>2526.30</b>
<b>Total Non-current Investments</b>			<b>16456.81</b>		<b>8402.76</b>
Aggregate value of quoted investments			<b>4049.03</b>		<b>4109.18</b>
Aggregate market value of quoted investments			<b>3882.04</b>		<b>4114.46</b>
Aggregate value of unquoted investments			<b>12407.78</b>		<b>4293.58</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

## Note 6 : Financial Assets (Contd...)

(₹ in Lakhs)

Particulars	Face Value	31-March-2023		31-March-2022	
		No of share	Amount	No of share	Amount
<b>6(a) Investments</b>					
<b>B. Current investments</b>					
<b>B1. Investment at fair value through profit or loss account</b>					
Mutual Fund -Unquoted			-		6381.62
Corporate Bonds and Debentures -Quoted			-		258.25
			-		<b>6639.87</b>
<b>B2. Investment at amortised cost</b>					
<b>Quoted</b>					
Corporate Bonds -Quoted			-		300.00
<b>Investment at cost</b>			-		<b>300.00</b>
<b>Fair value</b>			-		<b>317.98</b>
<b>Total Current Investments</b>			-		<b>6939.87</b>
Aggregate value of quoted investments			-		<b>300.00</b>
Aggregate market value of quoted investments			-		<b>317.98</b>
Aggregate value of unquoted investments			-		<b>6,639.87</b>
<b>Total Investments</b>			<b>16,456.81</b>		<b>15,342.63</b>

## 6b : Other Financial Assets

(₹ in Lakhs)

Particulars	31-March-2023		31-March-2022	
<b>Non-current</b>				
Security Deposits		160.31		36.48
		<b>160.31</b>		<b>36.48</b>
<b>Current</b>				
Receivable other than trade		89.28		73.22
		<b>89.28</b>		<b>73.22</b>
Total other financial assets		<b>249.59</b>		<b>109.70</b>
<b>Total Other financial assets</b>		<b>249.59</b>		<b>109.70</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

## 6(c) Trade Receivables

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Secured, considered good	390.46	-
Unsecured, considered good	5,012.33	4,002.95
Doubtful		
Less : Provision for doubtful receivables / Allowance for expected credit loss*	(119.65)	(90.64)
<b>Total Trade and other receivables</b>	<b>5,283.14</b>	<b>3,912.31</b>
Receivable from related parties	14.92	0.77
Receivable from Others	5,268.22	3,911.54
<b>Total</b>	<b>5,283.14</b>	<b>3,912.31</b>

\*Allowance for Expected Credit Loss is calculated based on the ECL model as described under Ind AS 109. Refer Note 2.4 and Note 27(b) for the Company's accounting policy and basis of calculating ECL allowance.

Movement in allowance for expected credit loss :

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Opening balance</b>	<b>90.64</b>	<b>86.30</b>
Allowance / (Reversal) for the year	29.01	4.34
<b>Balance at the end of the year</b>	<b>119.65</b>	<b>90.64</b>

The ageing schedule of trade receivables as of the reporting date is as follow:

(₹ in Lakhs)

Trade Receivable	Outstanding						Total
	Not Due	Less than 6 Months	6 Months to 1 Year	1 year to 2 year	2 year to 3 year	More than 3 Year	
<b>31-March-2023</b>							
<b>Undisputed</b>							
Considered good	4,354.01	866.01	58.08	56.95	34.06	33.66	5402.77
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	22.00	9.89	6.99	18.29	28.82	33.66	119.65
<b>Disputed</b>							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
<b>Total Trade Receivable</b>	<b>4,332.03</b>	<b>856.12</b>	<b>51.09</b>	<b>38.66</b>	<b>5.24</b>	<b>-</b>	<b>5,283.14</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

## 6(c) Trade Receivables

(₹ in Lakhs)

Trade Receivable	Outstanding						Total
	Not Due	Less than 6 Months	6 Months to 1 Year	1 year to 2 year	2 year to 3 year	More than 3 Year	
<b>31-March-2022</b>							
<b>Undisputed</b>							
Considered good	2,789.77	742.47	322.81	34.37	22.88	90.64	4002.95
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	90.64	90.64
<b>Disputed</b>							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
<b>Total Trade Receivable</b>	<b>2,789.77</b>	<b>742.47</b>	<b>322.81</b>	<b>34.37</b>	<b>22.88</b>	<b>-</b>	<b>3,912.31</b>

**Note 6C(1):** Cash Credit/Working capital demand loan is secured by first charge on the stock and book debts, all other current assets and a second charge on factory land, building, plant and machinery and all other fixed assets.

## 6(d) : Cash and cash equivalents

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Balance with Bank		
Current accounts and debit balance in cash credit accounts	265.67	307.55
Cash on hand	-	0.05
<b>Total cash and cash equivalents</b>	<b>265.67</b>	<b>307.60</b>

## 6(e) : Other bank balance

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>In earmarked accounts</b>		
Unpaid dividend accounts *	15.30	17.52
<b>Total</b>	<b>15.30</b>	<b>17.52</b>

\* These balances represents unclaimed dividend amount which is earmarked for payment of dividend and can not be used for any other purpose.

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)****Note 7 : Other Non-Current / current assets**

(₹ in Lakhs)

<b>Particulars</b>	<b>31-March-2023</b>	<b>31-March-2022</b>
Unsecured, Considered Good		
<b>Non-Current</b>		
Capital advances	-	10.31
	-	10.31
<b>Current</b>		
Advance to suppliers	328.24	214.07
Balances with Government. Authorities (including amount paid under protest)	377.38	667.58
Other Advances	29.83	56.54
<b>Total</b>	<b>735.45</b>	<b>948.50</b>

**Note 8 : Inventories**

(₹ in Lakhs)

<b>Particulars</b>	<b>31-March-2023</b>	<b>31-March-2022</b>
Raw materials	5,228.28	3,256.20
Work-in-progress	1,315.23	1,881.32
Finished goods	1,335.22	1,956.18
<b>Total</b>	<b>7,878.73</b>	<b>7,093.70</b>

\* Valuation of inventories are done as per significant accounting policies (Note no. 2.4 d.)

For hypothecation: Cash Credit/Working capital demand loan is secured by first charge on the stock and book debts, all other current assets and a second charge on factory land, building, plant and machinery and all other fixed assets.

**Note 9 : Current Tax Assets (Net)**

(₹ in Lakhs)

<b>Particulars</b>	<b>31-March-2023</b>	<b>31-March-2022</b>
Advance Tax	871.05	3,176.50
Less:		
Provision for income tax	725.40	2,743.30
<b>Total</b>	<b>145.65</b>	<b>433.20</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

## Note 10 : Equity Share Capital

(₹ in Lakhs)

Particulars	31-March-2023		31-March- 2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital</b>				
10,000,000 Equity Shares of ₹10/- each		1,000.00		1,000.00
		<b>1,000.00</b>		<b>1,000.00</b>
<b>Issued, subscribed and fully paid up</b>				
Issued <b>57,68,386</b> (P.Y. 57,68,386) Equity shares of ₹ 10 each		576.84		576.84
Subscribed and Paid up <b>57,68,385</b> (P.Y. 57,68,385) Equity Shares of ₹ 10/- each		576.84		576.84
Issued but not subscribed 1 Equity Share of ₹10/-		-		-
<b>Total</b>		<b>576.84</b>		<b>576.84</b>

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

(₹ in Lakhs)

Particulars	31-March-2023		31-March-2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares</b>				
At the beginning of the year (in Lakhs)	57.68	576.84	57.68	576.84
Issued/Reduction, if any during the year	-	-	-	-
<b>Outstanding at the end of the year (in Lakhs)</b>	<b>57.68</b>	<b>576.84</b>	<b>57.68</b>	<b>576.84</b>

## 10.2 : Rights, preferences and restrictions attached to Equity Shares:

The Company has only one class of Equity Shares having at par value of ₹ 10/- per share.

Each shareholder is eligible for one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)****Note 10.3 : Number of Shares held by each shareholder holding more than 5% Shares in the Company**

(₹ in Lakhs)

Particulars	31-March-2023		31-March-2022	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
<b>a) Equity Shares of ₹ 10/- each fully paid up (Previous year ₹ 10/- Each fully paid up)</b>				
Aakaish Investments Private Limited	1436858	24.91	-	-
Elecon Engineering Company Limited	9,58,426	16.62	9,58,426	16.62
EMTICI Engineering Ltd.	-	-	8,18,303	14.19
K B Investments Private Ltd.	3,88,515	6.74	4,87,015	8.44
Tamrock Great Britain Holding Ltd.	14,47,875	25.10	14,47,875	25.10

**10.4. Shares held by Promoters in the Company**

Name of the Promoters / Promotor Group	No of Shares as on 31.03.23	% of Total Shares	% Change during the year	No of Shares as on 01.04.22	% of Total Shares
Aakaish Investments Private Limited	1436858	24.91	24.91	-	-
Elecon Engineering Company Limited	9,58,426	16.62	-	9,58,426	16.62
Emtici Engineering Limited	-	-	(14.19)	8,18,303	14.19
K B Investments Private Limited	388515	6.74	(0.66)	4,27,015	7.40
Bipra Investments And Trusts Private Limited	-	-	(3.26)	1,88,205	3.26
Elecon Information Technology Limited	-	-	(2.56)	1,47,550	2.56
Devkishan Investments Private Limited	-	-	(2.10)	1,20,900	2.10
Akaaish Mechatronics Limited	-	-	(1.49)	85,900	1.49
Prayas Engineering Limited	-	-	(0.65)	37,500	0.65
Power Build Private Limited	16,050	0.28	-	16,050	0.28
Prayasvin Bhanubhai Patel	17,796	0.31	-	17,796	0.31
Taruna Patel	5,000	0.09	-	5,000	0.09
Prashant C. Amin	1,275	0.02	-	1,275	0.02
Tamrock Great Britain Holding Limited	14,47,875	25.10	-	14,47,875	25.10

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

## Note 11 : Other Equity

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Note 11.1 Reserves &amp; Surplus</b>		
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	2.91	2.91
Add/Less: Adjustment for the year	-	-
Balance at the end of the year	<b>2.91</b>	<b>2.91</b>
<b>Securities Premium Account</b>		
Balance as per last Balance Sheet	753.83	753.83
Add: addition during the year	-	-
Add: utilized during the year	-	-
Balance at the end of the year	<b>753.83</b>	<b>753.83</b>
<b>General Reserve</b>		
Balance as per last Balance Sheet	22,443.45	22,443.45
Add : Transfer from Statement of Profit & Loss	-	-
	<b>22,443.45</b>	<b>22,443.45</b>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as per last Balance Sheet	9,186.34	8,649.30
Add: profit for the year	2,086.75	851.95
Add / (Less): OCI for the year	(19.19)	(26.49)
	<b>11,253.91</b>	<b>9,474.76</b>
<b>Less: Appropriations :</b>		
Dividend on equity shares	144.21	288.42
<b>Balance carried forward</b>	<b>11,109.70</b>	<b>9,186.34</b>
<b>Total</b>	<b>34,309.89</b>	<b>32,386.53</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)**
**Note 11.2 Dividend distribution made and proposed**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Cash dividends on Equity Shares declared and paid</b>		
Final dividend for year ended 31-March-2022: ₹ 2.50/- per share (31-March-2021: ₹ 5/- per share)	144.21	288.42
	<b>144.21</b>	<b>288.42</b>
<b>Proposed dividends on Equity Shares</b>		
Final dividend for year ended 31-March-2023: ₹ 5/- per share (31-March-2022 : ₹ 2.50/- per share)	288.42	144.21
<b>Total</b>	<b>288.42</b>	<b>144.21</b>

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability as at 31-March-2023.

**Note 12(a) : Financial Liabilities**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Non-current</b>		
Lease liability	23.52	14.78
<b>Total Non current financial liabilities</b>	<b>23.52</b>	<b>14.78</b>
<b>Current</b>		
Lease liability	40.19	24.94
<b>Total Current financial liabilities</b>	<b>40.19</b>	<b>24.94</b>
<b>Total</b>	<b>63.71</b>	<b>39.72</b>

**Note 12(b) : Trade Payables**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Current</b>		
Trade payables		
Due to micro and small enterprise	377.18	335.29
Due to other than micro and small enterprises	1,455.41	1,357.06
<b>Total</b>	<b>1,832.59</b>	<b>1,692.35</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

## Details of Dues to Micro, Small and Medium Enterprises as defined under MSMED Act 2006

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Principal amount remaining unpaid to any supplier as at the end of accounting year	377.18	335.29
Interest due thereon	-	-
Amount of interest paid by the company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period for the purpose of disallowance as a deductible expenditure.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of Micro, Small and Medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the Financial statement as at 31-March-2023 based on the information received and available with the Company. On the basis of such information, no interest is payable to any micro, small and medium enterprises.

The ageing schedule of trade payable as of the reporting date is as follow:

(₹ in Lakhs)

Trade Payable	Not Due	Outstanding				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 Year	
<b>31-March-2023</b>						
MSME	377.18	-	-	-	-	377.18
Others	1,393.01	62.40	-	-	-	1455.41
Disputed Dues -MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
<b>31-March-2022</b>						
MSME	335.29	-	-	-	-	335.29
Others	1,270.61	86.45	-	-	-	1357.06
Disputed Dues -MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)**
**Note 12(c) : Other Financial Liabilities**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Security Deposits	43.48	38.48
Unpaid dividend	15.30	17.52
Payable in respect of capital goods	35.36	2.22
<b>Total</b>	<b>94.14</b>	<b>58.22</b>

**Note 13 : Provisions**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Non-Current</b>		
Provision for employee benefits (Refer Note 21)		
Provision for Compensated Absences	13.68	22.43
	<b>13.68</b>	<b>22.43</b>
<b>Current</b>		
Provision for employee benefits (Refer Note 21)		
Provision for Compensated Absences	17.27	19.77
Provision for warranty	249.29	103.20
	<b>266.56</b>	<b>122.97</b>
<b>Total</b>	<b>280.24</b>	<b>145.40</b>

**Provision for warranty**

A provision for warranties relates mainly to standard warranty on sale of the product manufactured by the Company. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
As on 01 <sup>st</sup> April	103.20	561.33
Addition during the year	249.29	103.20
Utilization during the year	230.62	157.12
Short / (Excess) during the year	127.42	(404.21)
<b>AS on 31<sup>st</sup> March</b>	<b>249.29</b>	<b>103.20</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

## Note 14 : Other Current liabilities

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Current</b>		
Advance from Customers	496.55	456.94
Statutory Liabilities	529.11	208.80
<b>Total</b>	<b>1,025.66</b>	<b>665.74</b>

## Note 15 : Revenue from Operations

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Sale of Products</b>		
Domestic Sales	17,053.37	8,280.57
Export Sales	46.79	41.82
	<b>17,100.16</b>	<b>8,322.39</b>
<b>Sale of Services</b>		
Jobwrok	-	5.13
	-	<b>5.13</b>
<b>Other operating revenue</b>		
Sale of Scrap	102.63	74.06
Windmill Electricity Income	66.91	42.79
	<b>169.54</b>	<b>116.85</b>
<b>Total</b>	<b>17,269.70</b>	<b>8,444.37</b>

## Note 16 : Other Income

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Other Income</b>		
Interest Income	290.82	187.39
Dividend Income	161.21	2.83
Profit on Sales of Assets (Net)	-	-
Rent Income	58.22	56.10
Profit on sale of investments	0.07	8.71
Gain on fair valuation of investments	466.51	661.75
Duty Draw Back Claim	1.41	0.99
Insurance claim	41.88	-
Exchange Flucuations (Net)	28.49	0.44
<b>Total</b>	<b>1,048.61</b>	<b>918.21</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)****Note 17 : Cost of raw materials and components consumed**

(₹ in Lakhs)

<b>Particulars</b>	<b>31-March-2023</b>	<b>31-March-2022</b>
Inventory at the beginning of the year	3,256.20	2,810.23
Add : Purchases	6,660.39	4,592.94
	<b>9,916.59</b>	<b>7,403.17</b>
Less : Inventory at the end of the year	5,228.28	3,256.20
<b>Total</b>	<b>4,688.31</b>	<b>4,146.97</b>

**Note 18 : Purchases of stock-in-trade**

(₹ in Lakhs)

<b>Particulars</b>	<b>31-March-2023</b>	<b>31-March-2022</b>
Purchase of traded goods	3,124.98	2,452.88
<b>Total</b>	<b>3,124.98</b>	<b>2,452.88</b>

**Note 19 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**

(₹ in Lakhs)

<b>Particulars</b>	<b>31-March-2023</b>	<b>31-March-2022</b>
<b>Inventory at the beginning of the year</b>		
Work-in-progress	1,881.32	868.56
Finished Goods	1,956.18	40.60
	<b>3,837.50</b>	<b>909.16</b>
<b>Inventory at the End of the Year</b>		
Work-in-progress	1,315.23	1,881.32
Finished Goods	1,335.22	1,956.18
	<b>2,650.45</b>	<b>3,837.50</b>
<b>Total</b>	<b>1,187.05</b>	<b>(2,928.34)</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

## Note 20 : Manufacturing Expense

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Stores, Tools and Spares Consumed	252.30	268.07
Power and Fuel	90.27	73.60
Labour charges	322.35	234.09
<b>Total</b>	<b>664.92</b>	<b>575.76</b>

## Note 21 : Employee benefits expense

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Salaries and wages	1,395.66	1,137.52
Contribution to Provident and other Funds	85.42	71.78
Employees' Welfare Expense	44.74	39.24
<b>Total</b>	<b>1,525.82</b>	<b>1,248.54</b>

## Note 22 : Finance Costs

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Interest Expense	8.36	4.57
Interest on lease liability	7.56	5.26
Other Finance Costs	34.19	33.35
<b>Total</b>	<b>50.11</b>	<b>43.18</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)****Note 23 : Other Expenses**

(₹ in Lakhs)

<b>Particulars</b>	<b>31-March-2023</b>	<b>31-March-2022</b>
Lease Rentals	27.69	23.48
Computer Software Charges	196.46	132.55
Rates & Taxes	125.19	89.57
Repairs and Maintenance :		
- Building	20.66	100.18
- Machinery	272.46	237.18
- Others	121.16	60.14
Insurance (Net of recoveries)	48.20	41.13
Travelling Expense	98.06	59.40
Sitting Fees	11.42	14.28
Commission to Non-Executive Directors	18.00	12.00
Packing, Forwarding & Distribution Expenses (Net of Recoveries)	172.14	143.75
Commission & Brokerage	1,707.75	997.02
Warranty Claim Replacement (Refer Note No.13)	249.29	(333.12)
Bad Debts Written Off	32.56	-
Provision for Doubtful Debt	10.87	12.03
Advertisements & Sales Promotion Expenses	22.12	1.48
Payment to Auditors (Refer Note Below)	6.63	7.49
Expenditure on Corporate Social Responsibility (Refer Note No.34)	4.63	22.00
Donations	6.00	4.71
Professional Consultancy Fees	111.79	92.14
General Administrative Charges	380.19	297.21
Loss on sale of asset (Net)	5.05	11.88
<b>Total</b>	<b>3,648.32</b>	<b>2,026.50</b>

**Payment to Auditors (Net of tax)**

(₹ in Lakhs)

<b>Particulars</b>	<b>31-March-2023</b>	<b>31-March-2022</b>
<b>Statutory Auditors</b>		
Audit fees	3.35	3.60
For other service (Limited review, certification etc.*	1.27	1.15
Reimbursement of expenses	0.51	0.07
<b>Tax auditor</b>		
Tax audit fees **	0.50	0.45
<b>Cost auditor</b>		
Cost audit fees	0.45	0.45
For other service (certification etc.)	-	0.08
<b>Secretarial Auditor</b>		
Secretarial Audit fees	0.50	0.50
For other service (certification etc.)	0.05	1.19
<b>Total</b>	<b>6.63</b>	<b>7.49</b>

\* Current year amount includes ₹ 17,000 related to previous auditor

\*\* Current year relates to previous auditor

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

## Note 24 : Tax Expense

(₹ in Lakhs)

The major component of income tax expense for the years ended 31-March-2023 and 31-March-2022 are :

Particulars	31-March-2023	31-March-2022
<b>Statement of Profit and Loss</b>		
<b>Current tax</b>		
Current tax	727.50	286.00
Adjustment in respect of current tax of previous years	(11.56)	70.06
<b>Deferred Tax</b>		
Relating to Origination and reversal of temporary difference	(154.07)	(220.31)

**Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended 31-March-2023 and 31-March-2022**

## A) Current tax

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Accounting profit before tax from continuing operations</b>	<b>2,648.62</b>	<b>987.70</b>
Tax @ 29.12% (31 March 2022- 29.12%)	771.28	287.62
<b>Adjustment for</b>		
Exempted income	(51.93)	12.44
Expense disallowed/(Allowed)	7.58	(6.83)
Standard deduction on rent income	(4.77)	(3.71)
Depreciation, capital gain on assets	(13.28)	(11.02)
Tax rate difference of income on investments	(135.45)	(212.75)
Taxes of prior years	(11.56)	70.00
<b>At the effective income tax rate of 21.22% (31-March, 2022 : 13.74%)</b>	<b>561.87</b>	<b>135.75</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)**
**B) Deferred tax liability (Net)**

Incompliance of Ind AS 12 on "Income Taxes", the itemwise details of Deferred Tax Liabilities (net) are as under :

(₹ in Lakhs)

Particulars	As on 1-April-2022	Provided during the year in statement of Profit and Loss	Provided during the year in OCI	Balance as on 31-March-2023
<b>Deferred Tax Liability</b>				
Related to Property Plant and Equipments	610.17	(66.98)	-	543.19
Fair valuation of investments	153.09	(79.56)	-	73.53
Lease liabilities	2.63	(0.85)	-	1.78
<b>Total Deferred Tax Liability</b>	<b>765.89</b>	<b>(147.39)</b>	<b>-</b>	<b>618.50</b>
<b>Deferred Tax Asset</b>				
43B disallowances (Net)	15.95	1.14	-	14.81
Provision for Expected Credit Loss	26.39	(7.82)	-	34.21
Remeasurement of Defined Benefit Plan	10.26	-	(6.45)	16.71
Others	44.68	-	-	44.68
	97.28	(6.68)	(6.45)	110.41
<b>Net deferred tax</b>	<b>668.61</b>	<b>(154.07)</b>	<b>(6.45)</b>	<b>508.09</b>

**B) Deferred tax**

Particulars	As on 1-April-2021	Provided during the year in statement of Profit and Loss	Provided during the year in OCI	Balance as on 31-March-2022
<b>Deferred Tax Liability</b>				
Related to Property Plant and Equipments	665.17	(55.00)	-	610.17
Fair valuation of investments	313.16	(160.07)	-	153.09
Lease liabilities	3.42	(0.79)	-	2.63
<b>Total Deferred Tax Liability</b>	<b>981.75</b>	<b>(215.86)</b>	<b>-</b>	<b>765.89</b>
<b>Deferred Tax Asset</b>				
43B disallowances (net)	12.76	(3.19)	-	15.95
Provision for Expected Credit Loss	25.13	(1.26)	-	26.39
Remeasurement of Defined Benefit Plan	(0.61)	-	(10.88)	10.26
Tax Adjustment (Others)	-	-	-	44.68
	37.28	(4.45)	(10.88)	97.28
<b>Net deferred tax</b>	<b>944.47</b>	<b>(220.31)</b>	<b>(10.88)</b>	<b>668.61</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

**Note 25 : Fair value disclosures for financial assets and financial liabilities**

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ in Lakhs)

Particulars	Carrying Amount		Fair Value	
	31-March-2023	31-March-2022	31-March-2023	31-March-2022
<b>Financial assets</b>				
Investments measured at fair value through profit or loss	13,737.72	12,470.61	13,737.72	12,470.61
Investments measured at amortised cost	2,719.09	2,872.02	2,552.10	2,895.28
<b>Total</b>	<b>16,456.81</b>	<b>15,342.63</b>	<b>16,289.82</b>	<b>15,365.89</b>

The management assessed that the fair values of cash and cash equivalents, other bank balance, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Note 26 : Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

**Quantitative disclosures of fair value measurement hierarchy for financial assets as at 31-March-2023 and 31-March- 2022.**

(₹ in Lakhs)

Particulars	Fair value measurement using						
	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>As at 31-March-2023</b>							
Investments	13,737.72	-	2,719.09	16,456.81	4,049.03	12,356.75	-
Trade receivables (Note 6c)	-	-	5,283.14	-	-	-	-
Cash and cash equivalents (Note 6d)	-	-	265.67	-	-	-	-
Other bank balance (Note 6e)	-	-	15.30	-	-	-	-
Other financial assets (Note 6b)	-	-	249.59	-	-	-	-
<b>Total Financial Assets</b>	<b>13,737.72</b>	<b>-</b>	<b>8,532.79</b>	<b>16,456.81</b>	<b>4,049.03</b>	<b>12,356.75</b>	<b>-</b>
<b>Trade payable</b>	<b>-</b>	<b>-</b>	<b>1,832.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financial liabilities</b>	<b>-</b>	<b>-</b>	<b>94.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Lease liabilities</b>	<b>-</b>	<b>-</b>	<b>63.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,990.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)**
**Note 26 : Fair value hierarchy (Contd...)**

(₹ in Lakhs)

Particulars	Fair value measurement using						
	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>As at 31-March-2022</b>							
Investments	12,470.61	-	2,872.02	15,342.63	4,667.43	10,624.17	-
Trade receivables (Note 6c)	-	-	3,912.31	3,912.31	-	-	-
Cash and cash equivalents (Note 6d)	-	-	307.60	307.60	-	-	-
Other bank balance (Note 6e)	-	-	17.52	17.52	-	-	-
Other financial assets (Note 6b)	-	-	109.70	109.70	-	-	-
<b>Total Financial Assets</b>	<b>12,470.61</b>	<b>-</b>	<b>7,219.15</b>	<b>19,580.06</b>	<b>4,667.43</b>	<b>10624.17</b>	<b>-</b>
Trade payable	-	-	1,692.35	1,692.35	-	-	-
Other financial liabilities	-	-	58.22	58.22	-	-	-
Lease liabilities	-	-	39.72	39.72	-	-	-
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,790.29</b>	<b>1,790.29</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 27 : Financial instruments**

The Company's principal financial liabilities comprise trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, trade and other receivables and cash & short-term deposits that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments. The Audit Committee/Board of Director has oversight in the area of financial risks and controls. It also covers policies on specific risk areas such as currency risk, interest rate risk and investment of surplus funds

For risk management, management identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The management provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results. cash flows and financial position of the Company.

**(a) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables.

Within the various methodologies to analyse and manage risk, the Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the

## NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

Company. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant Statement of Profit or Loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31-March-2023 and 31-March-2022 including the effect of hedge accounting.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any borrowings with floating interest rate. Hence, the Company does not have any interest rate risk at present.

**Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD, GBP and EUR. Consequently, the Company has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk. However, exposure to foreign currency is not material and hence, foreign currency risk is assessed by the Company is low.

The carrying amount of unhedged foreign currency monetary liabilities at the end of the reporting period are as follow: (₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
USD	4.18	75.79
EUR	1.15	42.68

**Foreign Currency Sensitivity:**

The Company is principally exposed to foreign currency risk against USD and EUR. Sensitivity of profit or loss arises mainly from USD and EUR denominated payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR and EUR-IND currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below: (₹ in Lakhs)

USD sensitivity at year end	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
<b>Assets:</b>		
Weakening of INR by 5%	-	-
Strengthening of INR by 5%	-	-
<b>Liabilities:</b>		
Weakening of INR by 5%	-0.06	-2.13
Strengthening of INR by 5%	0.06	2.134

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

### Equity price risk

The Company's investment consists of investments in publicly traded companies held for purposes other than trading. Such investments held in connection with non-consolidated investments represent a low exposure risk for the Company and are not hedged.

### (b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, and other financial instruments.

#### Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days to 90 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 6. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing analysis of trade receivables as of the reporting date is as follow:

(₹ in Lakhs)

Trade receivables as at	Not Due	Past due but not impaired				Total
		Less than 90 days	90 to 180 days	180 to 365 days	Above 365 days	
31-March-2023	4,332.03	824.71	31.41	51.09	43.90	5283.14
31-March-2022	2,789.78	591.55	150.92	322.81	57.25	3912.31

The requirement of impairment is analysed at each reporting date.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance Sheet as on 31-March-2023 and 31-March-2022 is the carrying amount as disclosed in Note 25.

### (c) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing, including bilateral loans, debt and overdraft from domestic banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments: (₹ in Lakhs)

Particulars	On Demand	Less than 3 month	3 months to 1 year	1 year to 5 years	more than 5 years
<b>Year ended 31-March-2023</b>					
Trade payables	-	1,832.59	-	-	-
Lease liability		11.16	29.03	23.52	
Other financial liabilities	58.78			-	-
Payable for capital goods	-	35.36	-	-	-
	<b>58.78</b>	<b>1,879.11</b>	<b>29.03</b>	<b>23.52</b>	<b>-</b>
<b>Year ended 31-March-2022</b>					
Interest bearing borrowings*					
Trade payables	-	1,692.35	-	-	-
Lease liability		11.16	13.78	14.78	
Other financial liabilities	56.00			-	-
Payable for capital goods	-	2.22	-	-	-
	<b>56.00</b>	<b>1,705.73</b>	<b>13.78</b>	<b>14.78</b>	<b>-</b>

**Note 28 : Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). (₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Total Debt	63.71	39.72
Cash and Cash Equivalent (including other bank balance)	(280.97)	(325.12)
<b>Net Debt</b>	<b>(217.26)</b>	<b>(285.40)</b>
Equity share capital	576.84	576.84
Other equity	34,309.89	32,386.53
Total capital	<b>34,886.73</b>	<b>32,963.37</b>
<b>Capital and net debt</b>	<b>34,669.47</b>	<b>32,677.97</b>
Gearing ratio	-1%	-1%

1. Debt is defined as all Long Term and Short Term Debt outstanding + Current Maturity outstanding in lieu of Long Term Debt including Lease Liabilities.

2. Equity is defined as Equity Share Capital + Other Equity

No changes were made in the objectives, policies or processes for managing capital during the years ended 31-March-2023 and 31- March-2022.



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)**
**Note 29 : Contingent Liabilities**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Contingent liabilities not provided for</b>		
a. Income tax demands disputed by the Company	202.36	200.93
b. Sales tax demands disputed by the Company	-	3.22
c. Excise & Service tax demands disputed by the Company	702.20	702.20

Note: Above all figures are excluding unquantified interest payable wherever applicable and outflow of funds, if any, would depend upon the outcome of the dispute / contingency.

**Note 30 : Capital commitments**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Capital commitments</b>		
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Advance)	371.69	302.42

**Note 31 : Disclosure pursuant to Employee benefits**
**A. Define benefit obligation:**

Amount of ₹ 67.77 lakh. (March 31, 2022: ₹ 58.77 lakh) is recognised as expenses and included in Note No. 21 "Employee benefit expense"

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Provident Fund	62.52	52.53
Superannuation Fund	5.25	6.24
	<b>67.77</b>	<b>58.77</b>

**B. Defined benefit plan:**

The Company has following post employment benefits which are in the nature of defined benefit plans:

**(a) Gratuity**

The Company operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

## 31-March-2023 : Changes in defined benefit obligation and plan assets (₹ in Lakhs)

	Gratuity cost charged to statement of profit and loss		Remeasurement gains/(losses) in other comprehensive income						Asset Transfer In/ Transfer Out	Contributions by employer	31-March-2023	
	01-April-2022	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 21)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions				Experience adjustments
<b>Gratuity</b>												
Defined benefit obligation	317.83	18.99	22.53	41.52	(61.53)	-	(9.52)	33.73	24.21	(0.75)	-	321.28
Fair value of plan assets	325.88	0.00	23.10	23.10	(7.33)	(1.42)	-	-	-	-	1.98	342.21
Benefit liability/(Asset)	(8.05)	18.99	(0.57)	18.42	(54.20)	1.42	(9.52)	33.73	24.21	(0.75)	(1.98)	(20.93)
<b>Total benefit liability/(asset)</b>	<b>(8.05)</b>	<b>18.99</b>	<b>(0.57)</b>	<b>18.42</b>	<b>(54.20)</b>	<b>1.42</b>	<b>(9.52)</b>	<b>33.73</b>	<b>24.21</b>	<b>(0.75)</b>	<b>(1.98)</b>	<b>(20.93)</b>

## 31-March-2022 : Changes in defined benefit obligation and plan assets (₹ in Lakhs)

	Gratuity cost charged to statement of profit and loss		Remeasurement gains/(losses) in other comprehensive income						Asset Transfer In/ Transfer Out	Contributions by employer	31-March-2022		
	01-April-2021	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 21)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions				Experience adjustments	Sub-total included in OCI
<b>Gratuity</b>													
Defined benefit obligation	338.10	17.03	18.16	35.19	(95.16)	-	0.02	(5.52)	42.01	36.51	3.19	-	317.83
Fair value of plan assets	345.30	-	18.64	18.64	(95.16)	(0.87)	-	-	42.01	-	6.73	51.24	325.88
Benefit liability / (assets)	(7.20)	17.03	(0.48)	16.55	-	0.87	0.02	(5.52)	42.01	36.51	(3.54)	(51.24)	(8.05)
<b>Total benefit liability / (assets)</b>	<b>(7.20)</b>	<b>17.03</b>	<b>(0.48)</b>	<b>16.55</b>	<b>-</b>	<b>0.87</b>	<b>0.02</b>	<b>(5.52)</b>	<b>42.01</b>	<b>36.51</b>	<b>(3.54)</b>	<b>(51.24)</b>	<b>(8.05)</b>

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	Year ended 31-March-2023 (%) of total plan assets	Year ended 31-March-2022 (%) of total plan assets
Insured fund	100%	100%
<b>(%) of total plan assets</b>	<b>100%</b>	<b>100%</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	31-March-2023 (%) of total plan assets	31-March-2022 (%) of total plan assets
Insured fund	100%	100%
<b>(%) of total plan assets</b>	<b>100%</b>	<b>100%</b>

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	31-March-2023	31-March-2022
Discount rate	7.62%	7.09%
Future salary increase	7.00%	7.00%
Expected rate of return on plan assets	7.62%	7.09%
Attrition rate	2.00%	2.00%
Mortality rate during employment	Indian assured lives Mortality 2012-14 (Urban)	Indian assured lives Mortality 2012-14 (Urban)

A quantitative sensitivity analysis for significant assumption is as shown below:

### Gratuity

(₹ in Lakhs)

(increase) / decrease in defined benefit obligation (Impact)			
Particulars	Sensitivity level	31-March-2023	31-March-2022
<b>Gratuity</b>			
Discount rate	1% increase	(16.18)	(17.41)
	1% decrease	18.59	20.08
Salary increase	1% increase	18.52	19.90
	1% decrease	(16.41)	(17.58)
Attrition rate	1% increase	0.47	0.11
	1% decrease	0.56	0.09

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)**

The followings are the expected future benefit payments for the defined benefit plan : (₹ in Lakhs)

<b>Particulars</b>	<b>31-March-2023</b>	<b>31-March-2022</b>
<b>Gratuity</b>		
Within the next 12 months (next annual reporting period)	72.86	50.20
Between 2 and 5 years	144.13	169.68
Between 6 and and 10 years	89.27	80.17
Beyond 11 years	269.47	265.45
<b>Total Expected Payments</b>	<b>575.73</b>	<b>565.50</b>

**Weighted average duration of defined plan obligation (based on discounted cash flows)** (₹ in Lakhs)

<b>Particulars</b>	<b>31-March-2023 Years</b>	<b>31-March-2022 Years</b>
Gratuity	7	7

The followings are the expected contributions to planned assets for the next year: (₹ in Lakhs)

<b>Particulars</b>	<b>31-March-2023</b>	<b>31-March-2022</b>
Gratuity	-	10.93

**C. Other Long term employee benefit plans****Leave encashment / Compensated absences**

Salaries, Wages and Bonus include Rs. -2.76 Lakhs (Previous Year Rs. 2.35 Lakhs) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)****Note 32 : Related Party Transactions**

As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Company are as follows :

**A. Name of Related Parties and Nature of Relationship :****a. Associate**

Eimco Elecon Electricals Limited.

**b. Individual/Enterprise having control/significant influence**

Shri Prayasvin B. Patel  
Elecon Engineering Company Limited

**c. Key Management Personnel****Directors**

Shri Pradip M Patel, Non Executive Director and Chairman  
Shri Mukulnarayan Dwivedi, Executive Director  
Shri Prayasvin B. Patel, Executive Director  
Shri Prashant C. Amin, Non Executive Director - Nominee Director  
Shri Nalin M. Shah, Non Executive Director - Independent Director (Upto 25 January, 2023)  
Shri Nirmal P. Bhogilal, Non Executive Director - Independent Director  
Smt. Manjuladevi P. Shroff, Non Executive Director - Independent Director  
Ms. Reena Bhagwati, Non Executive Director - Independent Director

**Executive Officers**

Shri Vishal C. Begwani, Chief Financial Officer  
Shri Rikenkumar Dalwadi, Company Secretary

**d. Enterprises over which (b) or (c) above have significant influence**

EMTICI Engineering Limited  
EMTICI Marketing LLP  
Prayas Engineering Limited  
Power Build Pvt. Ltd.  
Elecon Information Technology Ltd.  
Akkaish Mechatronics Limited  
Speciality Woodpack Pvt. Ltd.  
Modsonic Instruments & Trust Private Ltd.  
Elecon Peripherals Limited  
Bipra Investment & Trusts Private Limited  
K.B.Investment Private Limited.  
Akaaishpra Infracon Pvt. Ltd.  
Jamco Consultants Pvt. Ltd.  
Kirloskar Power Build Gears Ltd.  
Akaaish Investments Pvt. Ltd.  
Wizard Fincap Limited  
Tech Elecon Pvt. Ltd.  
Elecon Hydraulics Pvt. Ltd.  
Vijay M. Mistry Construction Private Limited  
Elecon Australia Pty. Limited

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)**

Elecon Africa Pty. Limited.  
 Elecon Singapore Pte. Limited.  
 Elecon Middle East FZE, UAE  
 Elecon Engineering (Suzhou) Co Limited  
 Power Build Transmission International Limited  
 Radicon Transmission UK Limited  
 Radicon Drive System Inc. (formaly known as Elecon USA Trasnmission Limited)  
 Benzlers System, AB  
 AB Benzlers  
 Benzler Italia s.r.l., Italy  
 Banzler Transmission A.S ( Denmark )  
 OY Benzler AB ( Finland )  
 Benzler Antriebstechnik GMBH, Germany  
 Benzler TBA BV, Netherlands  
 Radicon Transmission FZE, UAE  
 Radicon Transmission ( Thailand ) Limited  
 Radicon Transmission System ( Thailand ) Limited  
 Radicon Transmission (Australia) Pty. Limited.  
 Desmin Agencies  
 United Marketing  
 Expert Energy System - LLP

**e. Collaborators**

Sandvik AB Sweden  
 Tamrock Great Britain Holding Limited

**f. Post employment benefit plan**

Eimco Employees Gtratuty S.  
 Eimco Emp Super Annuity SH

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)**
**B. Disclosure in respect of Related Party Transactions :**

(₹ in Lakhs)

Nature of Transactions	Year Ended	
	31-March-2023	31-March-2022
<b>Purchase of Material / Finish Goods</b>		
Elecon Engineering Co. Ltd.	517.61	313.35
Power Build Pvt. Ltd	0.96	-
Eimco Elecon Electricals Pvt Ltd.	100.24	99.14
Elecon Peripherals Limited	0.52	0.88
Elecon Hydraulics Pvt. Ltd.	32.13	7.78
<b>Sale of Material / Finish Goods</b>		
Elecon Engineering Co Ltd	75.48	56.44
Vijay M. Mistry Construction Pvt. Ltd.	20.32	26.00
Emtici Marketing LLP	0.72	0.75
Akaaish Mechatronics Ltd	940.00	-
<b>Purchase of Fixed Assets</b>		
Elecon Engineering Co. Ltd.	-	30.52
Tech Elecon Pvt. Ltd.	71.05	44.39
Akaaish Mechatronics Ltd.	-	1.05
<b>Sale of Fixed Assets</b>		
Elecon Engineering Company Ltd.	1.40	-
<b>Rendering Leasing of Property of Any Kind</b>		
Elecon Engineering Company Ltd.	0.32	4.11
<b>Availing Leasing of Property of Any Kind</b>		
Elecon Engineering Co Ltd	14.92	12.45
EMTICI Engineering Ltd	52.44	50.43
<b>Availing of Services</b>		
Elecon Engineering Co Ltd	18.94	5.11
Speciality Woodpack Pvt Ltd	14.00	15.73
Elecon Information Technology Ltd	7.08	7.08
Akaaish Mechatronics Ltd	144.96	120.11
EMTICI Engineering Ltd	46.78	29.98
Wizard Fincap	25.86	21.64
Tech Elecon Pvt. Ltd.	171.23	136.80
Jamko Consultants Pvt. Ltd.	0.01	58.16
EMTICI Marketing LLP	26.42	15.98
Power Build Pvt. Limited	21.83	13.92
<b>Rendering Services</b>		
Elecon Engineering Co Ltd	4.58	12.89
Power Build Pvt. Limited	-	1.89

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

(₹ in Lakhs)

Nature of Transactions	Year Ended	
	31-March-2023	31-March-2022
<b>CSR and Donation</b>		
B. I. Patel Charitable Trust	4.63	26.71
<b>Sales &amp; Service Commission</b>		
EMTICI Engineering Ltd.	-	(198.99)
EMTICI Marketing LLP	1416.21	993.77
<b>Remuneration</b>		
Key Management Personnel	203.33	192.28
Shri P. M. Patel	7.62	3.00
Shri P. B. Patel	62.88	62.88
Shri P. C. Amin	6.32	1.50
Shri Nirmal Bhogilal	6.92	2.82
Shri Nalin M. Shah	6.96	3.06
Smt. Manjuladevi Shroff	7.58	2.58
Ms. Reena Bhagwati	6.02	1.32
Shri Mukul Dwivedi	47.15	56.50
Shri N.D. Shelat	-	15.00
Shri Vishal Begwani	40.44	17.80
Shri Riken Dalwadi	8.40	5.82
<b>Dividend Paid</b>		
Temrock Great Britain Holdings Limited	36.20	72.39
Elecon Engineering Co Ltd	23.96	47.92
EMTICI Engineering Ltd	20.46	40.92
K.B.investment Private Limited.	12.18	24.35
Bipra Investment & Trusts Private Limited.	4.71	9.41
Elecon Information Technology Ltd	3.69	7.38
Devkishan Investments Private Limited.	3.02	6.05
Akkaish Mechatronics Limited	0.65	1.30
Power Build Pvt. Ltd.	0.40	0.80



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)**
**Balance as at year end :**

(₹ in Lakhs)

Nature of Transactions	Year Ended	
	31-March-2023	31-March-2022
<b>Outstanding Payables :</b>		
<b>(a) Associates and Joint Ventures</b>		
Eimco Elecon Eletrical Limited	26.76	16.55
<b>(b) Individual / Enterprise having control /Significant influence</b>		
Elecon Engineering Company Limited	53.13	78.07
<b>(c) Key Management Personnel</b>	24.20	20.00
Shri Mukul Dwivedi	8.00	8.00
Shri P.M. Patel	2.70	2.00
Shri P.C. Amin	2.70	2.00
Shri Nirmal Bhogilal	2.70	2.00
Shri Nalin M. Shah	2.70	2.00
Smt. Manjuladevi Shroff	2.70	2.00
Ms. Reena Bhagwati	2.70	2.00
<b>(d) Enterprises over which (b) or (c) of (A) above have significant influence</b>		
Elecon Peripheals Limited	-	0.35
EMTICI Engineering Limited	0.91	0.80
Speciality Woodpack Pvt. Ltd.	0.99	0.14
Power Build Pvt. Limited	2.08	-
Wizard FinCap Limited	0.59	4.14
Tech Elecon Pvt. Ltd.	-	32.96
Elecon Hydraulics Pvt. Ltd.	(1.29)	7.77
Jamko Consultants Pvt. Ltd.	-	1.67
EMTICI Marketing LLP	409.80	314.61
<b>Advance received from Enterprises having significant influence</b>		
Vijay M. Mistry Construction Pvt. Ltd.	-	20.07
<b>Outstanding Receivables :</b>		
Individual / Enterprise having control /Significant influence		
Elecon Engineering Company Limited	12.67	0.77
<b>Enterprises over which (b) or (c) of (A) above have significant influence</b>		
Vijay M. Mistry Construction Pvt. Ltd.	2.25	-
<b>Investment:</b>		
<b>(a) Associates</b>		
Eimco Elecon Electricals Ltd.	51.00	51.00

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

**C. Terms and conditions of transactions with related parties**

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions.

**D. Commitments with related parties**

The Company has outstanding commitment of Rs. 246.72 Lacs to the related party as at 31.03.2023

**E. Transactions with key management personnel**

Compensation of key management personnel of the Company

(₹ in Lakhs)

Particulars	2022-23	2021-22
Short-term employee benefits	173.15	166.42
Post employment benefits	26.09	6.88
<b>Total compensation paid to key management personnel</b>	<b>199.24</b>	<b>173.30</b>

**Note 33 : Earning per share**

(₹ in Lakh except EPS)

Particulars	2022-23	2021-22
<b>Earing per share (Basic and Diluted)</b>		
Profit attributable to ordinary equity holders	2,086.75	851.95
Total no. of equity shares at the end of the year (No. in Lakhs)	57.68	57.68
<b>Weighted average number of equity shares</b>		
For basic EPS	57.68	57.68
For diluted EPS	57.68	57.68
Nominal value of equity shares	10.00	10.00
Basic earning per share	36.18	14.77
Diluted earning per share	36.18	14.77

**Note 34 : Corporate social responsibility expenditure**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
(a) Gross amount required to be spent by the Company during the year (2% of Avg Net Profit as per Section 135(5))	7.04	19.59
(b) Amount spent during the year		
(i) Construction/acquisition of any asset		
(ii) On purposes other than (i) above - In Cash	4.63	22.00
(c) Set Off Available from Previous Years	2.41	-
(d) Set Off available for succeeding years	-	(2.41)
(e) Reason for shortfall	Not Applicable	Not Applicable
(f) Nature of CSR activity	*	*
(g) Details of Related party transaction**	4.63	22.00
(h) Amount approved by the Board to be spent during the year	7.04	19.59
(i) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision during the year	Not Applicable	Not Applicable

\* Promoting healthcare.

\*\* Represents contribution to B.I. Patel Trust and I.B. Patel Trust towards promoting education and healthcare related activities.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

### Note 35 (a) : Other Amendments with respect to Schedule III

1. The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
2. The company is not declared as wilful defaulter by any bank or financial Institution or other lender.
3. There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
4. The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
5. The company have not traded or invested in Crypto currency or Virtual Currency during the year.
6. The company does not have any transactions with companies struck off.
7. The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
8. The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
9. The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
10. The previous year's figures have been regrouped / rearranged wherever necessary to make it comparable with the current year.

### Note 35(b) : Ratio Analysis

Sr. No.	Particulars	Numerator	Denominator	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	Variance	Comment
1	Current Ratio	Current assets	Current liabilities	4.42	7.69	42.48%	Reduction in current Investment due to investment of proceeds in non current investments
2	Debt Equity Ratio	Total Debt <sup>(1)</sup>	Shareholders Equity	0.00	0.00	51.55%	Increase in Shareholders Equity
3	Debt Service Coverage Ratio	Earnings available for debt service <sup>(2)</sup>	Debt Service <sup>(3)</sup>	47.49	28.69	65.52%	Increase in operating profit lead to improvement
4	Return on Equity	Net Profit after taxes- Preference dividend (if any)	Average Share holders Equity	6.15%	2.61%	136.06%	Increase in profitability due to higher sales
5	Inventory Turnover Ratio	Cost of goods sold	Average inventory	1.20	0.68	77.04%	Increase in total turnover resulted in improvement
6	Trade Receivable Turnover Ratio	Net credit sales	Average Account receivables	3.71	1.65	125.28%	Increase in total turnover and improvement in collection resulted in overall improvement
7	Trade Payable Turnover Ratio	Net credit purchases	Average Account payables	5.55	3.88	42.91%	Increase in turnover and reduction in Trade Payables

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd...)

## Note 35(b) : Ratio Analysis (Contd...)

Sr. No.	Particulars	Numerator	Denominator	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	Variance	Comment
8	Net Capital Turnover Ratio	Net Sales	Working Capital	1.55	0.49	214.47%	Increase in turnover resulted in improvement
9	Net Profit Ratio	Net Profit	Total Income	11.39%	9.10%	25.19%	Improvement in operating margin due to better capacity utilisaiton lead to improvement
10	Return on Capital Employed	Earning before interest and taxes	Capital Employed <sup>(4)</sup>	7.52%	2.96%	153.82%	Improvement in operating margin due to better capacity utilisaiton lead to improvement
11	Return on Investment	Income from invested funds <sup>(5)</sup>	Average Invested Funds <sup>(6)</sup>	5.78%	5.50%	5.08%	No major change

- (1) Total Debt represents Current Borrowings + Non Current Borrowings + Lease liabilities.  
(2) Earnings available for debt service represents Profit Before Tax + Interest on Debt  
(3) Debt Service represents Interest on Debt + Scheduled principal repayment of non-current borrowings + Current maturity of lease liabilities.  
(4) Capital Employed represents Total Equity + Borrowings + Deferred Tax liabilities  
(5) Income generated from invested funds represents Interest Income, Actual Gain / (Loss) on Sale of Investments in Shares / Mutual Funds and Notional Gain / (Loss) on unsold Investments in Shares / Mutual Funds.  
(6) Average Invested funds represents Average Investments in Fixed deposits, Equity Shares and Mutual Funds.

As per our report of even date attached

For **K C MEHTA & CO LLP**  
Chartered Accountants

**Neela R. Shah**  
Partner  
Membership No. 045027

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

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

**Mukulnarayan Dwivedi**  
Executive Director  
DIN : 08442155

**Vishal C. Begwani**  
Chief Financial Officer

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

**Prayasvin B. Patel**  
Executive Director  
DIN : 00037394

**Rikenkumar Dalwadi**  
Company Secretary



## INDEPENDENT AUDITORS' REPORT

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

### **Report on Audit of the Consolidated Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of **Eimco Elecon (India) Limited** ("the Company") and its associate, which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the other financial information of the associate as referred to in the "Other Matters" Paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate as at March 31, 2023, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and their consolidated cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its associate 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 consolidated financial statements under the provisions of the Act and the Rules made 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 audit opinion.

#### **Key Audit Matters**

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

Sr. No.	KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE MATTER
1.	<p><b><u>Existence and valuation of investments</u></b> (Refer to note 6(a) to the consolidated financial statements)</p> <p>Total investments of ₹16,643.21 Lakhs represent 42.81% of total assets of the Company. These investments mainly consist of current and non-current investments in mutual funds. Valuation of the investments is done at fair market value at each balance sheet date. Thus, being very high proportion of total assets of the Company and its Associate as well as high amount of gain or loss credited / debited to statement of profit and loss account, made us conclude that existence and valuation of investments are a key audit matter of our audit.</p>	<p>Our audit procedures to test the existence of the investments mainly consist of verifying quantity / unit balances and market values with demat statement / statements of respective assets management companies as well as verifying the relevant recording of gain or loss in value of respective investments at each balance sheet date.</p> <p>Based on the procedures described we consider the disclosure of investments value as current as well as non-current and recording of gain or loss on the same as acceptable.</p>
1.	<p><b><u>Litigations and claims</u></b> (Refer to note 29 to the consolidated financial statements)</p> <p>In case of the company, the cases are pending with Income Tax and Excise.</p> <p>In normal course of business, financial exposures may arise from pending proceedings and from litigation and claims. Whether a claim needs to be recognised as liability or disclosed as contingent liability in the consolidated financial statements is dependent on number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognised or disclosed in the consolidated financial statements, is inherently subjective.</p> <p>We considered the above area as a key audit matter due to associated uncertainty related to the outcome of these matters and application of material judgement in interpretation of law.</p>	<p>Our audit procedures, inter alia, included the following:</p> <ul style="list-style-type: none"> <li>• Evaluation of company's management's judgment of tax risks, estimates of tax exposures, other claims and contingencies. Past and current experience with the tax authorities and management's response on the subject matter were used to assess the appropriateness of management's best estimate of the most likely outcome of each uncertain contingent liability.</li> <li>• Understanding the current status of the tax assessments &amp; other litigations and discussing selected matters with the company's management.</li> <li>• Assessing the company's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the consolidated financial statements.</li> <li>• Assessment of the probability of negative result of litigation and the reliability of estimates of related obligations.</li> </ul> <p><b>Conclusion:</b></p> <p>Based on procedure described above, we did not identify any material exceptions relating to management's assertions, and treatment, presentation and disclosure of the subject matter in the consolidated financial statements.</p>

#### Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance Report and Shareholder's Information but does not include the consolidated financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.



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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated 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 and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Company and its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of the Company's ability and the associate'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 and associate's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its associate incorporated in India has adequate internal financial controls with reference to consolidated financial statements 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 and its associate'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditor.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- The comparative financial information of the Company and its associate included in these consolidated financial statements, are based on the previously issued consolidated financial statements for the year ended March 31, 2022 which were audited by the predecessor auditor who, vide their report dated April 29, 2022, expressed an unmodified opinion.
- The consolidated financial statement also include the Company and its associate's share of net profit after tax, and total comprehensive income for the year ended March 31, 2023 as mentioned below, in respect of an associate based on their financial statements which has not been audited by us. This financial statement has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the reports of the other auditor and the procedures performed by us as stated in Auditors' Responsibilities paragraph above:

Particulars	Year ended March 31, 2023
Total net profit after tax	9.34
Total Comprehensive Income	8.54

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

#### Report on Other Legal and Regulatory Requirements

- As required by section 143(3) of the Act, and based on our audit and on the financial information of associate, as noted in "Other Matters" paragraph, we report, to the extent applicable, that:
  - we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;





- b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements;
- d. in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
- e. on the basis of the written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors of the Company, none of the directors of the Company and its associate company incorporated in India is disqualified as on March 31, 2023 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 consolidated financial statements of the Company and its associate and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- g. with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. the consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Company and its associate - Refer Note 29 to the consolidated financial statements;
- ii. the Company and its associate did not have any long-term contracts including derivative contracts for which there were material foreseeable losses as at March 31, 2023;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate incorporated in India.
- iv. (a) The Company's Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company and its associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company and its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Company's Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company and its associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company and its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. As stated in Note 11.2 to the consolidated financial statements
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
  - (b) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company and its associate, which are the companies incorporated in India from Financial Year beginning April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year 2022-2023.
2. With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us and the auditor of the associate included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For K C Mehta & Co LLP**

*Chartered Accountants*

(Firm's Registration No. 106237W/W100829)

**Neela R. Shah**

*Partner*

Membership No. 045027

UDIN:- 23045027BGTEMC1054

Place : Vallabh Vidyanagar

Date : 24<sup>th</sup> April, 2023



## **“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT**

*(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Eimco Elecon (India) Limited on the consolidated financial statements of even date)*

### **Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.**

We have audited the internal financial controls with reference to consolidated financial statements of Eimco Elecon (India) Limited (“the Company”) and its associate company wherein such audit of internal financial controls with reference to financial statements was carried out by other Auditor whose report have been forwarded to us and have been appropriately dealt with by us in making this report as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the company for the year ended on that date.

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

The Company and its associate’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). 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 and its Associate's internal financial controls with reference to consolidated 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”) and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls with reference to consolidated Financial Statements and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

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

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

internal financial controls with reference to consolidated 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

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

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

#### **Opinion**

In our opinion, the Company and its Associate, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company and its Associate considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to associate company, which are companies incorporated in India, is based on the audited reports of such company incorporated in India by other auditor.

Our opinion is not modified in respect of the above matter.

For **K C Mehta & Co LLP**  
Chartered Accountants  
(Firm's Registration No. 106237W/W100829)

**Neela R. Shah**  
Partner

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

Membership No. 045027  
UDIN:- 23045027BGTEMC1054

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2023**

(₹ in Lakhs)

Particulars	Note No.	31-March-2023	31-March-2022
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment	3	6,170.47	6,492.44
(b) Capital work-in-progress	3	52.27	5.12
(c) Investment property	4	279.03	294.91
(d) Intangible assets	5	1,159.05	1,275.78
(e) Financial assets			
(i) Investments	6(a)	16,643.21	8,723.42
(ii) Other financial assets	6(b)	160.31	36.48
(f) Other non-current assets	7	-	10.31
<b>Total Non-current Assets</b>		<b>24,464.34</b>	<b>16,838.46</b>
<b>II. Current assets</b>			
(a) Inventories	8	7,878.73	7,093.70
(b) Financial assets			
(i) Investments	6(a)	-	6,939.87
(ii) Trade receivables	6(c)	5,283.14	3,912.31
(iii) Cash and cash equivalents	6(d)	265.67	307.60
(iv) Bank balances other than (iii) above	6(e)	15.30	17.52
(v) Others financial assets	6(b)	89.28	73.22
(c) Current tax assets (net)	9	145.65	433.20
(d) Other current assets	7	735.45	938.19
<b>Total Current Assets</b>		<b>14,413.22</b>	<b>19,715.61</b>
<b>Total Assets</b>		<b>38,877.56</b>	<b>36,554.07</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	10	576.84	576.84
(b) Other equity	11	34,496.29	32,707.19
<b>Total Equity</b>		<b>35,073.13</b>	<b>33,284.03</b>

CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2023

(₹ in Lakhs)

Particulars	Note No.	31-March-2023	31-March-2022
<b>LIABILITIES</b>			
<b>(I) Non - current liabilities</b>			
(a) Financial liabilities			
(i) Lease Liabilities	12(a)	23.52	14.78
(b) Provisions	13	13.68	22.43
(c) Deferred tax liabilities (net)	24	508.09	668.61
<b>Total Non-current liabilities</b>		<b>545.29</b>	<b>705.82</b>
<b>(II) Current liabilities</b>			
(a) Financial liabilities			
(i) Lease Liabilities	12(a)	40.19	24.94
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	12(b)	377.18	335.29
(b) Total outstanding dues of trade payables other than micro enterprises and small enterprises	12(b)	1,455.41	1,357.06
(iii) Other financial liabilities	12(c)	94.14	58.22
(b) Other current liabilities	14	1,025.66	665.74
(c) Provisions	13	266.56	122.97
<b>Total Current Liabilities</b>		<b>3,259.14</b>	<b>2,564.22</b>
<b>Total Equity and Liabilities</b>		<b>38,877.56</b>	<b>36,554.07</b>

The accompanying notes are an integral part of the Consolidated Financial Statements.

1-35

As per our report of even date attached

For **K C MEHTA & CO LLP**  
Chartered Accountants

**Neela R. Shah**  
Partner  
Membership No. 045027

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

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

**Mukulnarayan Dwivedi**  
Executive Director  
DIN : 08442155

**Vishal C. Begwani**  
Chief Financial Officer

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

**Prayasvin B. Patel**  
Executive Director  
DIN : 00037394

**Rikenkumar Dalwadi**  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023**

(₹ in Lakhs)

<b>Particulars</b>	<b>Note No.</b>	<b>31-March-2023</b>	<b>31-March-2022</b>
Revenue from operations	15	17,269.70	8,444.37
Other income	16	905.81	918.21
<b>Total Income (I)</b>		<b>18,175.51</b>	<b>9,362.58</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	17	4,688.31	4,146.97
Purchase of Stock in Trade	18	3,124.98	2,452.88
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	1,187.05	(2,928.34)
Manufacturing expense	20	664.92	575.76
Employee benefits expense	21	1,525.82	1,248.54
Finance costs	22	50.11	43.18
Depreciation and amortisation expense	3, 4 & 5	780.18	809.39
Other expenses	23	3,648.32	2,026.50
<b>Total Expenses (II)</b>		<b>15,669.69</b>	<b>8,374.88</b>
<b>Profit before Share in Profit / (Loss) of Associate and tax (III) = (I-II)</b>		<b>2,505.82</b>	<b>987.70</b>
Share in income of associates (IV)		8.54	15.84
<b>Profit before tax (V)</b>		<b>2,514.36</b>	<b>1,003.54</b>
<b>Tax Expense</b>			
Current tax	24	727.50	286.00
Adjustment of tax relating to earlier periods	24	(11.56)	70.06
Deferred tax	24	(154.07)	(220.31)
<b>Total tax expense (VI)</b>		<b>561.87</b>	<b>135.75</b>
<b>Profit for the year (VII) = (V-VI)</b>		<b>1,952.49</b>	<b>867.79</b>

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023

(₹ in Lakhs)

Particulars	Note No.	31-March-2023	31-March-2022
<b>Other Comprehensive Income</b>			
Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans		(25.64)	(37.37)
Income tax effect of above		6.45	10.88
<b>Other comprehensive income (net of tax) for the year (VIII)</b>		<b>(19.19)</b>	<b>(26.49)</b>
<b>Total comprehensive income IX = (VII + VIII)</b>		<b>1933.30</b>	<b>841.30</b>
Earning per equity share [nominal value per share ₹ 10/- (31-March-2022: ₹ 10/-)]			
Basic		33.85	15.04
Diluted		33.85	15.04

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

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As per our report of even date attached

For **K C MEHTA & CO LLP**

*Chartered Accountants*

**Neela R. Shah**

*Partner*

Membership No. 045027

**For and on behalf of the Board of Directors**

**Eimco Elecon (India) Limited**

CIN : L29199GJ1974PLC002574

**Mukulnarayan Dwivedi**

*Executive Director*

DIN : 08442155

**Prayasvin B. Patel**

*Executive Director*

DIN : 00037394

**Vishal C. Begwani**

*Chief Financial Officer*

**Rikenkumar Dalwadi**

*Company Secretary*

Place : Vallabh Vidyanagar

Date : 24<sup>th</sup> April, 2023

Place : Vallabh Vidyanagar

Date : 24<sup>th</sup> April, 2023



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit before Tax</b>	<b>2,514.36</b>	<b>1,003.54</b>
<i>Adjustments for :</i>		
Share of profit of associates	(8.54)	(15.84)
Depreciation and Amortisation of Property, Plant and Equipments, Intangible Assets and Investment Property	780.18	809.39
Finance Cost	50.11	43.18
Gain on sale / fair valuation of Investment (Net)	(466.58)	(661.75)
Loss on Sale of Property, Plant and Equipments (Net)	5.05	11.88
Interest Income	(290.82)	(187.39)
Dividend Income	(18.41)	(2.83)
Provision for Doubtful receivable/sundry balances written off	43.43	12.03
Provision for Warranty and others	223.65	(370.49)
Unrealised foreign exchange (gain)/loss (Net)	(0.07)	1.26
<b>Operating Profit before changes in working capital</b>	<b>2,832.36</b>	<b>642.98</b>
<b>Adjustments for (increase)/decrease in operating assets</b>		
Trade and other receivables	(1,414.26)	2,222.27
Inventories	(785.03)	(3,374.31)
Other financial assets	(139.89)	20.04
Other current and non-current assets	213.05	(62.09)
<b>Adjustments for increase/(decrease) in operating liabilities</b>		
Trade payables	104.95	(247.27)
Other payables	245.47	16.48
Other financial liabilities	38.14	(4.54)
<b>Cash flow from Operations after changes in working capital</b>	<b>1,094.79</b>	<b>(786.44)</b>
Net Direct taxes paid/(refunded)	<b>428.38</b>	<b>201.22</b>
<b>NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)</b>	<b>666.41</b>	<b>(987.66)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of property, plant and equipment	11.40	5.20
Sale/(Purchase) of investments (Net)	(504.80)	785.21
Interest income	290.82	187.39
Dividend income	18.41	2.83
Purchase of property plant and equipment and CWIP	(283.80)	(168.01)
Bank balance not considered as cash and cash equivalent (Net)	2.22	0.14
<b>NET CASH FLOW FROM / (USED IN ) INVESTING ACTIVITIES (B)</b>	<b>(465.75)</b>	<b>812.76</b>

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023

(₹ in Lakhs)

Particulars	31-March-2023	31- March-2022
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Finance Cost	(50.11)	(43.18)
Repayment of borrowing	-	(83.25)
Principal Payment of lease liability (including interest)	(46.05)	(45.94)
Dividend Paid	(146.43)	(288.56)
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(242.59)</b>	<b>(460.93)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(41.93)</b>	<b>(635.83)</b>
<b>Opening Cash and Cash equivalents</b>	<b>307.60</b>	<b>943.43</b>
<b>Closing Cash and Cash equivalents (Refer Note 6(d))</b>	<b>265.67</b>	<b>307.60</b>
<b>Components of Cash &amp; Cash Equivalents :-</b>		
Cash on hand	-	0.05
<b>Balances with banks</b>		
In Current Accounts	265.67	307.55
	<b>265.67</b>	<b>307.60</b>

As per our report of even date attached

For **K C MEHTA & CO LLP**  
Chartered Accountants

**Neela R. Shah**  
Partner  
Membership No. 045027

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

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

**Mukulnarayan Dwivedi**  
Executive Director  
DIN : 08442155

**Vishal C. Begwani**  
Chief Financial Officer

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

**Prayasvin B. Patel**  
Executive Director  
DIN : 00037394

**Rikenkumar Dalwadi**  
Company Secretary

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023****A. Equity Share Capital** (₹ in Lakhs)

Particulars	Amount
Balance as at 01-April-2021	576.84
Additions/(Reductions)	-
Balance as at 31-March-2022	576.84
<b>Additions/(Reductions)</b>	<b>-</b>
<b>Balance as at 31-March-2023</b>	<b>576.84</b>

**B. Other Equity**

	Capital Reserve	General Reserve	Security premium	Retained Earnings	Total Equity
<b>Balance as at 1-April- 2021</b>	<b>2.91</b>	<b>22,443.45</b>	<b>753.83</b>	<b>8,954.12</b>	<b>32,154.31</b>
Profit for the year	-	-	-	867.79	<b>867.79</b>
Other comprehensive income for the year*	-	-	-	(26.49)	<b>(26.49)</b>
Total Comprehensive income for the year	-	-	-	841.30	<b>841.30</b>
Dividend	-	-	-	(288.42)	<b>(288.42)</b>
<b>Balance as at 31-March-2022</b>	<b>2.91</b>	<b>22,443.45</b>	<b>753.83</b>	<b>9,507.00</b>	<b>32,707.19</b>
Profit for the year	-	-	-	1,952.49	<b>1,952.49</b>
Other comprehensive income for the year	-	-	-	(19.19)	<b>(19.19)</b>
Total Comprehensive income for the year	-	-	-	1,933.30	<b>1,933.30</b>
Dividend	-	-	-	(144.21)	<b>(144.21)</b>
<b>Balance as at 31-March-2023</b>	<b>2.91</b>	<b>22,443.45</b>	<b>753.83</b>	<b>11,296.10</b>	<b>34,496.29</b>

\* Remeasurement of Defined Benefit Plans

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

1-35

As per our report of even date attached

For **K C MEHTA & CO LLP**  
Chartered Accountants**Neela R. Shah**  
Partner  
Membership No. 045027For and on behalf of the Board of Directors  
**Eimco Elecon (India) Limited**  
CIN : L29199GJ1974PLC002574**Mukulnarayan Dwivedi**  
Executive Director  
DIN : 08442155**Prayasvin B. Patel**  
Executive Director  
DIN : 00037394**Vishal C. Begwani**  
Chief Financial Officer**Rikenkumar Dalwadi**  
Company SecretaryPlace : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-March-2023

**1. CORPORATE INFORMATION**

Eimco Elecon (India) (the Company) Limited is a public company domiciled in India and is incorporated in 1974 under the provisions of the Companies Act, 1956. Its Equity shares are listed on the Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE') in India. The registered office of the company is located at Vallabh Vidyanagar, Gujarat. The Company is principally engaged in the business of Manufacturing of Equipment for Mining and Construction sector.

The consolidated financial statements are approved by the Company's Board of directors on 24-April-2023.

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation**

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act as amended from time to time.

**2.2 Basis of Preparation of Financial Statement**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016. The Group's Financial Statements for the year ended 31st March, 2023 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

The Group has consistently applied accounting policies to all periods presented in these financial statements.

**Principles of Consolidation**

Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

**2.3 Basis of measurement**

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

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

**Current versus non-current classification**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

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

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

### Functional and Presentation Currency

The standalone financial statements are presented in Indian Rupees ( INR ), which is also the Company's presentation and functional currency. All values are rounded to the nearest lakh up to two decimals, except when otherwise indicated.

### Operating Cycle

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

### Measurement of fair values

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

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

- In the principal market for the asset or liability

Or

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

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

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

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

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

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

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

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

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

At each reporting date, Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

- Significant accounting judgments, estimates and assumptions (note no. 2.5)
- Quantitative disclosures of fair value measurement hierarchy (note no. 26)
- Investment properties (note no. 2.4(b) and note no. 4)
- Financial instrument (note no. 2.4(g))

**2.4 Summary of significant accounting policies****a. Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of PPE comprises of its purchase price or its construction cost (net of applicable tax credit, trade discount and rebate if any), Exchange rate variations attributable to the assets 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 by the management and initial estimate of decommissioning costs. Direct costs are capitalized until the asset is ready for use and includes borrowing cost capitalised in accordance with the Company's accounting policy.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under Other Non-Current Assets and the cost of the assets not ready for intended use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses which are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell. Company has availed fair value as deemed cost on the date of transition to Ind AS for Buildings & Plant & Machinery and for other assets as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para 7AA of Ind AS 101.

**Depreciation**

Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for the assets mentioned below for which useful lives estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Detail of asset depreciated on straight line basis and its useful life is as under:

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

<b>Assets</b>	<b>Year</b>
Road	10 Years
Plant and Machinery	15-25 Years
Computers	3 Years
Networks	6 Years
Electric Installation	10 Years

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

**b. Investment properties**

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

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

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

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by Registered Valuer, as defined under Rule 2 of Companies (Registered Valuers and Valuation) applying a valuation model recommended by the International Valuation Standards Committee.

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

**c. Intangible assets**

Intangible assets with finite useful life acquired separately, are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives from the date they are available for use. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The management estimates the useful life of assets as under:

<b>Assets</b>	<b>Year</b>
Technical Knowhow	7 years
Software	7 years

Subsequent expenditures are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in the Statement of Profit and Loss when the asset is derecognised.

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

The Company has elected to continue with the carrying value of its Intangible assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para 7AA of Ind AS 101.

**d. Inventories**

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence, if any. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale. Cost of inventories comprises of cost of purchase (net of recoverable taxes), cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

Inventory cost formula is as under

<b>Inventories</b>	<b>Basis of Valuation and Cost Formula</b>
Raw material	Landed cost at weighted average basis
Work in Progress	Raw material, labour and appropriate proportion of manufacturing expenses and overheads as per stage of completion at weighted average.
Finished Goods	Raw material, labour and appropriate proportion of manufacturing expenses and overheads at weighted average.

**e. Impairment****Impairment of financial assets**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost credit-impaired.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The Company follows a 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company is not required to track changes in credit risk. Rather, it recognised impairment loss allowance based on lifetime Expected credit losses ('ECL') together with appropriate Management's estimate of credit loss at each reporting date, from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the group of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Measurement of expected credit losses Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfall (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Presentation of allowance for expected credit losses in the balance sheet Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off the gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**Impairment of non-financial assets**

The Management periodically assesses using, external and internal sources, whether there is an indication



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

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

### f. **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### g. **Financial Instruments**

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial Assets**

##### **Initial recognition and measurement**

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

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

##### **Subsequent measurement**

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

- (a) Financial assets at amortised cost
- (b) Financial assets at fair value through other comprehensive income (FVTOCI)
- (c) Financial assets at fair value through profit or loss (FVTPL)
- (d) Equity instruments measured at fair value through profit or loss (FVTPL)

##### **Financial assets at amortised cost**

A financial assets is measured at the amortised cost if:

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

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

##### **Financial assets at fair value through other comprehensive income**

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

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

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

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

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

**Financial assets at fair value through profit or loss**

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

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

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

**Equity investments**

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

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

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

**Derecognition of financial assets**

A financial asset is derecognised when:

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

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

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

**Loans and Borrowings**

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

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

as well as through the EIR amortisation process.

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

### **Financial guarantee contracts**

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

### **Derecognition**

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

## **h. Hedge accounting**

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

Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

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

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

### **(i) Fair value hedges**

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

### **(ii) Cash flow hedges**

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

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

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

liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

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

**i. Revenue from Contracts with Customers**

Revenues from sale of goods or services are recognised upon transfer of control of the goods or services to the customer in an amount that reflects the consideration which the company expects to receive in exchange for those goods or services.

Revenue is measured at the transaction price of the consideration received or receivable duly adjusted for variable consideration & customer's right to return the goods and the same represents amounts receivable for goods and services provided in the normal course of business. Revenue also excludes taxes collected from customers. Any retrospective revision in prices is accounted for in the year of such revision.

Revenue is recognised at a point in time on accrual basis as per the terms of the contract, when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

When sales discount and rebate arrangements result in variable consideration, appropriate estimates are made and estimated variable consideration is recognised as a deduction from revenue at the point of sale (to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not be required). The Company typically uses the expected value method for estimating variable consideration, reflecting that such contracts have similar characteristics and a range of possible outcomes.

The contract asset or a contract liability is recognised when either party to a contract has performed, depending on the relationship between the entity's performance and the customer's payment. When the company has a present unconditional rights to consideration, it is recognised separately as a receivable.

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

Dividend income is recognised when the right to receive the same is established.

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

Export incentives (Duty Drawback Scheme benefits) are accrued in the year when the right to receive the same is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization/ utilization of such benefits/ duty credit.

Other income is recognised on accrual basis except when realization of such income is uncertain.

**j. Employee benefits**

**a) Short Term Employee Benefits**

Short term employee benefits such as salaries, wages, short term compensated absences, bonus, ex-gratia, and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the service are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employee to the company. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

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

### b) Post-Employment Benefits

#### (i) Defined contribution plan

These are plans in which the company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprises of contribution to Employee provident fund and superannuation fund. The Company payments to the defined contribution plans are reported as expenses during the period in which the employee performs the services that the payment covers.

#### (ii) Defined benefit plan

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

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

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

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

#### Other long term employment benefits:

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

### k. Leases

#### IND AS 116 Lease

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

#### Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs

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

incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

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

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

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

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

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

Lease payments have been classified as financing activities.

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

**Company as a lessor**

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

**Operating lease**

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

**Foreign Exchange Transactions**

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss.

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

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

items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### **i. Income taxes**

#### **Current income tax**

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

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

#### **Deferred tax**

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

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

### **m. Provisions**

#### **General**

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

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

#### **Warranty provisions**

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

### **n. Cash and cash equivalents**

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

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

### **o. Earnings per share**

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

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

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

number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

### 2.5. Critical Accounting Judgments, Estimates, Assumptions and Key Sources of Estimation Uncertainty

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

#### Judgments

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

- Identification of whether the Company has significant influence over an investee where the shareholding is below 20% of the issued share capital.
- Identification of the land &/or building as an investment property.
- Determining the amount of Impairment loss.
- Determining the amount of expected credit loss on financial assets (including trade receivables)
- Identification of performance obligation in revenue recognition

#### Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### Defined benefit plans (gratuity benefits)

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

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

Further details about gratuity obligations are given in Note 31.

#### Taxes

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



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

### **Allowance for uncollectible trade receivables**

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

### **Warranty Provision**

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

### **Intangible assets**

Refer Note 2.4 (c) for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 5.

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

Refer Note 2.4 (a) for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 3 .

### **Determination of lease term**

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

## **2.6 Recent pronouncements**

### **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

### **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.”

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

## Note 3 : Property, Plant and Equipment (₹ in Lakhs)

Particulars	Land Freehold	Buildings	Plant & Equipment	Furniture & Fixture	Vehicles	Office Equipment	Electrical Fittings	Jigs	ROU Asset	Total
<b>Cost</b>										
<b>As at 1-April-2021</b>	3,113.25	2,006.55	3,129.97	360.16	390.52	1,556.80	168.53	174.32	1,056.24	11,956.34
Additions	-	-	78.20	-	-	115.23	8.56	-	-	201.99
Deductions/Reclassifications/Adjustments	-	(0.43)	(12.81)	0.60	18.94	287.86	-	25.79	-	319.95
<b>As at 31-March-2022</b>	3,113.25	2,006.98	3,220.98	359.56	371.58	1,384.17	177.09	148.53	1,056.24	11,838.38
Additions	-	57.63	6.92	-	-	82.34	-	-	70.04	216.93
Deductions/Reclassifications/Adjustments	-	-	73.54	-	28.11	5.77	-	78.09	70.02	255.53
<b>As at 31-March-2023</b>	3,113.25	2,064.61	3,154.36	359.56	343.47	1,460.74	177.09	70.44	1,056.26	11,799.78
<b>Depreciation and Impairment</b>										
<b>As at 1-April-2021</b>	-	960.78	2,038.30	279.81	286.19	1,183.50	122.20	137.53	86.50	5,094.81
Depreciation for the year	-	135.21	139.42	20.35	29.42	177.62	6.28	2.88	43.25	554.43
Deductions/Reclassifications/Adjustments	-	0.28	6.49	1.17	(14.89)	(285.51)	-	(10.84)	-	(303.30)
<b>As at 31-March-2022</b>	-	1,096.27	2,184.21	301.33	300.72	1,075.61	128.48	129.57	129.75	5,345.94
Depreciation for the Period	-	144.25	134.77	15.08	18.45	157.40	6.65	2.60	43.25	522.45
Deductions	-	-	67.36	-	23.41	5.67	-	72.62	70.02	239.08
<b>As at 31-March-2023</b>	-	1,240.52	2,251.62	316.41	295.76	1,227.34	135.13	59.55	102.98	5,629.31
<b>Net Block</b>										
<b>As at 31-March-2023</b>	3,113.25	824.09	902.74	43.15	47.71	233.40	41.96	10.89	953.28	6,170.47
<b>As at 31-March-2022</b>	3,113.25	910.71	1,036.77	58.23	70.86	308.56	48.61	18.96	926.49	6,492.44
<b>Ageing Schedule of CWIP</b>										
Year ended on	Less than 1 year	1 to 2 year	2 to 3 year	More than 3 year	Total					
<b>31-Mar-23</b>										
Project in progress	52.27	-	-	-	52.27					
Project temporarily suspended	-	-	-	-	-					
<b>31-Mar-22</b>										
Project in progress	5.12	-	-	-	5.12					
Project temporarily suspended	-	-	-	-	-					

1. Cash Credit/Working capital demand loan is secured by first charge on the stock and book debts, all other current assets and a second charge on factory land, building, plant and machinery and all other fixed assets.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)****Note 4 : Investment Property (at Cost)**

Particulars	(₹ in Lakhs)
<b>Gross Block</b>	
<b>As at 1-April-2021</b>	<b>524.12</b>
Additions	-
Deductions	-
<b>As at 31-March-2022</b>	<b>524.12</b>
<b>Inter Transfers</b>	<b>524.12</b>
Additions	-
Deductions	-
<b>As at 31-March-2023</b>	<b>524.12</b>
<b>Depreciation and Impairment</b>	
<b>As at 01-April-2021</b>	<b>212.37</b>
Depreciation for the year	16.84
Deductions	-
<b>As at 31-March-2022</b>	<b>229.21</b>
<b>Inter Transfers</b>	
Depreciation for the year	15.88
Deductions	-
<b>As at 31-March-2023</b>	<b>245.09</b>
<b>Net Block</b>	
<b>As at 31-March-2023</b>	<b>279.03</b>
<b>As at 31-March-2022</b>	<b>294.91</b>

**Information regarding income and expenditure of Investment Properties**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Rental income derived from Investment Properties	49.65	44.52
Direct operating expenses (including repairs and maintenance) generating rental income	19.33	9.09
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	3.46
<b>Profit / (Loss) arising from investment properties before depreciation and indirect expenses</b>	<b>30.32</b>	<b>31.97</b>
<b>Less : Depreciation</b>	<b>15.88</b>	<b>16.84</b>
<b>Profit/(Loss) arising from investment properties before indirect expenses</b>	<b>14.44</b>	<b>15.13</b>

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

As at 31-March-2023 and 31-March-2022 the fair values of the properties are based on market valuations performed by a Registered Valuer, as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, by applying valuation model recommended by the International Valuation Standards Committee.

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

The valuation of investment property as at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 is done based on market feedback on values of similar properties and hence considered under "Level 2" of fair value measurement."

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

Fair Value	(₹ in Lakhs)
<b>Balance as at 1-April-2021</b>	<b>981.78</b>
Fair value difference for the year	35.20
Purchases	-
<b>Balance as at 31-March-2022</b>	<b>1,016.98</b>
Fair value difference for the year	26.76
Purchases	-
<b>Balance as at 31-March-2023</b>	<b>1,043.74</b>

## Note 5 : Intangible Assets

(₹ in Lakhs)

Particulars	Software license	Technical Knowhow	Total
<b>Cost</b>			
<b>As at 1-April-2021</b>	<b>391.25</b>	<b>1,923.60</b>	<b>2,314.85</b>
Additions	-	-	-
Deductions	-	-	-
<b>As at 31-March-2022</b>	<b>391.25</b>	<b>1,923.60</b>	<b>2,314.85</b>
Additions	41.50	83.62	125.12
Deductions	-	-	-
<b>As at 31-March-2023</b>	<b>432.75</b>	<b>2,007.22</b>	<b>2,439.97</b>
<b>Amortisation and Impairment</b>			
<b>As at 1-April-2021</b>	<b>367.13</b>	<b>433.82</b>	<b>800.95</b>
<b>Addition</b>			
Amortisation for the year	6.31	231.81	238.12
Deductions	-	-	-
<b>As at 31-March-2022</b>	<b>373.44</b>	<b>665.63</b>	<b>1,039.07</b>
Amortisation for the year	7.35	234.50	241.85
Deductions	-	-	-
<b>As at 31-March-2023</b>	<b>380.79</b>	<b>900.13</b>	<b>1,280.92</b>
<b>Net Block</b>			
<b>As at 31-March-2023</b>	<b>51.96</b>	<b>1,107.09</b>	<b>1,159.05</b>
<b>As at 31-March-2022</b>	<b>17.81</b>	<b>1,257.97</b>	<b>1,275.78</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**
**Note 6 : Financial Assets**

(₹ in Lakhs)

Particulars	Face Value	31-March-2023		31-March-2022	
		No of share	Amount	No of share	Amount
<b>6(a) Investments</b>					
<b>A. Non-current investments</b>					
<b>A1. Investment in Equity share of Associate at Cost</b>					
Eimco Elecon Electrical Limited	10	5,10,000	237.40	5,10,000	371.66
<b>Investment at cost</b>			<b>237.40</b>		<b>371.66</b>
<b>A2. Investment in equity shares of others at fair value through profit or loss</b>					
<b>Quoted</b>					
GOL Offshore Limited	10	238	0.02	238	0.02
Aditya Birla Capital Limited	10	7,000	10.75	7,000	7.54
<b>Fair value of Quoted Equity Shares</b>			<b>10.77</b>		<b>7.56</b>
<b>Unquoted</b>					
Charotar Gas Sahakari Mandali Limited	500	5	0.03	5	0.03
<b>Total Investment in Equity Shares</b>			<b>10.80</b>		<b>7.59</b>
<b>A3. Investment at fair value through profit or loss</b>					
Mutual Fund -Unquoted			12,356.75		4,242.55
Corporate Bonds and Debentures -Quoted			772.77		915.06
REIT and InvIT funds -Quoted			597.40		665.54
			<b>13,726.92</b>		<b>5,823.15</b>
<b>A4. Investment at amortised cost</b>					
Corporate Bonds -Quoted			2,668.09		2,521.02
<b>Investment at cost</b>			<b>2,668.09</b>		<b>2,521.02</b>
<b>Fair value</b>			<b>2,501.10</b>		<b>2,526.30</b>
<b>Total Non-current Investments</b>			<b>16,643.21</b>		<b>8,723.42</b>
Aggregate value of quoted investments			<b>3,451.63</b>		<b>4,109.18</b>
Aggregate market value of quoted investments			<b>3,284.64</b>		<b>4,114.46</b>
Aggregate value of unquoted investments			<b>12,594.18</b>		<b>4,614.24</b>

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

## Note 6 : Financial Assets (Contd...)

(₹ in Lakhs)

Particulars	31-March-2023		31-March-2022		
	Face Value	No of share	Amount	No of share	Amount
<b>6(a) Investments</b>					
<b>B. Current investments</b>					
<b>B1. Investment at fair value through profit or loss account</b>					
Mutual Fund -Unquoted			-		6381.62
Corporate Bonds and Debentures -Quoted			-		258.25
			-		<b>6639.87</b>
<b>B2. Investment at amortised cost</b>					
<b>Quoted</b>					
Corporate Bonds -Quoted			-		300.00
<b>Investment at cost</b>			-		<b>300.00</b>
<b>Fair value</b>			-		<b>317.98</b>
<b>Total Current Investments</b>			-		<b>6939.87</b>
Aggregate value of quoted investments			-		<b>300.00</b>
Aggregate market value of quoted investments			-		<b>317.98</b>
Aggregate value of unquoted investments			-		<b>6,639.87</b>
<b>Total Investments</b>			<b>16,643.21</b>		<b>15,663.29</b>

## 6b : Other Financial Assets

(₹ in Lakhs)

Particulars	31-March-2023		31-March-2022		
<b>Non-current</b>					
Security Deposits			160.31		36.48
			<b>160.31</b>		<b>36.48</b>
<b>Current</b>					
Receivable other than trade			89.28		73.22
			<b>89.28</b>		<b>73.22</b>
<b>Total Other financial assets</b>			<b>249.59</b>		<b>109.70</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)****6(c) Trade Receivables**

(₹ in Lakhs)

<b>Particulars</b>	<b>31-March-2023</b>	<b>31-March-2022</b>
Secured, considered good	390.46	-
Unsecured, considered good	5,012.33	4,002.95
Doubtful		
Less : Provision for doubtful receivables / Allowance for expected credit loss*	(119.65)	(90.64)
<b>Total</b>	<b>5,283.14</b>	<b>3,912.31</b>
Receivable from related parties	14.92	0.77
Receivable from Others	5,268.22	3,911.54
Doubtful		
Less : Provision for doubtful receivables / Allowance for expected credit loss		
<b>Total</b>	<b>5,283.14</b>	<b>3,912.31</b>

\*Allowance for Expected Credit Loss is calculated based on the ECL model as described under Ind AS 109. Refer Note 2.4 and Note 27(b) for the Company's accounting policy and basis of calculating ECL allowance.

Movement in allowance for expected credit loss :

<b>Particulars</b>	<b>31-March-2023</b>	<b>31-March-2022</b>
<b>Opening balance</b>	<b>90.64</b>	<b>86.30</b>
Allowance / (Reversal) for the year	29.01	4.34
<b>Balance at the end of the year</b>	<b>119.65</b>	<b>90.64</b>

The ageing schedule of trade receivables as of the reporting date is as follow:

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

Trade Receivable	Outstanding						Total
	Not Due	Less than 6 Months	6 Months to 1 Year	1 year to 2 year	2 year to 3 year	More than 3 Year	
<b>31-March-2022</b>							
<b>Undisputed</b>							
Considered good	4,354.01	866.01	58.08	56.95	34.06	33.66	5,402.77
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	22.00	9.89	6.99	18.29	28.82	33.66	119.65
<b>Disputed</b>							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
<b>Total Trade Receivable</b>	<b>4,332.03</b>	<b>856.12</b>	<b>51.09</b>	<b>38.66</b>	<b>5.24</b>	<b>-</b>	<b>5,283.14</b>
<b>31-March-2021</b>							
<b>Undisputed</b>							
Considered good	2,789.77	742.47	322.81	34.37	22.88	90.64	4,002.95
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	90.64	90.64
<b>Disputed</b>							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
<b>Total Trade Receivable</b>	<b>2,789.77</b>	<b>742.47</b>	<b>322.81</b>	<b>34.37</b>	<b>22.88</b>	<b>-</b>	<b>3,912.31</b>

**Note 6C(1):** Cash Credit/Working capital demand loan is secured by first charge on the stock and book debts, all other current assets and a second charge on factory land, building, plant and machinery and all other fixed assets.

**6(d) Cash and Cash Equivalents**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Cash and Cash Equivalents</b>		
Balance with Bank		
Current accounts and debit balance in cash credit accounts	265.67	307.55
Cash on hand	-	0.05
<b>Total Cash and Cash Equivalents</b>	<b>265.67</b>	<b>307.60</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**
**6(e) Other Bank Balance**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Other bank balances</b>		
Unpaid dividend accounts	15.30	17.52
<b>Total</b>	<b>15.30</b>	<b>17.52</b>

\* These balances represents unclaimed dividend amount which is earmarked for payment of dividend and can not be used for any other purpose.

**Note 7 : Other Non-Current / Current Assets**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Unsecured, Considered Good		
<b>Non-Current</b>		
Capital advances	-	10.31
	-	10.31
<b>Current</b>		
Advance to suppliers	328.24	214.07
Balances with Government. Authorities (including amount paid under protest)	377.38	667.58
Other Advances	29.83	56.54
<b>Total</b>	<b>735.45</b>	<b>948.50</b>

**Note 8 : Inventories**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Raw materials and components	5,228.28	3,256.20
Work-in-progress	1,315.23	1,881.32
Finished goods	1,335.22	1,956.18
<b>Total</b>	<b>7,878.73</b>	<b>7,093.70</b>

\* Valuation of inventories are done as per significant accounting policies (Note no. 2.4 d.)

For hypothecation: Cash Credit/Working capital demand loan is secured by first charge on the stock and book debts, all other current assets and a second charge on factory land, building, plant and machinery and all other fixed assets.

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

## Note 9 : Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Advance Tax	871.05	3,176.50
Less:		
Provision for income tax	725.40	2,743.30
<b>Total</b>	<b>145.65</b>	<b>433.20</b>

## Note 10 : Share Capital

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Authorised Share Capital</b>		
10,000,000 Equity Shares of ₹10/- each	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued, subscribed and fully paid up</b>		
Issued <b>57,68,386</b> (P.Y. 57,68,386) Equity shares of ₹ 10 each	576.84	576.84
Subscribed and Paid up <b>57,68,385</b> (P.Y. 57,68,385) Equity Shares of ₹ 10/- each	576.84	576.84
Issued but not subscribed 1 Equity Share of ₹10/-	-	-
<b>Total</b>	<b>576.84</b>	<b>576.84</b>

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

(₹ in Lakhs)

Particulars	31-March-2023		31-March-2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares</b>				
At the beginning of the year (in Lakh)	57.68	576.84	57.68	576.84
Issued/Reduction, if any during the year	-	-	-	-
<b>Outstanding at the end of the year (in Lakh)</b>	<b>57.68</b>	<b>576.84</b>	<b>57.68</b>	<b>576.84</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)****Note 10.2 : Rights, preferences and restrictions attached to Equity Shares:**

The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Note 10.3 : Number of Shares held by each shareholder holding more than 5% Shares in the Company**

Particulars	31-March-2023		31-March-2022	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
<b>a) Equity Shares of ₹ 10/- each fully paid up (Previous year ₹ 10/- Each fully paid up)</b>				
Aakaish Investments Private Limited	14,36,858	24.91	-	-
Elecon Engineering Company Limited	9,58,426	16.62	9,58,426	16.62
EMTICI Engineering Ltd.	-	-	8,18,303	14.19
K B Investments Private Ltd.	388515	6.74	4,87,015	8.44
Tamrock Great Britain Holding Ltd.	14,47,875	25.10	14,47,875	25.10

**Note 10.4. Shares held by Promoters in the Company**

Name of the Promoters	No of Shares as on 31.03.23	% of Total Shares	% Change during the year	No of Shares as on 01.04.22	% of Total Shares
Aakaish Investments Private Limited	1436858	24.91	24.91	-	-
Elecon Engineering Company Limited	9,58,426	16.62	-	9,58,426	16.62
Emtici Engineering Limited	-	-	(14.19)	8,18,303	14.19
K B Investments Private Limited	388515	6.74	(0.66)	4,27,015	7.40
Bipra Investments and Trusts Private Limited	-	-	(3.26)	1,88,205	3.26
Elecon Information Technology Limited	-	-	(2.56)	1,47,550	2.56
Devkishan Investments Private Limited	-	-	(2.10)	1,20,900	2.10
Akaaish Mechatronics Limited	-	-	(1.49)	85,900	1.49
Prayas Engineering Limited	-	-	(0.65)	37,500	0.65
Power Build Private Limited	16,050	0.28	-	16,050	0.28
Prayasvin Bhanubhai Patel	17,796	0.31	-	17,796	0.31
Taruna Patel	5,000	0.09	-	5,000	0.09
Prashant C Amin	1,275	0.02	-	1,275	0.02
Tamrock Great Britain Holding Ltd.	14,47,875	25.10	-	14,47,875	25.10

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

## Note 11 : Other Equity

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Note 11.1 Reserves &amp; Surplus</b>		
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	2.91	2.91
Add/Less: Adjustment for the year	-	-
Balance at the end of the year	<b>2.91</b>	<b>2.91</b>
<b>Securities premium</b>		
Balance as per last Balance Sheet	753.83	753.83
Add: addition during the year	-	-
Less: utilized during the year	-	-
Balance at the end of the year	<b>753.83</b>	<b>753.83</b>
<b>General reserve</b>		
Balance as per last Balance Sheet	22,443.45	22,443.45
Add : Transfer from Statement of Profit and Loss	-	-
	<b>22,443.45</b>	<b>22,443.45</b>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as per last Balance Sheet	9,507.00	8,954.12
Add: profit for the year	1,952.49	867.79
Add / (Less): OCI for the year	(19.19)	(26.49)
	<b>11,440.31</b>	<b>9,795.42</b>
<b>Less: Appropriations :</b>		
Dividend on equity shares	144.21	288.42
<b>Balance carried forward</b>	<b>11,296.10</b>	<b>9,507.00</b>
<b>Total</b>	<b>34,496.29</b>	<b>32,707.19</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**
**Note 11.2 Dividend distribution made and proposed**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Cash dividends on Equity Shares declared and paid</b>		
Final dividend for year ended 31-March-2022 ₹ 5/- per share (31-March-2021: ₹ 5/- per share)	144.21	288.42
	<b>144.21</b>	<b>288.42</b>
<b>Proposed dividends on Equity Shares</b>		
Final cash dividend proposed for the year ended 31-March-2023 ₹ 5/- per share (31-March-2022: ₹ 5/- per share)	288.42	144.21
<b>Total</b>	<b>288.42</b>	<b>144.21</b>

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability as at 31 March.

**Note 12(a) : Financial Liabilities**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Non-current</b>		
Lease liability	23.52	14.78
<b>Total Non current financial liabilities</b>	<b>23.52</b>	<b>14.78</b>
<b>Current</b>		
Lease liability	40.19	24.94
<b>Total Current financial liabilities</b>	<b>40.19</b>	<b>24.94</b>
<b>Total</b>	<b>63.71</b>	<b>39.72</b>

**Note 12(b) : Trade Payables**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Current</b>		
Trade payables		
Due to micro and small enterprise	377.18	335.29
Due to other than micro and small enterprises	1,455.41	1,357.06
<b>Total</b>	<b>1,832.59</b>	<b>1,692.35</b>

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

## Details of Dues to Micro, Small and Medium Enterprises as defined under MSMED Act 2006 (₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Principal amount remaining unpaid to any supplier as at the end of accounting year	377.18	335.29
Interest due thereon	-	-
Amount of interest paid by the company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period for the purpose of disallowance as a deductible expenditure.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of Micro, Small and Medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the Financial statement as at 31-March-2023 based on the information received and available with the Company. On the basis of such information, no interest is payable to any micro, small and medium enterprises. Auditors have relied upon the information provided by the Company.

The ageing schedule of trade payable as of the reporting date is as follow: (₹ in Lakhs)

Trade Payable	Not Due	Outstanding				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 Year	
<b>31-March-2023</b>						
MSME	377.18	-	-	-	-	377.18
Others	1,393.01	62.40	-	-	-	1,455.41
Disputed Dues -MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
<b>31-March-2022</b>						
MSME	335.29	-	-	-	-	335.29
Others	1,270.61	86.45	-	-	-	1,357.06
Disputed Dues -MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**
**Note 12(c) : Other Financial Liabilities**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Security Deposits	43.48	38.48
Unpaid dividend	15.30	17.52
Payable in respect of capital goods	35.36	2.22
<b>Total</b>	<b>94.14</b>	<b>58.22</b>

**Note 13 : Provisions**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Non-Current</b>		
Provision for employee benefits (Refer Note 21)		
Provision for Compensated Absences	13.68	22.43
	<b>13.68</b>	<b>22.43</b>
<b>Current</b>		
Provision for employee benefits (Refer Note 21)		
Provision for Compensated Absences	17.27	19.77
Provision for warranty	249.29	103.20
	<b>266.56</b>	<b>122.97</b>
<b>Total</b>	<b>280.24</b>	<b>145.40</b>

**Provision for warranty**

A provision for warranties relates mainly to standard warranty on sale of the product manufactured by the Company. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
As on 01 <sup>st</sup> April	103.20	561.33
Addition during the year	249.29	103.20
Utilization during the year	230.62	157.12
Short / (Excess) during the year	127.42	(404.21)
AS on 31 <sup>st</sup> March	<b>249.29</b>	<b>103.20</b>

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

## Note 14 : Other Current liabilities

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Current</b>		
Advance from Customers	496.55	456.94
Statutory Liabilities	529.11	208.80
<b>Total</b>	<b>1,025.66</b>	<b>665.74</b>

## Note 15 : Revenue from Operations

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Sale of Products</b>		
Domestic Sales	17,053.37	8,280.57
Export Sales	46.79	41.82
	<b>17,100.16</b>	<b>8,322.39</b>
<b>Sale of Services</b>		
Jobwrok	-	5.13
	<b>-</b>	<b>5.13</b>
<b>Other operating revenue</b>		
Sale of Scrap	102.63	74.06
Windmill Electricity Income	66.91	42.79
	<b>169.54</b>	<b>116.85</b>
<b>Total</b>	<b>17,269.70</b>	<b>8,444.37</b>

## Note 16 : Other Income

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Other Income</b>		
Interest Income	290.82	187.39
Dividend Income	18.41	2.83
Rent Income	58.22	56.10
Profit on sale of investments	0.07	8.71
Gain on fair valuation of investements	466.51	661.75
Duty Draw Back Claim	1.41	0.99
Insurance claim	41.88	-
Exchange Flucuations (Net)	28.49	0.44
<b>Total</b>	<b>905.81</b>	<b>918.21</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**
**Note 17 : Cost of raw materials and components consumed**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Inventory at the beginning of the year	3,256.20	2,810.23
Add : Purchases	6,660.39	4,592.94
	<b>9,916.59</b>	<b>7,403.17</b>
Less : Inventory at the end of the year	5,228.28	3,256.20
<b>Total</b>	<b>4,688.31</b>	<b>4,146.97</b>

**Note 18 : Purchases of stock-in-trade**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Purchase of traded goods	3,124.98	2,452.88
<b>Total</b>	<b>3,124.98</b>	<b>2,452.88</b>

**Note 19 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Inventory at the beginning of the year</b>		
Work-in-progress	1,881.32	868.56
Finished Goods	1,956.18	40.60
	<b>3,837.50</b>	<b>909.16</b>
<b>Inventory at the End of the Year</b>		
Work-in-progress	1,315.23	1,881.32
Finished Goods	1,335.22	1,956.18
	<b>2,650.45</b>	<b>3,837.50</b>
<b>Total</b>	<b>1,187.05</b>	<b>(2,928.34)</b>

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

## Note 20 : Manufacturing expense

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Stores, Tools and Spares Consumed	252.30	268.07
Power and Fuel	90.27	73.60
Labour charges	322.35	234.09
<b>Total</b>	<b>664.92</b>	<b>575.76</b>

## Note 21 : Employee benefits expense

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Salaries, Wages and Bonus	1,395.66	1,137.52
Contribution to Provident and other Funds	85.42	71.78
Employees' Welfare Expense	44.74	39.24
<b>Total</b>	<b>1,525.82</b>	<b>1,248.54</b>

## Note 22 : Finance Costs

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Interest Expense	8.36	4.57
Interest on lease liability	7.56	5.26
Other Finance Costs	34.19	33.35
<b>Total</b>	<b>50.11</b>	<b>43.18</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)****Note 23 : Other Expenses**

(₹ in Lakhs)

<b>Particulars</b>	<b>31-March-2023</b>	<b>31-March-2022</b>
Lease Rentals	27.69	23.48
Computer Software Charges	196.46	132.55
Rates & Taxes	125.19	89.57
Repairs and Maintenance :		
- Building	20.66	100.18
- Machinery	272.46	237.18
- Others	121.16	60.14
Insurance (Net of recoveries)	48.20	41.13
Travelling Expense	98.06	59.40
Sitting Fees	11.42	14.28
Commission to Non-Executive Directos	18.00	12.00
Packing, Forwarding & Distribution Expenses (Net of Recoveries)	172.14	143.75
Commission & Brokerage	1,707.75	997.02
Warranty Claim Replacement (Refer Note No.13)	249.29	(333.12)
Bad Debts Written Off	32.56	-
Provision for Doubtful Debt	10.87	12.03
Advertisements & Sales Promotion Expenses	22.12	1.48
Payment to Auditors (Refer Note Below)	6.63	7.49
Expendinture on Corporate Social Responsibility (Refer Note No.34)	4.63	22.00
Donations	6.00	4.71
Professional Consultancy Fees	111.79	92.14
General Administrative Charges	380.19	297.21
Loss on sale of asset (Net)	5.05	11.88
<b>Total</b>	<b>3,648.32</b>	<b>2,026.50</b>

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

Payment to Auditors (Net of tax)		(₹ in Lakhs)	
Particulars	31-March-2023	31-March-2022	
<b>Statutory Auditors</b>			
Audit fees	3.35	3.60	
For other service (Limited review, certification etc*)	1.27	1.15	
Reimbursement of expenses	0.51	0.07	
<b>Tax auditor</b>			
Tax audit fees **	0.50	0.45	
<b>Cost auditor</b>			
Cost audit fees	0.45	0.45	
For other service (certification etc)	-	0.08	
<b>Secretarial Auditor</b>			
Secretarial Audit fees	0.50	0.50	
For other service (certification etc)	0.05	1.19	
<b>Total</b>	<b>6.63</b>	<b>7.49</b>	

\* Current year amount includes ₹17,000 related to previous auditor

\*\* Current year relates to previous auditor

<b>Note 24 : Tax Expense</b>	(₹ in Lakhs)
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The major component of income tax expense for the years ended 31-March-2023 and 31-March-2022 are :

Particulars	31-March-2023	31-March-2022
<b>Statement of Profit and Loss</b>		
<b>Current tax</b>		
Current tax	727.50	286.00
Adjustment in respect of current tax of previous years	(11.56)	70.06
<b>Deferred Tax</b>		
Relating to Origination and reversal of temporary difference	(154.07)	(220.31)

**Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended 31-March-2023 and 31-March-2022**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**
**A) Current tax** (₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Accounting profit before tax from continuing operations</b>	2,648.62	987.70
Tax @ 29.12% (31 March 2022 - 29.12%)	771.28	287.62
<b>Adjustment</b>		
Exempted income	(51.93)	12.44
Expense disallowed/(Allowed)	7.58	(6.83)
Standard deduction on rent income	(4.77)	(3.71)
Depreciation, capital gain on assets	(13.28)	(11.02)
Tax rate difference of income on investments	(135.45)	(212.75)
Taxes of prior years	(11.56)	70.00
<b>At the effective income tax rate of 21.22% (31-March, 2022 : 13.74%)</b>	<b>561.87</b>	<b>135.75</b>

**B) Deferred tax liability (Net)** (₹ in Lakhs)

Incompliance of Ind AS 12 on "Income Taxes", the itemwise details of Deferred Tax Liabilities (net) are as under :

Particulars	As on 1-April-2022	Provided during the year in statement of Profit and Loss	Provided during the year in OCI	Balance as on 31-March-2023
<b>Deferred Tax Liability</b>				
Related to Property Plant and Equipments	610.17	(66.98)	-	543.19
Fair valuation of investments	153.09	(79.56)	-	73.53
Lease liabilities	2.63	(0.85)	-	1.78
<b>Total Deferred Tax Liability</b>	<b>765.89</b>	<b>(147.39)</b>	<b>-</b>	<b>618.50</b>
<b>Deferred Tax Asset</b>				
43B disallowances (Net)	15.95	1.14	-	14.81
Provision for Expected Credit Loss	26.39	(7.82)	-	34.21
Remeasurement of Defined Benefit Plan	10.26	-	(6.45)	16.71
Others	44.68	-	-	44.68
	97.28	(6.68)	(6.45)	110.41
<b>Net deferred tax</b>	<b>668.61</b>	<b>(154.07)</b>	<b>(6.45)</b>	<b>508.09</b>

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

B) Deferred tax <span style="float: right;">(₹ in Lakhs)</span>				
Particulars	As on 1-April-2021	Provided during the year in statement of Profit and Loss	Provided during the year in OCI	Balance as on 31-March-2022
<b>Deferred Tax Liability</b>				
Related to Property Plant and Equipments	665.17	(55.00)	-	610.17
Fair valuation of investments	313.16	(160.07)	-	153.09
Lease liabilities	3.42	(0.79)	-	2.63
<b>Total Deferred Tax Liability</b>	<b>981.75</b>	<b>(215.86)</b>	<b>-</b>	<b>765.89</b>
<b>Deferred Tax Asset</b>				
43B disallowances (net)	12.76	(3.19)	-	15.95
Provision for Expected Credit Loss	25.13	(1.26)	-	26.39
Remeasurement of Defined Benefit Plan	(0.61)	-	(10.88)	10.26
Tax Adjustment (Others)	-	-	-	44.68
	37.28	(4.45)	(10.88)	97.28
<b>Net deferred tax</b>	<b>944.47</b>	<b>(220.31)</b>	<b>(10.88)</b>	<b>668.61</b>

**Note 25 : Fair value disclosures for financial assets and financial liabilities**

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying Amount		Fair Value	
	31-March-2023	31-March-2022	31-March-2023	31-March-2022
<b>Financial assets</b>				
Investments measured at fair value through profit or loss	13,737.72	12,470.61	13,737.72	12,470.61
Investments measured at amortised cost	2,905.49	3,192.68	2,738.50	3,215.04
<b>Total</b>	<b>16,643.21</b>	<b>15,663.29</b>	<b>16,289.82</b>	<b>15,686.65</b>

The management assessed that the fair values of cash and cash equivalents, other bank balance, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.



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

## Note 26 : Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

**Quantitative disclosures of fair value measurement hierarchy for financial assets as at 31-March-2023 and 31-March-2022**

(₹ in Lakhs)

Particulars	Fair value measurement using						
	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>As at 31-March-2023</b>							
Investments	13,737.72	-	2,905.49	16,643.21	4,049.03	12,356.75	-
Trade receivables (Note 6c)	-	-	5,283.14	-	-	-	-
Cash and cash equivalents (Note 6d)	-	-	265.67	-	-	-	-
Other bank balance (Note 6e)	-	-	15.30	-	-	-	-
Other financial assets (Note 6b)	-	-	249.59	-	-	-	-
<b>Total Financial Assets</b>	<b>13,737.72</b>	<b>-</b>	<b>8,719.19</b>	<b>16,643.21</b>	<b>4,049.03</b>	<b>12,356.75</b>	<b>-</b>
Trade payable	-	-	1,832.59	-	-	-	-
Other financial liabilities	-	-	94.14	-	-	-	-
Lease liabilities	-	-	63.71	-	-	-	-
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,990.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(₹ in Lakhs)

Particulars	Fair value measurement using						
	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>As at 31-March-2022</b>							
Investments	12,470.61	-	3,192.68	15,663.29	4,667.43	10,624.17	-
Trade receivables (Note 6c)	-	-	3,912.31	3,912.31	-	-	-
Cash and cash equivalents (Note 6d)	-	-	307.60	307.60	-	-	-
Other bank balance (Note 6e)	-	-	17.52	17.52	-	-	-
Other financial assets (Note 6b)	-	-	109.70	109.70	-	-	-
<b>Total Financial Assets</b>	<b>13,737.72</b>	<b>-</b>	<b>8,719.19</b>	<b>16,643.21</b>	<b>4,049.03</b>	<b>12,356.75</b>	<b>-</b>
Trade payable	-	-	1,692.35	1,692.35	-	-	-
Other financial liabilities	-	-	58.22	58.22	-	-	-
Lease liabilities	-	-	39.72	39.72	-	-	-
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,790.29</b>	<b>1,790.29</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)****Note 27 : Financial instruments risk management objectives and policies**

The Company's principal financial liabilities comprise trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, trade and other receivables and cash & short-term deposits that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments. The Audit Committee/Board of Director has oversight in the area of financial risks and controls. It also covers policies on specific risk areas such as currency risk, interest rate risk and investment of surplus funds.

For risk management, management identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The management provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results. cash flows and financial position of the Company.

**(a) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables.

Within the various methodologies to analyse and manage risk, the Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the Company. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant Statement of Profit or Loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31-March-2023 and 31-March-2022 including the effect of hedge accounting.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any borrowings with floating interest rate. Hence, the Company does not have any interest rate risk at present.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD, GBP and EUR. Consequently, the Company has foreign currency trade payables and receivables



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

etc. and is, therefore, exposed to foreign exchange risk. However, exposure to foreign currency is not material and hence, foreign currency risk is assessed by the Company is low.

The carrying amount of unhedged foreign currency monetary liabilities at the end of the reporting period are as follow:

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
USD	4.18	75.79
EUR	1.15	42.68

### Foreign Currency Sensitivity:

The Company is principally exposed to foreign currency risk against USD and EUR. Sensitivity of profit or loss arises mainly from USD and EUR denominated payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR and EUR-IND currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(₹ in Lakhs)

USD sensitivity at year end	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
<b>Assets:</b>		
Weakening of INR by 5%	-	-
Strengthening of INR by 5%	-	-
<b>Liabilities:</b>		
Weakening of INR by 5%	-0.06	-2.13
Strengthening of INR by 5%	0.06	2.134

### Equity price risk

The Company's investment consists of investments in publicly traded companies held for purposes other than trading. Such investments held in connection with non-consolidated investments represent a low exposure risk for the Company and are not hedged.

### (b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, and other financial instruments.

### Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days to 90 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 6. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing analysis of trade receivables as of the reporting date is as follow:

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

Trade receivables	Not due	Past due but not impaired				Total
		Less than 90 days	90 to 180 days	180 to 365 days	Above 365 days	
31-March-2023	4,332.03	824.71	31.41	51.09	43.90	5,283.14
31-March-2022	2,789.78	591.55	150.92	322.81	57.25	3,912.31

The requirement of impairment is analysed as each reporting date.

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance Sheet as on 31-March-2023 and 31-March-2022 is the carrying amount as disclosed in Note 25.

**(c) Liquidity Risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing, including bilateral loans, debt and overdraft from domestic banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On Demand	Less than 3 month	3 months to 1 year	1 year to 5 years	more than 5 years
<b>Year ended 31-March-2023</b>					
Trade payables	-	1,832.59	-	-	-
Lease liability	-	11.16	29.03	23.52	-
Other financial liabilities	58.78	-	-	-	-
Payable for capital goods	-	35.36	-	-	-
	<b>58.78</b>	<b>1,879.11</b>	<b>29.03</b>	<b>23.52</b>	<b>-</b>
<b>Year ended 31-March-2022</b>					
Trade payables	-	1,692.35	-	-	-
Lease liability	-	11.16	13.78	14.78	-
Other financial liabilities	56.00	-	-	-	-
Payable for capital goods	-	2.22	-	-	-
	<b>56.00</b>	<b>1,705.73</b>	<b>13.78</b>	<b>14.78</b>	<b>-</b>

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

### Note 28 : Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Total Debt	63.71	39.72
Cash and cash equivalent (including other bank balance)	(280.97)	(325.12)
<b>Net Debt</b>	<b>(217.26)</b>	<b>(285.40)</b>
Equity share capital	576.84	576.84
Other equity	34,496.29	32,707.19
Total equity	<b>35,073.13</b>	<b>33,284.03</b>
<b>Capital and net debt</b>	<b>35,855.87</b>	<b>32,998.63</b>
Gearing Ratio	-1%	-1%

1. Debt is defined as all Long Term and Short Term Debt outstanding + Current Maturity outstanding in lieu of Long Term Debt including Lease Liabilities.

2. Equity is defined as Equity Share Capital + Other Equity

No changes were made in the objectives, policies or processes for managing capital during the years ended 31-March-2023 and 31-March-2022.

### Note 29 : Contingent Liabilities

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Contingent liabilities not provided for</b>		
a. Income tax demands disputed by the Company	202.36	200.93
b. Sales tax demands disputed by the Company	-	3.22
c. Excise & Service tax demands disputed by the Company	702.20	702.20

Note: Above all figures are excluding unquantified interest payable wherever applicable and outflow of funds, if any, would depend upon the outcome of the dispute / contingency.

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

## Note 30 : Capital commitments

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Capital commitments</b>		
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Advance)	371.69	302.42

## Note 31 : Disclosure pursuant to Employee benefits

## A. Defined contribution plans:

Amount of ₹ 67.77 lakhs. (March 31, 2022: ₹ 58.77 lakhs) is recognised as expenses and included in Note No. 21 "Employee benefit expense"

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
Provident Fund	62.52	52.53
Superannuation Fund	5.25	6.24
	<b>67.77</b>	<b>58.77</b>

## B. Defined benefit plan:

The Company has following post employment benefits which are in the nature of defined benefit plans:

## (a) Gratuity

The Company operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.



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

## 31-March-2023 : Changes in defined benefit obligation and plan assets (₹ in Lakhs)

	Gratuity cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income					31-March-2023		
	01-April-2022	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 21)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments		Sub-total included in OCI	Asset Transfer In/ Transfer Out
<b>Gratuity</b>												
Defined benefit obligation	317.83	18.99	22.53	41.52	(61.53)	-	-	(9.52)	33.73	24.21	(0.75)	-
Fair value of plan assets	325.88	0.00	23.10	23.10	(7.33)	(1.42)	-	-	-	-	-	1.98
Benefit liability/(Asset)	(8.05)	18.99	(0.57)	18.42	(54.20)	1.42	-	(9.52)	33.73	24.21	(0.75)	(1.98)
<b>Total benefit liability/(asset)</b>	<b>(8.05)</b>	<b>18.99</b>	<b>(0.57)</b>	<b>18.42</b>	<b>(54.20)</b>	<b>1.42</b>	<b>-</b>	<b>(9.52)</b>	<b>33.73</b>	<b>24.21</b>	<b>(0.75)</b>	<b>(1.98)</b>

## 31-March-2022 : Changes in defined benefit obligation and plan assets (₹ in Lakhs)

	Gratuity cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income					31-March-2022		
	01-April-2021	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 21)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments		Sub-total included in OCI	Asset Transfer In/ Transfer Out
<b>Gratuity</b>												
Defined benefit obligation	338.10	17.03	18.16	35.19	(95.16)	-	0.02	(5.52)	42.01	36.51	3.19	-
Fair value of plan assets	345.30	-	18.64	18.64	(95.16)	(0.87)	-	-	-	-	6.73	51.24
Benefit liability / (assets)	(7.20)	17.03	(0.48)	16.55	-	0.87	0.02	(5.52)	42.01	36.51	(3.54)	(51.24)
<b>Total benefit liability/(assets)</b>	<b>(7.20)</b>	<b>17.03</b>	<b>(0.48)</b>	<b>16.55</b>	<b>-</b>	<b>0.87</b>	<b>0.02</b>	<b>(5.52)</b>	<b>42.01</b>	<b>36.51</b>	<b>(3.54)</b>	<b>(51.24)</b>

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	Year ended 31-March-2023 (%) of total plan assets	Year ended 31-March-2022 (%) of total plan assets
Insured fund	100%	100%
<b>(%) of total plan assets</b>	<b>100%</b>	<b>100%</b>

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

(₹ in Lakhs)

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Year ended 31-March-2023	Year ended 31-March-2022
Discount rate	7.62%	7.09%
Future salary increase	7.00%	7.00%
Expected rate of return on plan assets	7.62%	7.09%
Attrition rate	2.00%	2.00%
Mortality rate during employment	Indian assured lives Mortality 2012-14 (Urban)	Indian assured lives Mortality 2006-08 (Ultimate)

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	(increase) / decrease in defined benefit obligation (Impact)		
	Sensitivity Level	Year Ended 31-March-2023	Year Ended 31-March-2022
<b>Gratuity</b>			
Discount rate	1% increase	(16.18)	(17.41)
	1% decrease	18.59	20.08
Salary increase	1% increase	18.52	19.90
	1% decrease	(16.41)	(17.58)
Attrition rate	1% increase	0.47	0.11
	1% decrease	0.56	0.09

The followings are the expected future benefit payments for the defined benefit plan :

(₹ in Lakhs)

Particulars	31-March-2023	31-March-2022
<b>Gratuity</b>		
Within the next 12 months (next annual reporting period)	72.86	50.20
Between 2 and 5 years	144.13	169.68
Between 6 and 10 years	89.27	80.17
Beyond 11 years	269.47	265.45
<b>Total Expected Payments</b>	<b>575.73</b>	<b>565.50</b>



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

Weighted average duration of defined plan obligation (based on discounted cash flows) (₹ in Lakhs)

Particulars	Year ended 31-March-2023	Year ended 31-March-2022
Gratuity (Years)	7	7

The followings are the expected contributions to planned assets for the next year: (₹ in Lakhs)

Particulars	Year ended 31-March-2023	Year ended 31-March-2022
Gratuity	-	10.93

**C. Other Long Term Employee Benefit Plans****Leave encashment / Compensated absences**

Salaries, Wages and Bonus include ₹ -2.76 Lakh (Previous Year ₹ -2.35 Lakh) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absence

**Note 32 : Related Party Transactions**

As per Indian Accounting Standard on "Related Party Disclosures" (INS AS24), related parties of the Company are as follows:

**A. Name of Related Parties and Nature of Relationship :****a. Associate**

Eimco Elecon Electricals Limited

**b. Individual/Enterprise having control/significant influence**

Shri Prayasvin B. Patel

Elecon Engineering Company Limited

**c. Key Management Personnel****Directors**

Shri Pradip M Patel, Non Executive Director and Chairman

Shri Mukulnarayan Dwivedi, Executive Director

Shri Prayasvin B. Patel, Executive Director

Shri Prashant C. Amin, Non Executive Director - Nominee Director

Shri Nalin M. Shah, Non Executive Director - Independent Director (Upto 25 January, 2023)

Shri Nirmal P. Bhogilal, Non Executive Director - Independent Director

Smt. Manjuladevi P. Shroff, Non Executive Director - Independent Director

Ms. Reena Bhagwati, Non Executive Director - Independent Director

**Executive Officers**

Shri Vishal C. Begwani, Chief Financial Officer

Shri Rikenkumar Dalwadi, Company Secretary

**d. Enterprises over which (b) or (c) above have significant influence**

EMTICI Engineering Limited

EMTICI Marketing LLP

Prayas Engineering Limited

Power Build Pvt. Ltd.

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

Elecon Information Technology Ltd.  
 Akkaish Mechatronics Limited  
 Speciality Woodpack Pvt Ltd.  
 Modsonic Instruments & Trust Private Ltd.  
 Elecon Peripherals Limited  
 Bipra Investment & Trusts Private Limited.  
 K.B.investment Private Limited.  
 Akaaishpra Infracon Pvt. Ltd.  
 Jamco Consultants Pvt. Ltd.  
 Kirloskar Power Build Gears Ltd.  
 Akaaish Investments Pvt. Ltd.  
 Wizard Fincap Limited  
 Tech Elecon Pvt. Ltd.  
 Elecon Hydraulics Pvt. Ltd.  
 Vijay M. Mistry Construction Private Limited.  
 Elecon Australia Pty. Limited.  
 Elecon Africa Pty. Limited.  
 Elecon Singapore Pte. Limited.  
 Elecon Middle East FZE, UAE  
 Elecon Engineering (Suzhou) Co Limited  
 Power Build Transmission International Limited  
 Radicon Transmission UK Limited  
 Radicon Drive System Inc. (formaly known as Elecon USA Trasmission Limited)  
 Benzlers System, AB  
 AB Benzlers  
 Benzler Italia s.r.l., Italy  
 Banzler Transmission A.S ( Denmark )  
 OY Benzler AB ( Finland )  
 Benzler Antriebstechnik GMBH, Germany  
 Benzler TBA BV, Netherlands  
 Radicon Transmission FZE, UAE  
 Radicon Transmission ( Thailand ) Limited  
 Radicon Transmission System ( Thailand ) Limited  
 Radicon Transmission (Australia) Pty. Limited.  
 Desmin Agencies  
 United Marketing  
 Expert Energy System - LLP

**e. Collaborators**

Sandvik AB Sweden  
 Tamrock Great Britain Holding Limited

**f. Post employment benefit plan**

Eimco Employees Gratuity S.  
 Eimco Emp Super Annuity SH

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)****B. Disclosure in respect of Related Party Transactions :**

(₹ in Lakhs)

Nature of Transactions	Year Ended	
	31-March-2023	31-March-2022
<b>Purchase of Material / Finish Goods</b>		
Elecon Engineering Co. Ltd.	517.61	313.35
Power Build Pvt. Ltd	0.96	-
Eimco Elecon Electricals Pvt. Ltd.	100.24	99.14
Elecon Peripherals Limited	0.52	0.88
Elecon Hydraulics Pvt. Ltd.	32.13	7.78
<b>Sale of Material / Finish Goods</b>		
Elecon Engineering Co. Ltd.	75.48	56.44
Vijay M. Mistry Construction Pvt. Ltd.	20.32	26.00
Emtici Marketing LLP	0.72	0.75
Akaaish Mechatronics Ltd.	940.00	-
<b>Purchase of Fixed Assets</b>		
Elecon Engineering Co. Ltd.	-	30.52
Tech Elecon Pvt. Ltd.	71.05	44.39
Akaaish Mechatronics Ltd.	-	1.05
<b>Sale of Fixed Assets</b>		
Elecon Engineering Co. Ltd.	1.40	-
<b>Rendering Leasing of Property of Any Kind</b>		
Elecon Engineering Co. Ltd.	0.32	4.11
<b>Availing Leasing of Property of Any Kind</b>		
Elecon Engineering Co Ltd	14.92	12.45
EMTICI Engineering Ltd	52.44	50.43
<b>Availing of Services</b>		
Elecon Engineering Co. Ltd.	18.94	5.11
Speciality Woodpack Pvt Ltd.	14.00	15.73
Elecon Information Technology Ltd.	7.08	7.08
Akaaish Mechatronics Ltd.	144.96	120.11
EMTICI Engineering Ltd.	46.78	29.98
Wizard Fincap	25.86	21.64
Madhubhan Resort & Spa	-	-
Tech Elecon Pvt. Ltd.	171.23	136.80
Jamko Consultants Pvt. Ltd.	0.01	58.16
EMTICI Marketing LLP	26.42	15.98
Power Build Pvt. Limited	21.83	13.92

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

## B. Disclosure in respect of Related Party Transactions :

(₹ in Lakhs)

Nature of Transactions	Year Ended	
	31-March-2023	31-March-2022
<b>Rendering Services</b>		
Elecon Engineering Co. Ltd.	4.58	12.89
Power Build Pvt. Limited	-	1.89
<b>CSR and Donation</b>		
B.I.Patel Charitable Trust	4.63	26.71
<b>Sales &amp; Service Commission</b>		
EMTICI Engineering Ltd	-	(198.99)
EMTICI Marketing LLP	1416.21	993.77
<b>Remuneration</b>		
Key Management Personnel	203.33	192.28
Shri P. M. Patel	7.62	3.00
Shri P. B. Patel	62.88	62.88
Shri P. C. Amin	6.32	1.50
Shri Nirmal Bhogilal	6.92	2.82
Shri Nalin M. Shah	6.96	3.06
Smt. Manjuladevi Shroff	7.58	2.58
Ms. Reena Bhagwati	6.02	1.32
Shri Mukul Dwivedi	47.15	56.50
Shri N. D. Shelat	-	15.00
Shri Vishal Begwani	40.44	17.80
Shri Riken Dalwadi	8.40	5.82
<b>Dividend Paid</b>		
Temrock Great Britain Holdings Limited	36.20	72.39
Elecon Engineering Co Ltd	23.96	47.92
EMTICI Engineering Ltd	20.46	40.92
K.B.investment Private Limited.	12.18	24.35
Bipra Investment & Trusts Private Limited.	4.71	9.41
Elecon Information Technology Ltd.	3.69	7.38
Devkishan Investments Private Limited.	3.02	6.05
Akkaish Mechatronics Limited	0.65	1.30
Power Build Pvt. Limited	0.40	0.80

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)**
**Balance as at year end :**

(₹ in Lakhs)

Nature of Transactions	Year Ended	
	31-March-2023	31-March-2022
<b>Outstanding Payables :</b>		
<b>(a) Associates and Joint Ventures</b>		
Eimco Elecon Electricals Limited	26.76	16.55
<b>(b) Individual/Enterprise having control/significant influence</b>		
Elecon Engineering Company Limited	53.13	78.07
<b>(c) Key Management Personnel</b>	24.20	20.00
Shri Mukul Dwivedi	8.00	8.00
Shri P.M. Patel	2.70	2.00
Shri P.C. Amin	2.70	2.00
Shri Nirmal Bhogilal	2.70	2.00
Shri Nalin M. Shah	2.70	2.00
Smt. Manjuladevi Shroff	2.70	2.00
Ms. Reena Bhagwati	2.70	2.00
<b>(d) Enterprises over which (b) or (c) above have significant influence</b>		
Elecon Peripheals Limited	-	0.35
EMTICI Engineering Limited	0.91	0.80
Elecon Information Technology Limited	-	-
Akkaish Mechatronics Limited	-	-
Speciality Woodpack Pvt. Ltd.	0.99	0.14
Power Build Pvt. Limited	2.08	-
Wizard FinCap Limited	0.59	4.14
Tech Elecon Pvt. Ltd.	-	32.96
Elecon Hydraulics Pvt. Ltd.	(1.29)	7.77
Jamko Consultants Pvt. Ltd.	-	1.67
EMTICI Marketing LLP	409.80	314.61
<b>Advance received from Enterprises having significant influence</b>		
Vijay M. Mistry Construction Pvt. Ltd.	-	20.07
<b>Outstanding Receivables :</b>		
<b>Individual / Enterprise having control /Significant influence</b>		
Elecon Engineering Company Limited	12.67	0.77
<b>Enterprises over which (b) or (c) of (A) above have significant influence</b>		
Vijay M. Mistry Construction Pvt. Ltd.	2.25	-
<b>Investment :</b>		
Eimco Elecon Eletrical Limited	51.00	51.00

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)****C. Terms and conditions of transactions with related parties**

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions.

All outstanding balances are unsecured and repayable in cash.

**D. Commitments with related parties**

The Company has outstanding commitment of ₹ 246.72 Lacs to the related party as at 31-March-2023.

**E. Transactions with key management personnel**

Compensation of key management personnel of the Company

(₹ in Lakhs)

Particulars	2022-23	2021-22
Short-term employee benefits	173.15	166.42
Post employment benefits	26.09	6.88
<b>Total compensation paid to key management personnel</b>	<b>199.24</b>	<b>173.30</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)****Note 33 : Earning per share**

(₹ in Lakh except EPS)

<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
<b>Earing per Share (Basic and Diluted)</b>		
Profit attributable to ordinary equity holders	1952.49	867.79
Total No. of equity shares at the end of the year (No. in Lakh)	57.68	57.68
<b>Weighted average number of equity shares</b>		
For basic EPS	57.68	57.68
For diluted EPS	57.68	57.68
Nominal value of equity shares	10.00	10.00
Basic earning per share	33.85	15.07
Diluted earning per share	33.85	15.07

**Note 34 : Corporate social responsibility expenditure**

(₹ in Lakhs)

<b>Particulars</b>	<b>31-March-2023</b>	<b>31-March-2022</b>
(a) Gross amount required to be spent by the Company during the year (2% of Avg Net Profit as per Section 135(5))	7.04	19.59
(b) Amount spent during the year		
(i) Construction/acquisition of any asset		
(ii) On purposes other than (i) above - In Cash	4.63	22.00
(c) Set Off Available from Previous Years	2.41	-
(d) Set Off available for succeeding years	-	(2.41)
(e) Reason for shortfall	Not Applicable	Not Applicable
(f) Nature of CSR activity	*	*
(g) Details of Related party transaction**	4.63	22.00
(h) Amount approved by the Board to be spent during the year	7.04	19.59
(i) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision during the year	Not Applicable	Not Applicable

\* Promoting healthcare.

\*\* Represents contribution to B.I. Patel Trust and I.B. Patel Trust towards promoting education and healthcare related activities.

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

**Note 35 : Other Amendments with respect to Schedule III**

1. The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
2. The company is not declared as wilful defaulter by any bank or financial Institution or other lender.
3. There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
4. The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
5. The company have not traded or invested in Crypto currency or Virtual Currency during the year
6. The company does not have any transactions with companies struck off
7. The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
8. The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
9. The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
10. The previous year's figures have been regrouped / rearranged wherever necessary to make it comparable with the current year.

As per our report of even date attached

For **K C MEHTA & CO LLP**  
Chartered Accountants

**Neela R. Shah**  
Partner  
Membership No. 045027

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

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

**Mukulnarayan Dwivedi**  
Executive Director  
DIN : 08442155

**Vishal C. Begwani**  
Chief Financial Officer

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023

**Prayasvin B. Patel**  
Executive Director  
DIN : 00037394

**Rikenkumar Dalwadi**  
Company Secretary



## FORM AOC – 1

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

PART "A" : Subsidiaries														
Sr. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the financial year relevant in the case of foreign Subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
No Subsidiary														

PART "B" : Associates and Joint Ventures											(₹ in Lakhs)			
Sr. No.	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year							
		No.	Amount of Investment in Associates/Joint Venture				Extend of Holding %	Considered in Consolidation	Not Considered in Consolidation					
1	31-03-2023	510000	51.00	47.62	N.A.	In view of MCA Notification dtd. 14-10-2014, exemption granted from consolidation	237.40	8.54	-					

Note: There is significant influence due to percentage (%) of share capital

For and on behalf of the Board of Directors,

**Mukulnarayan Dwivedi**  
Executive Director  
DIN : 08442155

**Prayasvin B. Patel**  
Executive Director  
DIN : 00037394

**Vishal C. Begwani**  
Chief Financial Officer

**Rikenkumar Dalwadi**  
Company Secretary

Place : Vallabh Vidyanagar  
Date : 24<sup>th</sup> April, 2023





## **EIMCO ELECON (INDIA) LTD.**

Anand Sojitra Road, Vallabh Vidyanagar - 388 120. Gujarat, India.  
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CIN : L29199GJ1974PLC002574



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