WILLIAMSON MAGOR & CO. LIMITED
Corporate Identity Number (CIN) : L01132WB1949PLC017715
REGISTERED OFFICE : FOUR MANGOE LANE, SURENDRA MOHAN GHOSH SARANI, KOLKATA - 700 001
TELEPHONE : 033-2210-1221, 2243-5391, 2248-9434, 2248-9435, FAX : 91-33-2248-3683 / 8114 / 6265
E-mail : administrator@wmg.co.in, Website : www.wmtea.com

**2nd September 2021**

The Secretary,
BSE Ltd.,
P.J. Towers, Dalal Street,
MUMBAI-400 001.
**Scrip Code: 519224**

The Secretary,
National Stock Exchange
of India Ltd.,
Exchange Plaza,
5th Floor,
Plot No.C/1,G Block,
Bandra-Kurla Complex,
Bandra (E),
MUMBAI- 400 051.
**Scrip Code: WILLAMAGOR**

The Secretary,
The Calcutta Stock
Exchange Ltd.,
7, Lyons Range,
KOLKATA-700 001.
**Scrip Code: 33013**

Dear Sir,

**ANNUAL GENERAL MEETING NOTCE &**
**ANNUAL REPORT OF THE COMPANY -2020-21**

We enclose herewith the following –

1. The Notice convening the 70th Annual General Meeting (AGM) of the Members of Williamson Magor & Co. Ltd., (the Company), which will be held on Tuesday, September 28, 2021 at 03.00 p.m. Indian Standard Time (IST), through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the business as contained in the Notice of the Meeting.

2. The Annual Report containing the Financial Statements (Standalone and Consolidated) for the year ended March 31, 2021 along with the Directors' Report and Auditor's Report.

The Notice and the Annual Report 2020-21 are being sent electronically to the Members of the Company at their registered addresses.

Yours faithfully,
**WILLIAMSON MAGOR & CO. LIMITED**

Aditi Daga

**(ADITI DAGA)**
**COMPANY SECRETARY**

Encl: as above

# WILLIAMSON MAGOR & CO. LIMITED

Registered Office: Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700 001
CIN: L01132WB1949PLC017715, Email: administrator@mcleodrussel.com
Web: www.wmtea.com Telephone: 033-2210-1221, 2248-9434/35

## NOTICE

Notice is hereby given that the Seventieth(70th ) Annual General Meeting of the Members of the Company will be held through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') on Tuesday,28th September, 2021 at 03.00 p.m. to transact the following business(es):

**ORDINARY BUSINESS:**

1. To consider and adopt the:-
   a. Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2021 and the Reports of the Board of Directors and the Auditors thereon;
   b. Audited Consolidated Financial Statements for the said financial year and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Aditya Khaitan (holding DIN 00023788), who retires by rotation and, being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 161 and all other applicable provisions of the Companies Act, 2013 and Rules related thereto (including any statutory modification(s) or re-enactment thereof, Mr. Chandan Mitra (holding DIN: 09069336) who was appointed as an Additional Director of the Company w.e.f. 20th February, 2021 by the Board of Directors and as recommended by the Nomination and Remuneration Committee and who hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office will be liable to determination by retirement of directors by rotation."

**Aditi Daga**
Company Secretary
Membership No. : A34659

Registered Office:
Four Mangoe Lane,
Surendra Mohan Ghosh Sarani,
Kolkata – 700001
Date: 12th August, 2021

**NOTES**

a) In view of the COVID – 19 pandemic and pursuant to the circulars of Ministry of Corporate Affairs('MCA') and the Securities and Exchange Board of India('SEBI'),it is permitted to hold the Annual General Meeting ('AGM) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) without the physical presence of the members at the AGM Venue. In compliance with the applicable provisions of the Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section

103 of the Act. The Registered Office of the Company may be treated as deemed venue for the meeting.

b) pursuant to the circulars of Ministry of Corporate Affairs('MCA') and the Securities and Exchange Board of India('SEBI'), the requirement of sending proxy forms to holders of securities as per provisions of Section 105 of the Act read with Regulation 44(4) of the Listing Regulations, has been dispensed with. Therefore, the facility to appoint proxy by the members will not be available and consequently, the proxy form and attendance slip are not annexed to this notice convening the 70th AGM of the company (the "notice").

   However, in pursuance of Section 113 of the Act and Rules framed thereunder, the corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-Voting or for the participation and e-Voting during the AGM, through VC or OAVM. Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Power of Attorney / appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at aklabhcs@gmail.com with a copy marked to evoting@nsdl.co.in

c) The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Items of Special Business is annexed hereto.

d) Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice.

e) The Members can join the AGM through the VC or OAVM mode 15 minutes before the scheduled time of commencement of the Meeting by following the procedure mentioned later in the Notice. The facility of participation at the AGM through VC or OAVM will be made available for 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, Scrutinizer and others who are allowed to attend the AGM without restriction on account of first come first serve basis.

f) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020, 5th May, 2020 and 13th January, 2021, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 70th AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM, the Company has engaged the services of NSDL to provide remote e-Voting facility and e-Voting facility during the AGM to all the eligible Members to enable them to cast their votes electronically in respect of the businesses to be transacted at the Meeting.

g) Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of the physical copies of the Annual Report of the Company for the financial year ended March 31, 2021, the Notice alongwith the Annual Report will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. Maheswari Datamatics Private Limited or the Depository

Participant(s). The Notice of the AGM along with the Annual Report for the financial year 2020-21 shall be available on the websites of the Company viz., www.wmtea.com and of the Stock Exchange where Equity Shares of the Company are listed. The Notice shall also be available on the e-Voting website of the agency engaged for providing e-Voting facility, i.e., National Securities Depository Limited (NSDL), viz., www.evoting.nsdl.com

h) The information as required to be provided in terms of Regulation 36(3) and 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') regarding the Directors who are proposed to be appointed / re-appointed is annexed.

i) Members will be able to attend the AGM through VC or OAVM or view the live webcast of the AGM provided by NSDL at https://www.evoting.nsdl.com by using their remote e-Voting login credentials and selecting the EVEN for the AGM. Further details in this regard are annexed separately and form part of this Notice.

j) **The remote e-Voting period will commence on Friday, September 24, 2021 (9:00 A.M. IST) and will end on Monday, September 27, 2021(5.00 P.M. IST).**

During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut-off date, i.e.,Tuesday, September 21, 2021, may cast their vote by remote e-Voting.The remote e-Voting module shall be disabled by NSDL for voting thereafter. Only those Members who are present in the Meeting through VC or OAVM facility and have not cast their votes on resolutions through remote e-Voting and are otherwise not barred from doing so, shall be allowed to vote through e-Voting system during the AGM. However, Members who would have cast their votes by remote e-Voting may attend the Meeting, but shall neither be allowed to change it subsequently nor cast votes again during the Meeting and accordingly, their presence shall also be counted for the purpose of quorum under Section 103 of the Act.

k) The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, September 21, 2021 being the cut-off date, are entitled to vote on the Resolutions set forth in the Notice. The voting rights of the Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on the cut-off date. **A person who is not a member as on the cut-off date should treat this Notice for information purpose only.**

Subject to the receipt of requisite number of votes, the businesses mentioned in the Notice / the resolution(s) forming part of the Notice shall be deemed to be passed on the date of the AGM, i.e., Tuesday, September 28, 2021. Members holding shares in physical mode or whose e-mail addresses are not registered, may cast their votes through e-Voting system, after registering their e-mail addresses by sending the following documents to the Company at aditi.dhanuka@mcleodrussel.com or to the RTA at mdpldc@yahoo.com

(i) Scanned copy of a signed request letter, mentioning the name, folio number / demat account details & number of shares held and complete postal address;

(ii) Self-attested scanned copy of PAN Card; and

(iii) Self-attested scanned copy of any document (such as AADHAAR card / latest Electricity Bill / latest Telephone Bill / Driving License / Passport / Voter ID Card / Bank Passbook particulars) in support of the postal address of the Member as registered against their shareholding.

Members, who hold shares in physical mode and already having valid e-mail addresses registered with the Company / the RTA, need not take any further action in this regard.

**PROCESS AND MANNER FOR OPTING REMOTE E-VOTING**

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

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

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

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

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

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

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com 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 i.e. NSDLand you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 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 i.e. NSDLand you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.<br>NSDL Mobile App is available on<br>App Store Google Play |

| | |
|---|---|
| Individual Shareholders holding securities in demat mode with CDSL | 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.<br>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.<br>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| 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. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

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

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

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

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

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

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

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

4. Your User ID details are given below :

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

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

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

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

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

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

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

   b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

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

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

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

**General Guidelines for Shareholders**

1. Institutional Shareholder (i.e. other than individual, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorised signatore(ies) who are authorised to vote, to the Scrutinizer by email to aklabhcs@gmail.com with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to or contact Mr. Amit Vishal, Senior Manager/Ms. PallaviMhatre, Manager, NSDL, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013 at telephone no. 022- 24994360/022 24994545 or at E-mail id evoting@nsdl.co.in.
4. The Board of Directors has appointed Mr. A K Labh, Proprietor of M/s. A K Labh & Co. (FCS : 4848 / C.P. No.: 3238), or failing whom, such other practicing company secretary as the Board of Directors of the Company may appoint, as the Scrutinizer for scrutinizing the process of remote e-Voting and also e-Voting during the Meeting in a fair and transparent manner.
5. The Scrutinizer shall, immediately after the conclusion of the Meeting, count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-Voting in presence of atleast two witnesses not in employment of the Company and submit a Consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, within two working days from the conclusion of the Meeting. Thereafter,

the Results of e-Voting shall be declared forthwith by the Chairman or by any other director / person duly authorised in this regard. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website (www.wmtea.com) and on the e-Voting website of NSDL (www.evoting.nsdl.com) immediately after the results are declared and shall simultaneously be communicated to the Stock Exchanges where the equity shares of the Company are listed and also to NSDL.

6. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. September 21, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. September 21, 2021 may follow steps mentioned in the Notice of the AGM under Step 1 :"Access to NSDL e-Voting system"(Above).

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to administrator@mcleodrussel.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to administrator@mcleodrussel.com
3. Alternatively shareholder / member may send an e-mail request to evoting@nsdl.co.in for procuring User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Phone/Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. For ease of conduct, Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/ folio number, email id, mobile number at aditi.dhanuka@mcleodrussel.com not later than (5.00 p.m.) Thursday, September 23, 2021. The same will be suitably replied by the Company.Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.

6. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.

7. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager-NSDL at amitv@nsdl.co.in / 022-24994360 or Ms. PallaviMhatre, Manager, NSDL at pallavid@nsdl.co.in/ 1800 1020 990/1800 22 44 30.

**Procedure for inspection of documents**

1) All documents referred to in the Notice and the Explanatory Statement shall be made available for inspection by the Members of the Company, without payment of fees upto and including the date of AGM. Members desirous of inspecting the same may send their requests at aditi.dhanuka@mcleodrussel.com from their registered e-mail addresses mentioning their names and folio numbers / demat account numbers. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available for inspection upon login at NSDL e-Voting system at https://www.evoting.nsdl.com

2. Pursuant to Regulation 40 of the Listing Regulations, the securities of listed companies can be transferred only in the dematerialized mode w.e.f. April 1, 2019, except in case of transmission or transposition of securities. In this regard, SEBI has clarified by a Press Release No. 12/2019 dated March 27, 2019, that the said amendments do not prohibit an investor from holding the shares in physical mode and the investor has the option of holding shares in physical mode even after April 1, 2019. However, any investor who is desirous of transferring shares (which are held in physical mode) after April 1, 2019 can do so only after the shares are dematerialized. However, requests for transfer of shares held in physical mode, as filed in Form SH-4, prior to April 1, 2019 and returned to the investors due to deficiency in the documents, may be re- submitted for transfer even after April 1, 2019 provided it is submitted along with the necessary documents including PAN details. In exceptional cases, the transfer of physical shares is subject to the procedural formalities as prescribed under SEBI Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 6, 2018.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

## ITEM NO. 3

The Board at its Meeting held on 11th February, 2021, on the recommendation of Nomination and Remuneration Committee appointed Mr. Chandan Mitra (DIN:09069336) as an Additional Director w.e.f. 20th February, 2021 in accordance with the provision of Section 161(1) of the Companies Act, 2013 (‘the Act’). The particulars of his age, qualification, expertise and other details are given separately in this Notice.

Notice under Section 160 of the Act have been received by the Company from Members proposing the candidature of Mr. Chandan Mitra as a Director of the Company. Further, the Board is of view that Mr. Chandan Mitra possess the requisite Knowledge, experience and skill for the position of Director and hence it recommended the said Resolution No. 3 for approval of the members in the ensuing Annual General Meeting, to appoint Mr. Chandan Mitra as a Non-Executive Director, liable to retire by rotation.

None of the Directors, Key Managerial Personnel and relatives of such persons except Mr. Chandan Mitra, to whom the resolution relates, is, in any way, concerned or interested, financial or otherwise, in the resolution.

**PARTICULARS OF DIRECTOR/S RETIRING BY ROTATION AND SEEKING APPOINTMENT/RE-APPOINTMENT**

As per the requirement of Regulation 36(3) of the SEBI (listing obligations and Disclosure Requirement) Regulations, 2015, as ammemded and Clause 1.2.5 of the Secretarial Standard - 2 (revised) as issued by the Institute of Company Secretaries of India, a Statement containing the requisite details of the concerned directors is given below :

| | | |
|---|---|---|
| Name | : | MR. ADITYA KHAITAN |
| Date of Birth | : | 30th January 1968 |
| Age | : | 53 years |
| Qualification | : | B.Com. (Hons.) |
| Expertise | : | Mr. Khaitan has had indepth exposure to and involvement in steering diverse businesses and has gained considerable experience and expertise in management, production, marketing, corporate finance and other related areas of Tea Industry and also in the matter of restructuring, mergers, demergers and acquisitions of corporate entities. Mr. Khaitan was the Chairman of the Indian Tea Association for three consecutive years upto 2009-2010. He was a Committee Member of Indian Chamber of Commerce and was a Member of Tea Board |
| Date of first appointment on the Board | : | Mr. Khaitan was appointed as a Director on the Board with effect from 26.11.1991. In terms of Section 152(6) of the Companies Act, 2013, Mr. Khaitan retires by rotation as a Director and being eligible, offers himself for re-appointment. He is accordingly proposed to be re-appointed as a Director of the Company. |
| Number of Board Meetings attended: | : | 6 out of 6 |
| Relationship with other Directors /KMP of the Company | : | Mr. Aditya Khaitan is not related to any Director or KMP in terms of the definition of 'relative' given in the Companies Act, 2013 |
| Other Directorships | : | |
| Name of the Company | : | Committee Memberships, if any, with position. |
| Williamson Financial Services Limited | : | CSR Committee - Chairman<br>Share transfer Committee - Member<br>Committee of Investments, Loans and Borrowings - Members |
| Kilburn Engineering Limited | : | |

| | | |
|---|---|---|
| McNally Bharat Engineering Company Limited | : | Nomination and Remuneration Committee – Member |
| McLeod Russel India Limited | : | Audit Committee-Member |
| Eveready Industries India Limited | : | |
| McNally Sayaji Engineering Limited | : | |
| Prana Lifestyle Private Limited | : | |
| Babcock Borsig Limited | : | Audit Committee-Member<br>Stakeholders Relationship Committee – Member<br>Nomination and Remuneration Committee – Member |
| D1 Williamson Magor Bio Fuel Limited | : | Audit Committee- Chairman<br>Nomination and Remuneration Committee – Chairman |
| Shareholding in the Company | : | Nil |

| | | |
|---|---|---|
| Name | : | Chandan Mitra |
| Date of Birth | : | 1st May 1965 |
| Age | : | 56 years |
| Qualification | : | Mr. Mitra is a Commerce graduate |
| Expertise | : | Mr. Mitra is in Service |
| Date of first appointment on the Board | : | He was appointed as an Additional Director on the Board w.e.f. 20.02.2021 |
| Number of Board Meetings attended: | : | 1 |
| Relationship with other Directors /KMP of the Company | : | Mr. Mitra is not related to any Director or KMP in terms of the definition of 'relative' given in the Companies Act, 2013 |
| Other Directorships | : | |
| Name of the Company | : | Committee Memberships, if any, with position. |
| Majerhat Estates & Developers Ltd | : | |
| Dufflaghur Investment Ltd | : | |
| Woodside Parks Ltd | : | |
| Shareholding in the Company | : | Nil |

# WILLIAMSON MAGOR & CO. LIMITED

# Annual Report & Accounts 2020-2021

ESTD. 1868

# CONTENTS

# WILLIAMSON MAGOR GROUP

# WILLIAMSON MAGOR & CO. LTD.

**PRINCIPAL ACTIVITIES:** NON-BANKING FINANCE & PROPERTY OWNERS

## GROUP COMPANIES

EVEREADY INDUSTRIES INDIA LIMITED

McLEOD RUSSEL INDIA LIMITED

WOODSIDE PARKS LIMITED

MAJERHAT ESTATES & DEVELOPERS LIMITED

D1 WILLIAMSON MAGOR BIO FUEL LIMITED

KILBURN ENGINEERING LIMITED

McNALLY BHARAT ENGINEERING COMPANY LIMITED

WILLIAMSON FINANCIAL SERVICES LIMITED

BABCOCK BORSIG LIMITED

DUFFLAGHUR INVESTMENTS LIMITED

BISHNAUTH INVESTMENTS LIMITED

SEAJULI DEVELOPERS & FINANCE LTD.

UNITED MACHINE CO. LIMITED

ICHAMATI INVESTMENTS LIMITED

THE STANDARD BATTERIES LIMITED

McNALLY SAYAJI ENGINEERING COMPANY LIMITED

BORELLI TEA HOLDINGS LIMITED (U. K.)

PHU BEN TEA COMPANY LIMITED (VIETNAM)

McLEOD RUSSEL UGANDA LIMITED

McLEOD RUSSEL MIDDLE EAST DMCC (DUBAI)

McLEOD RUSSEL AFRICA LIMITED

| | |
|---|---|
| **BOARD OF DIRECTORS** | ADITYA KHAITAN – CHAIRMAN<br>AMRITANSHU KHAITAN<br>(upto 22.12.2020)<br>CHANDAN MITRA<br>(w.e.f. 20.02.2021) |
| **INDEPENDENT DIRECTORS** | HARISCHANDRA MANEKLAL PAREKH<br>ARUNDHUTI DHAR<br>GAURANG SHASHIKANT AJMERA<br>RAHUL NANDAN SAHAYA<br>(w.e.f. 15.09.2020) |
| **SECRETARY** | ADITI DAGA |
| **MANAGER & CFO** | MADAN LAL AGARWAL<br>(w.e.f. 19.10.2020) |
| **AUDITORS** | V.SINGHI & ASSOCIATES<br>Chartered Accountants |
| **BANKERS** | HDFC BANK LTD.<br>ICICI BANK LTD.<br>UNITED BANK OF INDIA |
| **SHARE TRANSFER AGENTS** | MAHESHWARI DATAMATICS PRIAVTE LIMITED<br>23, R. N. MUKHERJEE ROAD, 5TH FLOOR,<br>KOLKATA - 700001<br>TEL: 033-2243-5029, 033-2248-2248<br>FAX: 033-2248-4787<br>E-mail: mdpldc@yahoo.com |
| **REGISTERED OFFICE** | FOUR MANGOE LANE<br>SURENDRA MOHAN GHOSH SARANI<br>KOLKATA – 700001<br>TEL: 033-2243-5391, 033-2248-9434<br>033-2248-9435, 033-2210-1221<br>FAX: 033-2248-8114, 033-2248-3683<br>E-mail: administrator@mcleodrussel.com |

# REPORT OF THE DIRECTORS
# FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

The Directors present the Annual Report with the Audited Financial Statements of your Company for the year ended 31st March, 2021.

## FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March 2021 are summarized below:

(₹ in Thousands)

| Particulars | | 2020-21 | 2019-20 |
|---|---|---|---|
| Revenue from Operations | | 2,01,933 | 3,94,965 |
| Other Income | | 7,87,231 | 5,74,095 |
| Total Revenue | | 9,89,164 | 9,69,060 |
| Profit/(Loss) before Finance Costs, Depreciation and Exceptional Items and Taxation | | 5,44,200 | 42,097 |
| Less: Finance Costs | | 1,05,861 | 5,86,634 |
| Less: Depreciation and Amortization Expenses | | 358 | 471 |
| Profit/(Loss) before Exceptional Items and Tax | | 4,37,981 | (5,45,008) |
| Less: Exceptional Items | | - | - |
| Profit/(Loss) before tax | | 4,37,981 | (5,45,008) |
| Tax Expenses | | | |
| Current Tax | | - | - |
| Deferred Tax | | (67,264) | 2,18,277 |
| Profit/(Loss) for the year | | 5,05,245 | (7,63,285) |

## OPERATIONS

During the year under review, the total revenue earned by the Company was higher at ₹ 98.92 crores as against ₹ 96.91 crores earned in the previous year. The revenue for the year was higher primarily on account of an income of ₹ 66.66 crores derived by sale of fixed assets. While the finance costs during the year came down to ₹10.59 crores as against ₹ 58.66 crores incurred in the previous year. The Company however got a deferred tax credit of ₹ 6.73 crores during the year against charge of ₹ 21.83 crores in the previous year. In view of the above, the Company incurred a profit after tax at ₹ 50.52 crores against a loss of ₹76.33 crores sustained in the previous year.

## DIVIDEND

On account of the accumulated loss, your Directors regret their inability to recommend any dividend for the year under review.

## RESERVES

The Board has not transferred any amount to the General Reserve for the year ended 31st March, 2021.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report is attached as Annexure I and forms part of this Report.

## ASSOCIATES AND JOINT VENTURES

During the year under review, the Company had two associate companies and one joint venture company as follows:-

i) Majerhat Estates & Developers Limited – Associate Company

ii) Williamson Financial Services Limited - Associate Company

iii) D1 Williamson Magor Bio Fuel Limited - Joint Venture Company

* Kilburn Engineering Limited ceased to be an Associate Company w.e.f. 30.03.2021

## D1 WILLIAMSON MAGOR BIO FUEL LIMITED

The operation of D1 Williamson Magor Bio Fuel Limited (D1WML) being un-economical, D1WML has suspended all its projects in view of which the Company has made provision in its Account against its entire investment in D1WML.

## CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

As required under Section 129(3) of the Companies Act, 2013, Consolidated Financial Statements of the Company, its two Associate Companies and one Joint Venture Company as mentioned above prepared in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the Auditors' Report on the Consolidated Financial Statements are appended in the Annual Report.

A statement containing the salient features of the financial statements of the Company's aforesaid two Associate Companies and one Joint Venture Company pursuant to the first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 prepared in Form AOC-1 is attached to the financial statements of the Company for your information.

## NBFC PUBLIC DEPOSIT DIRECTIONS

The Company neither invited nor accepted any deposit from the public during the financial year 2020-21. The Company does not intend to invite or accept any public deposit during the financial year 2021-22. No amount on account of principal or interest on deposit from public was outstanding as on the date of the balance sheet.

## DEBENTURE AND DEBENTURE TRUSTEES

The Company has converted its outstanding loan amount of ₹ 100,00,00,000/- into Non – Convertible Debentures and had allotted 1000 Secured, Redeemable, Non – Convertible Debentures of ₹ 10,00,000/- each at par to the following:

a) 5 Secured, Redeemable, Freely Transferable, Non – Convertible Debentures with a face value of ₹ 10,00,000/- each on a private placement basis to IL&FS Financial Services Limited and;

b) 995 Secured, Redeemable, Freely Transferable, Non – Convertible Debentures with a face value of ₹10,00,000/-each on a private placement basis to IL&FS Infrastructure Debt Fund.

The interest on above debenture and amount of redemption of debenture is outstanding as on 31st March, 2021; meanwhile Vistra ITCL (India) Ltd. (Vistra), the debenture trustee, has from time to time invoked the pledged shares of Eveready Industries India Limited and McLeod Russel India Ltd. held it inter alia as security for the said WMCL Debentures which, in some cases, were sold in the market and at present the approximate value of pledged shares that have been invoked by Vistra is significantly more than the purported outstanding interest and redemption of debenture.

The Company has obtained an independent legal opinion wherein it has been provided that the provisions of Section 164(2) of the Act are not applicable to the alleged default. Further, the directors of the Company have provided declarations as on March 31, 2021, which have been taken on record, confirming that the directors of the Company have not suffered any disqualification.

The Company had appointed a debenture trustee for the aforesaid transaction. The detail of debenture trustee is given below:

**Vistra ITCL (India) Limited**

The IL&FS Financial Centre, Plot C-22 / G Block, Bandra Kurla Complex, Bandra (East) Mumbai - 400051. Tel: 022-26593535.

## MATERIAL CHANGES AND COMMITMENTS BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT

There are no material changes or commitments that have occurred between the end of the financial year and the date of this Report excepting the impact of Covid 19 Pandemic which has been dealt with separately in this report.

## INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

The Company has in place a satisfactory internal control system to ensure proper recording of financial and operational information and to exercise proper and timely compliance of all regulatory and statutory compliances as applicable to the Company.

The Internal Audit of the various operations of the Company is periodically conducted by an outside agency which submits its report to the Audit Committee of the Board of Directors of the Company. The Audit Committee takes the same into consideration for the purpose of evaluation of Internal Financial Controls in the Company.

The existing Risk Management Committee of the Board of Directors of the Company monitors and reviews the risks associated with the Company's business operations and manages them effectively in accordance with the risk management system of the Company.

The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

## IMPACT OF COVID 19 PANDEMIC

The year 2020-21 has been a challenging year for all the sectors in economy due to the Coronavirus outbreak. The way COVID-19 is spreading from country to country and impacting businesses cutting across various sectors, the consequence has brought a change in the fortune of financial markets and consumer behaviour. The COVID impact has hit the country at the wrong time when the domestic economy has been on weak track on account of a global economic slowdown.

The revenue stream of all NBFC's has been hugely impacted as there has been a significant drop in transactions, loan repayments, etc., at all levels countrywide. Affected businesses amidst the COVID 19 may take time to repay their loans and would further require financial assistance to recover the losses once the crisis is over.

Despite the unfavourable condition, the Company has been working closely with Government by following all the safety measures to ensure to overcome this global health crisis together. The financial year under review began amidst nation-wide lock downs imposed by the Central Government to contain the spread of Covid-19 and the lock downs were followed by systematic/gradual removal of restrictions on the free movement of people by the Central and/or the State Governments. The Country also witnessed a second wave of the pandemic beginning in the last quarter of the financial year under review.

Although the current situation is uncertain, we are confident of our ability to manage the crisis and come out with competitive position.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, If any;

(ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the annual accounts on a going concern basis;

(v) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

(vi) the Directors had devised a proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## BOARD MEETINGS

During the year ended 31st March, 2021, Six Board Meetings were held i.e on 28th July 2020, 15th September, 2020, 19th October, 2020, 10th November, 2020, 11th February, 2021 and 31st March, 2021.

## SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year, a separate meeting of the Independent Directors was held on 12th March 2021 in terms of requirements of Schedule IV of the Companies Act, 2013, without the attendance of non-independent directors and members of management. Majority of the Independent Directors were present at the said Meeting. The evaluation process prescribed in paragraph VII of Schedule IV to the Act was carried out at the said Meeting.

## REPORT ON CORPORATE GOVERNANCE

In terms of requirements of Regulation 34(3) of the Listing Regulations, a Report on Corporate Governance and the Auditors' Certificate regarding Compliance to Corporate Governance requirement are attached as Annexure II and Annexure III respectively and form part of this Report.

## BOARD EVALUATION

Pursuant to provision of the Act and the Listing Regulation and based on Policy devised by the Nomination and Remuneration Committee (NRC), the formal evaluation of the performance of the Independent Directors, Non – Independent Directors, Chairperson and the Board of Directors as a whole and all Board Committees was carried out by the Board at its meeting held on 11th February 2021 for the financial year ended 31st March, 2021 in accordance with the relevant provisions of Section 134 of the Act read with the Rule related thereto and Section 178 of the Act and Schedule IV to the Act and also in accordance with the guidance note issued by the Securities and Exchange Board of India ('SEBI') vide its circular No. SEBI/HO/CFD/CIR/P/2017/004 dated 5th January, 2017 and the same was found to be satisfactory.

The Board performance was evaluated based on inputs received from all Directors after considering criteria such as Board Composition and structure, effectiveness of Board and information provided to the Board etc.

The performance of the committees was evaluated by the Board of the Directors based on inputs received from all the committee members after considering criteria such as composition and structure of committees, effectiveness of committee meetings etc.

## BOARD OF DIRECTORS

The Board of Directors of the Company as on 31st March, 2021 comprised of 6 Directors of whom four were independent Directors including one woman Director.

During the year under review, In the 69th AGM of the Company held on December 22, 2020, Mr. Amritanshu Khaitan (DIN 00213413), who retires by rotation and being eligible, did not offer himself for re-appointment' and vide his letter dated 19.12.2020 informed the Board of Directors that he wished to step down as a Director from the Board of the Company by retiring at the AGM. The Board wishes to place on record its sincere appreciation for the valuable services and guidance rendered by Mr. Amritanshu Khaitan during his tenure as Director of the Company.

During the year, under review based on the recommendation of the Nomination & Remuneration Committee, the Board approved the appointment of Mr. Chandan Mitra (DIN: 09069336), as an Additional Director (Non-Executive) w.e.f. 20th February, 2021 and will be regularized by the Members of the Company at the ensuing AGM.

In accordance with provisions of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013 ('the Act'), Mr. Aditya Khaitan will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Brief resume, nature of expertise, details of directorships held in other companies of the Directors proposed to be re-appointed/appointed as stipulated under Secretarial Standard 2 and Regulation 36 of the Listing Regulations, is appended as an annexure to the Notice of the Annual General Meeting. There were no other changes in the Board during the year.

A certificate of Non-Disqualification of Directors furnished by M/s. A.K. Labh & Co., Company Secretaries as required under Regulation 34(3) read with Schedule V Para C sub-clause 10(i) of SEBI (LODR) Regulations, 2015 is Annexed as Annexure IV.

All the Directors and the Key Managerial Personnel of the Company as mentioned hereunder have confirmed compliance with the Code of Conduct as applicable to them and there are no other employees in the senior category.

## DECLARATION BY THE INDEPENDENT DIRECTORS

All the Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in terms of Section 149 of the Companies Act, 2013 and the Board is also of the opinion that all of them fulfill all the conditions specified in the Act making them eligible to continue to act as Independent Directors of the Company.

## KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013, the key managerial personnel of the Company is Mrs. Aditi Daga, Company Secretary of the Company.

During the year under review, Mr. Madan Lal Agarwal was appointed as the Manager& Chief Financial Officer of the Company with effect from 19 October 2020.

## COMPLIANCE WITH SECRETARIAL STANDARDS

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

## COMMITTEES OF THE BOARD

As on 31 March 2021, the Board had three committees namely Audit Committee, Nomination and Remuneration Committee and the Stakeholders Relationship Committee. All the Committees consist of entirely independent directors.

During the year there was no instance where the Board of Directors of the Company had not accepted any recommendation of the Committees.

A detailed note on the Composition of the Committees is provided in the Corporate Governance Report.

## AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company as on 31 March, 2021 consisted of Ms. Arundhuti Dhar as the Chairperson, Mr. Harischandra Maneklal Parekh and Mr. Gaurang Shashikant Ajmera as Members.

During the year ended 31st March, 2021 there were no instance where the Board of Directors of the Company had not accepted the recommendations of the Audit Committee. The Company has in place a vigil mechanism/ whistle blower policy the details of which are available on the Company's website www.wmtea.com. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of the employees and the Company.

## COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS

The particulars required to be furnished in this regard are given in the terms of reference of the Nomination and Remuneration Committee as specified under Section 178(3) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations as mentioned in the attached Report on Corporate Governance and also in the Remuneration Policy of the Company attached as Annexure V to this Report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013 are not disclosed in this Report because they form a part of the notes to the financial statements for the year ended 31st March, 2021 and are accordingly disclosed in such notes forming part of the financial statements of the Company for the said financial year.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There were no material significant transaction with the related party made by the Company during the year 2020-21.

The Company has formulated a Related Party Transaction Policy and the same is disclosed on the website of the Company and can be accessed at www.wmtea.com.

## STATUTORY AUDITORS

M/s V. Singhi & Associates, Chartered Accountants, the Statutory Auditors of the Company have been appointed at the Sixty Sixth Annual General Meeting of the Company held on 22nd September, 2017 to hold office till the conclusion of the Seventy First Annual General Meeting of the Company to be held in the year 2022.

## STATUTORY AUDIT REPORT

In the Auditors Report dated 30th June 2021, the Auditors have given Qualified Opinion in relation to the Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31 March 2021. The basis for qualified opinion and Board's response in relation to the said opinion are as under:-

| Sl.No | Audit-Qualification | Board's Response |
|---|---|---|
| (a) | Going Concern Assumption in preparation of the Statement<br><br>The Investment Company has defaulted in repayment of borrowings to its financial institutions lenders and others. In view of the Management, the Investment Company would be able to improve its net working capital position to discharge its current and non-current financial obligations as described in Note 4(a) to the Statement. However, in view of the uncertainties involved, these events and conditions indicate a material uncertainty which may cast a significant doubt on the Investment Company's ability to continue as a going concern. Accordingly, the use of going concern assumption of accounting in preparation of this Statement is not adequately and appropriately supported as per the requirements of Indian Accounting Standard 1 "Presentation of Financial Statements". | In view of the Management, the Investment Company would be able to improve its net working capital position to discharge its current and non-current financial obligations. |
| (b) | Non-recognition of Interest Expense<br><br>Auditors have drawn attention to Note 4(b) of the Statement relating to non-recognition of interest expense of ₹ 4,50,431 Thousands on inter - corporate borrowings for the year ended 31st March, 2021 (₹ 3,97,050 Thousand for the quarter ended 31st March, 2021) and interest expense of ₹ 2,95,000 Thousands on borrowings from financial institution for the year ended 31st March, 2021 (₹ 73,750 Thousands for the quarter ended 31st March, 2021 and ₹ 1,96,986 Thousands for the year ended 31st March, 2020), As a result, finance cost, liability on account of interest and total comprehensive profit for the quarter and year ended 31st March, 2021 are understated to that extent. | The Company is not agreeable to the processing fees & high interest already charged by lenders. Company is envisaging to go for restructuring so as to get relief from Interest Expenditure. |
| (c) | Recognition of Deferred Tax Assets<br><br>Auditors have drawn attention to Note 15 of the Statement relating to recognition of Deferred Tax Assets amounting to ₹ 9,96,770 thousand as at 31st March, 2021. Considering the management's assessment of going concern assumption in the Statement, the threshold of reasonable certainty for recognizing the deferred tax assets as per Indian Accounting Standard 12 "Income Taxes" has not been met. Consequently, deferred tax assets is overstated and total comprehensive profit for the year ended 31st March, 2021 is understated by that extent. | The Management of the Investment Company is hopeful that there will be adequate future taxable profit available to the Investment Company against which the deferred tax assets can be utilized. |
| (d) | Balances with secured loan creditor and balance confirmation.<br><br>Auditors have drawn attention to Note No. 5 a) and b) with respect to certain balances, including non-reconciliation of balances with secured loan creditor and balance confirmation thereof. Adjustments/impacts in this respect are currently not ascertainable and as such cannot be commented upon. | The secured creditors has invoked the securities of the Company and the Company has requested its Secured Creditors to give the balance confirmation of the same. The matter is subjudice. |

## SECRETARIAL AUDIT REPORT

In terms of the requirements of Section 204 of the Companies Act, 2013, the Secretarial Audit of the Company for the year ended 31st March 2021 was conducted by Messrs. MKB & Associates, Company Secretaries. The Secretarial Auditors' Report is attached to this Report as Annexure VI and forms part of the Directors' Report.

There are certain qualifications or reservations or adverse remarks made by the Secretarial Auditors in their Report and the response of the Company to the same is as under:-

i) pursuant to resignation of Mr. TuladriMullick as Manager and CFO of the Company with effect from 26.09.2019, the company did not have a managing director/Chief Executive Officer/ Manager/ Whole-time Director and CFO untill18.10.2020. Mr. Madan Lal Agarwal was appointed as Manager and CFO of the Company with effect from 19.10.2020;

   The management has informed that the Company was looking for a suitable candidate during the said period and appointed Mr. Madan Lal Agarwal as Manager and CFO of the Company with effect from 19.10.2020

ii) CEO/ CFO certificate as required under Regulation 33(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has not been obtained or placed before the Board while approving quarterly results for the quarter ended 31st March, 2020 and 30th June, 2020;

   The management has informed that during that period there was no CEO/ CFO on the Board, the said Certificate has been duly placed from quarter ended 30th September, 2020 onwards.

iii) CEO/ CFO certificate as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was not obtained or placed before the Board while approving the financial results for the year ended 31st March, 2020. The said certificate was also not part of the Annual Report of the Company for the year ended 31st March, 2020;

   The management has informed thatduring that period as there was no CEO/ CFO on the Board.

iv) a resolution for approval of shareholders under Regulation 23 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for material related party transactions during the year ended 31st March, 2020 was placed but was not approved in the Annual General Meeting of the company held on 22.12.2020; We have been informed that the said Loans have since been refunded by the said Williamson Financial Services Limited.

   The management has informed that since the above resolution was not approved by the Members, the said Loans have been refunded by Williamson Financial Services Limited to the Company.

v) as required under Regulation 17(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the company did not consist of minimum six directors for the period from 01.04.2020 to 15.09.2020 and 22.12.2020 to 19.02.2021;

   The management has informed that due to resignation of Director, the Board did not have minimum numbers of directors during the said period. The Company was looking for a suitable candidate and appointed Mr. Rahul Nandan Sahaya and Mr. Chandan Mitra w.e.f. 15.09.2020 & 20.02.2021 respectively.

vi) as required under Regulation 34(1)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has not submitted to the stock exchanges a copy of the annual report for the financial year ended 31st March, 2020 along with the notice of the annual general meeting as soon as the same are dispatched to its shareholders.

   The management has informed that the submission of Annual Report was inadvertently delayed to the stock exchanges. Whereas the Annual Report was dispatched to the shareholders before clear 21 days of AGM, made newspaper publication and also hosted on the website of the Company. The delay in submission was never intentional but just an unfortunate event and has neither caused any loss to any investor nor adversely affected shareholders.

vii) as required under Regulation 31(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the shareholding pattern for the quarter ended 31st March, 2020 which was supposed to be filed with the stock exchanges within the extended period of 15th May, 2020, was filed on 8th June, 2020.

The management has informed that the benpos could not be downloaded from CDSL and as a result the compliance got delayed and was filed on 8th June 2020.

## FRAUD REPORTING BY AUDITORS

During the year under review, no instances of fraud has been reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report neither by the Statutory Auditors nor the Secretarial Auditors.

## ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an Audit of all the applicable compliances as per the SEBI Regulations and Circulars/Guidelines issued thereunder.

The Annual Secretarial Compliance Report issued by a Practising Company Secretary (PCS) has been submitted to the Stock Exchanges within the stipulated time as mentioned in SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/109 dated June 25, 2020.

## ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 the Annual Return as on March 31, 2021 is available on the Company's website on Form_MGT_7_2020-21.pdf (wmtea.com).

## CORPORATE SOCIAL RESPONSIBILITY

The Company has not formed any Corporate Social Responsibility Committee because the provisions of Section 135 of the Companies Act, 2013 relating to the formation of such a committee and the formulation of a Corporate Social Responsibility Policy do not apply to the Company.

## PARTICULARS OF EMPLOYEES

The relevant particulars required to be furnished pursuant to Section 197(12) of the Companies Act 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014 in this regard are attached as Annexure VII to this Report.

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

A statement giving details of conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as Annexure VIII to this Report.

## PREVENTION OF INSIDER TRADING

Your Company has adopted and implemented a Code of Conduct for Prevention of Insider Trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. All Directors, employees and other designated persons, who could have access to unpublished price sensitive information of the Company are governed by this code.

The trading window regarding dealing with equity shares of the Company is duly closed during declaration of financial results and occurrence of any other material event as per the code. During the year under review there has been due compliance with the code.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE TRIBUNAL

During the year under review, there were no significant or material order passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

However, in the matter of Arbitration between Aditya Birla Finance Limited (ABFL) vs McNally Bharat Engineering Company Limited (MBECL) and others, the Sole Arbitrator, passed an Interim Award on 30 June 2020 upon the Company to perform its obligations under the Put Option Agreement dated 24 March 2018. Against the interim award, the Company has filed an application for setting aside the award which is presently pending before the Calcutta High Court.

Further, the Hon'ble High Court at Calcutta vide judgment and order dated 26 February 2021 in I.A. G.A. 1 of 2019 ( T.A. No. 12 of 2019/G.A. 2174 of 2019) with C.S. No. 177 of 2019 in IL & FS Financial Services v/s Aditya Khaitan & Ors., has, inter alia, restrained the Company from transferring, alienating or encumbering any of its assets till the disposal of the suit.

The Hon'ble High Court of Delhi at New Delhi vide its order in O.M.P.(I) (COMM.) 459/2019 in KKR India Private Financial Services Limited & Anr. Vs. Williamson Magor & Co. Limited & Ors, has, inter-alia, restrained the Company from selling, transferring, alienating, disposing, assigning, dealing or encumbering or creating third party rights on their assets. The said matter is presently pending before Hon'ble High Court of Delhi.

Further, an order of injunction has been passed upon the Company from transferring, disposing or alienating its assets by the Hon'ble Bombay High Court in an application under section 9 of Arbitration & Conciliation Act filed by Kotak Mahindra Bank Ltd. The Company has preferred an appeal which is pending adjudication before the Hon'ble Bombay High Court.

Members' attention is also invited to Notes on Contingent Liabilities, in the notes forming part of the Financial Statements.

## STATE OF COMPANY'S AFFAIR

The Company's main business being investment in shares and securities, the Management regularly monitors the changing market conditions and trends. There is no change in the nature of business of the Company.

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

In terms of requirements of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has associated itself with the Internal Complaints Committee formed by McLeod Russel India Limited, one of the Companies forming part of Williamson Magor group with regard to dealing with sexual harassment at workplace.

## DISPATCH OF ANNUAL REPORT THROUGH E-MAIL

In accordance with the MCA Circulars and the SEBI Circulars, the Notice alongwith the Annual Report of the Company for the financial year ended March 31, 2021, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. Maheshwari Datamatics Pvt. Ltd.or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2021 shall be available on the websites of the Company viz., www.wmtea.com and the Stock Exchanges where Equity Shares of the Company are listed. The Notice shall also be available on the e-Voting website of the agency engaged for providing e-Voting facility, i.e., National Securities Depository Limited (NSDL), viz., www.evoting.nsdl.com.

The Company is providing e-voting facility to all its Members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting are provided in the Notice.

## COST RECORDS AND COST AUDIT

Maintenance of Cost Records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act 2013 are not applicable for the business activities carried out by the Company.

## ACKNOWLEDGEMENT

The Board of Directors take this opportunity to express their grateful appreciation for the excellent assistance and cooperation received from the banks and other authorities. The Board of Directors also thank the employees of the Company for their valuable service and support during the year. The Board of Directors also gratefully acknowledge with thanks the cooperation and support received from the shareholders of the Company.

For and on behalf of the Board

**ADITYA KHAITAN – Chairman**
DIN : 00023788
**ARUNDHUTI DHAR – Director**
DIN: 03197285

Kolkata
12th August, 2021

ANNEXURE I

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## INDUSTRIAL STRUCTURE AND DEVELOPMENTS

During the year under review, the Reserve Bank of India (RBI) has taken number of measure to ensure sufficient liquidity in the system since the beginning of 2020-21. The Company is carrying on the business of investment and lending mainly to the Group Companies.

The business strategy is largely dependent on the economic environment of the Country. The Management continues to review the business strategy from time to time depending on the changes in Government policies.

The Indian Economy was affected across all four growth engine – private consumption, private investments and exports have slowed down significantly led by variety of reason. Further, due to second wave of COVID-19 outbreak several states imposed restrictions or lock downs, which impacted business activity, which will have wider ramification in current fiscal. Collection efficiency of NBFCs, which had started improving from September 2020, started to deteriorate again due to impact on cash flows/income of clients during the second COVID-19 wave. NBFCs started to again witness a slowdown in disbursements and loan book growth.

NBFCs, which are the key sources of funding for a lot of diverse segments not funded by banks, have been hit severely by COVID 19. They were immediately faced with a huge liquidity crisis and declining asset quality. Sectors critical to NBFCs, such as manufacturing, auto, real estate, and retail, are still operating at a subpar level.

## OPPORTUNITIES

- Low retail penetration of financial services / products in India
- Extensive distribution reach and strong brand recognition
- Opening of financial sector in India along with introduction of innovative products
- Opportunity to cross sell services
- Increasing per – capita GDP
- Changing demographic profile of the country in favour of the young

## THREATS

- Inflationary pressures, slowdown in policy making and reduction in household savings in financial products
- Competition from local and multinational players
- Execution risk
- Regulatory changes
- Attraction and retention of human capital

## RISK & CONCERNS

Any slowdown in economic growth in India could cause the business of the Company to suffer. Similarly, any sustained volatility in global commodity prices including a significant increase in the price of oil and petroleum products could once again spark off a new inflationary cycle, thereby curtailing the purchasing power of the consumers. Further, the Company is exposed to specific risk that is particular to its business and environments within which its operate, including market risk, competition risk, credit risk, liquidity and interest rate risk, human resource risk, operational risk, information security risks, regulatory risk and macro-economic risks. The level and degree of each risk varies depending upon the nature of activity undertaken by them.

## SEGMENT WISE PERFORMANCE

The Company being a Non-Banking Financial Company operates mainly under a single segment viz Investment and Lending.

## OUTLOOK

Earnings of the Company particularly depend on the performance of the Companies where your Company has invested funds in equities and lent money. During the year, some of the said companies have not fared well for various reasons explained above. The Stock market was also very volatile and wide fluctuations have been witnessed in the Stock prices. In addition to serious implications for people's health and the healthcare services, coronavirus (COVID-19) is having a significant impact on the world wide economy including India in terms of business growth and business models. The Government at the Centre is taking various measures to ensure more liquidity in the market at a lower cost which is expected to help the Company directly and indirectly. Revival of economic growth for which the government is striving hard should boost the demand growth and also the stock market. The companies in which your Company has invested and lent funds should derive benefits from the measures taken by the Government and your Company will be a beneficiary of the same.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains a system of Internal Control commensurate with its size. The Internal Auditors, an independent firm of chartered Accountant, regularly review the operations and conduct a risk based audit with a view to not only test adherence to laid down policies and procedure but also to suggest improvements in processes and systems. Their audit program is agreed upon by the Audit Committee. Internal Audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of such recommendations and also reviews the adequacy of Internal Control System at regular intervals and provides guidance for improvement.

The Risk Management Committee formed by the Board of Directors of the Company also has a policy by which it periodically reviews the various risks to which the Company is exposed to and ensures proper record maintenance and proper legal compliances for exercising effective Internal Controls. The Audit Committee of the Board provides necessary oversight and directions to the internal audit function and periodically reviews the findings and ensures corrective measures are taken.

Moreover, the KYC Norms (i.e.. Know Your Customer Norms) and the Revised Fair Practices Code as per the RBI directives act as integral parts of the overall Internal Control System of the Company.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

This section is covered in the Board's Report under the section of Financial Results and Operations.

### DETAILS OF SIGNIFICANT CHANGES (i.e. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PERVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILS EXPLANATIONS:-

| Ratio | 2020-21 | 2019-20 | Change (%) | Reason |
|---|---|---|---|---|
| Debtors Turnover Ratio (number of times) | 0.03 | 0.10 | 70 | The Debtors turnover rate has decreased compared to previous year on account of increase in receivables. |
| Interest Coverage Ratio (number of times) | 5.17 | 0.01 | 51,600 | The Interest coverage Ratio has substantially increased compared to previous year on account of increase in Earnings before Interest and Tax and decrease in Interest Expenses. |
| Current Ratio (number of times) | 0.95 | 0.61 | 55.74 | The Current Ratio has increased compared to previous year on account of increase in other receivables and decrease in current borrowings. |
| Debt Equity Ratio (number of times) | (1.70) | (1.30) | 30.77 | The Debt Equity Ratio of the Company has changed in FY 2020-21 due to decrease in negative shareholders fund mainly due to increase in fair value of the investments and due to profit of current financial year. |
| Operating Profit Margin | | - | - | Not applicable to NBFC |
| Net Profit Margin (%) | 51.08 | (78.77) | 164.85 | Net Profit Margin has increased in FY 2020-21 because this year company have made profit as compared to loss of previous year, which is due to decrease in new NPA provision & decrease in finance cost. |
| Return on Net Worth (%) | (35.43) | 25.59 | 238.43 | Return on Net Worth (%) was positive last year as both profit (numerator) and Net Worth (denominator) both were negative. This financial year company has made profit though Net worth is still negative hence the ratio is negative. |

### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

There is no material development on the Human Resources front. The Company maintains harmonious relationship with its employees. The Company is having 2 persons employed currently.

### CAUTIONARY STATEMENT

Statements in the Management Discussion & Analysis Report in regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. Market information contained in this Report has been based on information gathered from various published and unpublished reports, and their accuracy, reliability and completeness cannot be assured.

For and on behalf of the Board

**A KHAITAN –Chairman**
DIN: 00023788

Kolkata
12th August, 2021

**A Dhar – Director**
DIN: 03197285

**ANNEXURE II**

# REPORT ON CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY

The Company's philosophy on Corporate Governance is aimed at efficient conduct of its business and in meeting its obligations towards various Stakeholders. The Company gives due emphasis on transparency, professionalism and accountability. The Company also gives due importance to its social obligations and compliance of various regulatory provisions. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. The Company also seeks to protect the Shareholders rights by providing timely and sufficient information to the Shareholders, allowing effective participation in key corporate decisions and by providing adequate mechanism to address the grievances of the shareholders.

## 2. BOARD OF DIRECTORS

In terms of the Corporate Governance requirement, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

### (i) Composition and Category of Directors

The Board of Directors of your Company consists of six Directors on 31.03.2021 as under:

- Two Non-Executive Directors one of whom is the Chairman;
- Four Non-Executive Independent Directors including one Independent Women Director.

The Board has an optimum combination of Executive and Non-Executive Directors and more than half of the Board consists of Independent Directors including One Woman Director, which is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

### (ii) Attendance of each Director at the Board Meetings/ Last Annual General Meeting(AGM),

Directorship and Chairmanship/ Membership in other Board/Board Committees

Name and category of the Directors on the Board, their attendance at Board Meetings held during the financial year ended 31st March 2021, number of Directorships and Committee Chairmanships/ Memberships held by them in other public limited companies are given below. Other Directorships do not include alternate Directorships, Directorships in Private Limited Companies and Companies under Section 8 of the Companies Act, 2013 and of the Companies incorporated outside India. For the purpose of limit as per Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Chairmanship/Membership of Board Committees relates to only Audit and Stakeholders' Relationship Committees.

| Name of Directors | Category | No. of Board Meetings | | Whether attended last AGM held on 22.12.2020 | Whether attended Adjourned AGM held on 29.12.2020 | No. of Director-ships in other Public Limited Companies | No. of Committee positions held in other Public Limited Companies | |
|---|---|---|---|---|---|---|---|---|
| | | Held during the year | Attended | | | | As Chairman | As Member |
| Mr. A. Khaitan | Non-Executive Chairman | 6 | 6 | Yes | Yes | 8 | 1 | 3 |
| Mr. Amritanshu Khaitan[1] | Non-Executive | 6 | 4 | No | NA | - | - | - |
| Mr. H. M. Parekh | Non-Executive & Independent | 6 | 4 | Yes | Yes | 4 | 3 | 3 |
| Ms. Arundhuti Dhar | Non-Executive & Independent | 6 | 6 | Yes | Yes | 5 | 3 | 6 |
| Mr. Gaurang Shashikant Ajmera | Non-Executive & Independent | 6 | 6 | Yes | Yes | 4 | 3 | 4 |
| Mr. Rahul Nandan Sahaya[2] | Non-Executive & Independent | 6 | 5 | Yes | Yes | 1 | - | - |
| Mr. Chandan Mitra[3] | Additional Director (Non-Executive & Non-Independent) | 6 | 1 | NA | NA | - | - | - |

[1] Ceased to be a Director from the Board w.e.f. 22.12.2020

[2] Appointed on the Board w.e.f. 15.09.2020

[3] Appointed on the Board w.e.f. 20.02.2021

### (iii) Name of the listed entities where Directors of the Company hold Directorship

| Name of Directors | Names of the Listed Entities where the person is a director | Category of directorship |
|---|---|---|
| Mr. A. Khaitan | • Williamson Financial Services Ltd | Non-Executive Chairman |
| | • McNally Sayaji Engg Co. Ltd | Non-Executive Chairman |
| | • Kilburn Engineering Ltd | Non-Executive Chairman |
| | • McLeod Russel India Ltd | Chairman & Managing Director |
| | • Eveready Industries India Ltd | Non-Executive Chairman |
| | • Williamson Magor& Co. Limited | Non-Executive Chairman |
| | • McNally Sayaji Engg Co. Ltd | Non-Executive Chairman |
| | | |
| Mr. H. M. Parekh | • Diana Tea Co. Ltd | Non – Executive & Independent |
| | • The Perai Karamalai Tea and Produce Co, Ltd. | Non – Executive & Independent |
| | • Williamson Magor& Co. Limited | Non – Executive & Independent |
| | | |
| Ms. Arundhuti Dhar | • Kilburn Engineering Limited | Non – Executive & Independent |
| | • McNally Bharat Engg Co. Ltd | Non – Executive & Independent |
| | • Eveready Industries India Limited. | Non – Executive & Independent |
| | • Williamson Magor& Co. Limited | Non – Executive & Independent |
| | • McLeod Russel India Limited | Non – Executive & Independent |
| | • Williamson Financial Services Limited | Non – Executive & Independent |
| | | |
| Mr. Gaurang Shashikant Ajmera | • Williamson Magor& Co. Limited | Non – Executive & Independent |
| | • Williamson Financial Services Limited | Non – Executive & Independent |
| | • The Standard Batteries Limited | Non – Executive & Independent |
| | | |
| Mr. Rahul Nandan Sahaya[1] | • Williamson Magor& Co. Limited | Non – Executive & Independent |
| | | |
| Mr. Chandan Mitra[2] | • Williamson Magor& Co. Limited | Non – Executive & Non - Independent |

[1]Appointed on the Board w.e.f. 15.09.2020; [2]Appointed on the Board w.e.f. 20.02.2021

None of the Directors on the Board is a Member of more than 10 Committees or Chairman/Chairperson of more than 5 Committees as specified in Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 across all the Companies in which he/she is a Director. The Directors have made necessary disclosures regarding Committee positions held in other public limited companies in terms of Regulation 26(1) & (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### (iv) Number & Dates of Board Meetings

During the year, six Board Meetings were held on the following dates:

28 July 2020, 15 September 2020, 19 October 2020, 10 November 2020, 11 February 2021, 31 March 2021.

**(v) Disclosure of relationships between Directors**

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013,

**(vi) Details of shares held by Non-Executive Director in the Company as on 31.03.2021**

No Non- Executive directors hold shares in the Company.

**(vii) Separate Meeting of Independent Directors**

There was a Separate meeting of Independent Directors held on 12 March 2021 during the financial year ended 31st March 2021 comprising of Ms. Arundhuti Dhar, Mr. Gaurang Shashikant Ajmera, Mr. Harishchandra Maneklal Parekh and Mr. Rahul Nandan Sahaya, Independent Directors of the Company. Ms. Arundhuti Dhar acted as the Chairperson of the Meeting.

**(viii) Code of Conduct for Director & Senior Management**

A Code of Conduct for the Board Members and Senior Management Personnel was formulated and implemented by the Company and is available on the Company's website www.wmtea.com

The Code has been circulated to the members of the Board and the senior Management Personnel and they have all affirmed their compliance with the Code.

A declaration to this effect is appearing along with the Report.

**(ix) List of core skills / expertise / competencies identified by the Board of Directors as required in the context of its business**

The Board of Directors of the Company comprise of eminent qualified professional members from the diverse fields, who have significant amount of skills / expertise / competencies and thus make valuable contributions to the Board. The collective contribution of the Board of Directors makes an overall impact which reflects in the performance of the Company.

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has identified the list of core skills /expertise / competencies of the Board of Directors in the context of the Company's business and its sector for effective functioning, which are currently available with the Board:

| Names of Directors | List of core skills/expertise/ competencies identified by the Board of Directors as required in the context of the business to function effectively and those actually available with the Board |
|---|---|
| **Mr. Aditya Khaitan** | Hailing from a renowned family of industrialists, Mr. Khaitan has in depth exposure to and involvement in steering diverse business. He gained considerable experience and expertise in corporate finance and management in tea and engineering industries apart from investment companies. |
| **Mr. Gaurang Shashikant Ajmera** | He is a B. Com (Hons.) and having in depth exposure to and involvement in steering diverse business. Mr. Ajmera is having more than 26 years of rich experience in Accounting,Audit and Finance Function. |

| Names of Directors | List of core skills/expertise/ competencies identified by the Board of Directors as required in the context of the business to function effectively and those actually available with the Board |
|---|---|
| **Ms. Arundhuti Dhar** | Ms. Arundhuti Dhar has Graduated from St. Xavier's College, Kolkata and has completed Residential courses from IIM Joka in Marketing, Sales and Finance. Ms. Dhar has experience in diverse sectors such as Banking, Trade Finance, Retail Banking, Infrastructure, and Property Management in organisations such as American Express Bank, HDFC Bank and IL&FS Property Management & Services Pvt. Ltd., over the last 20 years. |
| **Mr. HarischandraManeklal Parekh** | He is a B. Com (Hons.) and having more than 59 years of experience in Tea Industry and has been serving as a Director on the Board of a few other Companies. |
| **Mr. Rahul Nandan Sahaya[1]** | Mr. Rahul Nandan Sahaya, aged 52 years is a Commerce Graduate from St. Xavier's College, Kolkata and holds an MBA degree from the University of Sydney, Australia. He possesses about 30 years of rich experience in the chemical industry and is currently Managing Director of M/s Pigments & Chemical Industries Pvt. Ltd., Kolkata. He has also served on the West Bengal State Council of the Confederation of Indian Industry (CII). |
| **Mr. Chandan Mitra [2]** | Mr. Chandan Mitra, aged 56 years is a Commerce Graduate from City College Ahmerst Street, Kolkata. He possesses about 36 years of rich experience in the Tea industry and in NBFC and is currently the Manager – Finance & Accounts of McLeod Russel India Limited. |

[1]Appointed on the Board w.e.f. 15.09.2020; [2] Appointed on the Board w.e.f. 20.02.2021;

**(x)** In the opinion of the Board, the independent directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

**(xi) Prevention of Insider Trading Code**

As per SEBI (Prevention of Insider Trading) Regulations, 2015 the Company had framed a Code of Conduct to Regulate, Monitor and Report trading by Insiders. The said Regulation has been amended by SEBI w.e.f. 1st April, 2019. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. Trading restriction period is made applicable from the end of every quarter till 48 hours after the declaration of financial results.

**(xii) Reason for the resignation of Independent Directors**

During the year under review, no Independent Director resigned from the Board.

**(xiii) Independent director databank registration**

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

**(xiv) Web Link for Familiarisation Programme**

Web link where details of familiarization programmes imparted to Independent Directors is:

http://wmtea.com/images/FAMILIARISATION_PROGRAMME_FOR_INDEPENDENT_ DIRECTORS.pdf

## 3. AUDIT COMMITTEE

**i) Brief description of terms of reference**

The role and terms of reference of the Audit Committee covers the areas mentioned under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in Section 177 of the Companies Act, 2013. Brief description of the terms of reference of the Audit Committee are as follow:

a) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;

b) review and monitor the auditor's independence and performance, and effectiveness of audit process;

c) approval or any subsequent modification of transactions of the Company with related parties;

d) scrutiny of inter-corporate loans and investments;

e) valuation of undertakings or assets of the Company, wherever it is necessary;

f) evaluation of internal financial controls and risk management systems;

g) monitoring the end use of funds raised through public offers and related matters.

h) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

i) Approval of payment to statutory auditors for any other services rendered by them;

j) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

    i. Matters required to be included in the Director's 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

    ii. Changes, if any, in accounting policies and practices and reasons for the same

    iii. Major accounting entries involving estimates based on the exercise of judgment by management

    iv. Significant adjustments made in the financial statements arising out of audit findings

    v. Compliance with listing and other legal requirements relating to financial statements

    vi. Disclosure of any related party transactions

    vii. Qualifications in the draft audit report

k) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

l) 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;

m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

o) Discussion with internal auditors of any significant findings and follow up thereon;

p) 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;

q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

r) 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;

s) To review the functioning of the Whistle Blower mechanism;

t) 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;

u) To investigate any activity within its terms of reference;

v) To seek information from any employee;

w) To obtain legal or other professional advice;

x) To secure attendance of outsiders with relevant expertise, if it considers necessary;

y) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**ii) Composition**

The Audit Committee comprised of Ms. Arundhuti Dhar, Mr. HarischandraManeklal Parekh and Mr. Gaurang Shashikant Ajmera, as Members of the Committee as on 31st March 2021. Ms. Arundhuti Dhar, a Non – Executive Independent Director, having adequate financial and accounting qualification and expertise, is the Chairperson of the Audit Committee, The other members are also financially literate, all being Non – Executive Independent Directors of the Company. Ms. Aditi Daga, Company Secretary, acts as the Secretary of the Audit Committee. The Statutory Auditors are invitees to the Meetings of the Audit Committee.

**iii) Meetings and attendance during the year**

Five Meetings of the Audit Committee were held during the financial year ended 31st March, 2021 and the attendance of the Members is as follow:

| Name of Member of the Audit Committee | Whether attended the Meetings held on | | | | |
|---|---|---|---|---|---|
| | 28.07.2020 | 15.09.2020 | 19.10.2020 | 10.11.2020 | 11.02.2021 |
| MS. ARUNDHUTI DHAR | YES | YES | YES | YES | YES |
| MR. H. M. PAREKH | YES | YES | NO | NO | YES |
| MR. GAURANG SHASHIKANT AJMERA | YES | YES | YES | YES | YES |

## 4. NOMINATION AND REMUNERATION COMMITTEE

**i) Brief description of terms of reference**

The broad terms of reference of the Nomination and Remuneration Committee are as follow:

a) 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 and shall carry out evaluation of every director's performance;

b) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

c) formulation of criteria for evaluation of Independent Directors and the Board;

d) devising a policy on Board diversity;

The Nomination and Remuneration Committee recommends to the Board the remuneration payable to the Managerial Personnel appointed pursuant to Section 203 of the Companies Act, 2013.

**ii) Composition, Name of Members and Chairperson**

The Nomination and Remuneration Committee of the Board as on 31st March, 2021 comprised of Mr. HarischandraManeklal Parekh, Ms. Arundhuti Dhar and Mr. Gaurang Shashikant Ajmera. Mr. HarischandraManeklal Parekh is the Chairman of the Committee. All the Members of the Committee are Non –Executive Independent Directors of the Company.

**iii) Meeting and attendance during the year**

Two Meetings of Nomination and Remuneration Committee were held on during the financial year ended 31st March, 2021 and the attendance of the Members is as follow:

| Name of Member of the Nomination and Remuneration Committee | Whether attended the Meetings held on | |
|---|---|---|
| | 15.09.2020 | 11.02.2021 |
| MR. H. M. PAREKH | YES | YES |
| MS. ARUNDHUTI DHAR | YES | YES |
| MR. GAURANG SHASHIKANT AJMERA | YES | YES |

**iv) Performance Evaluation Criteria for Independent Directors**

The Nomination and Remuneration Committee has approved the following criteria for evaluation of Independent Directors and the Board in terms of Regulation 19(4) read with Part D (A) (2) of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1) Regular attendance in Board and Committee Meetings.

2) Participation in discussions and contributions towards betterment and improvement of the Company's business operations.

3) Expression of independent opinion on various matters taken up by the Board.

4) Adequate knowledge about the Company's business and the Country's business and economic scenario.

5) Innovative ideas for growth of the Company and in solving problems faced by the Company.

6) In case of conflict of interest, prompt in disclosing the same.

7) Possessing long term vision for growth of the Company.

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Board as on 31st March, 2021 consists of Ms. Arundhuti Dhar, Mr. Harischandra Maneklal Parekh and Mr. Gaurang Shashikant Ajmera, Independent Directors Ms. Arundhuti Dhar is the Chairperson of the Committee, Ms. Aditi Daga, Company Secretary is the Compliance Officer of the Company for redressal of Shareholder / Investors Complaints.

During the financial year 2020-21, no complaints were received from shareholders'/ investors'. All requests for dematerialization and rematerialization of shares during the aforesaid period were confirmed/ rejected into the NSDL/CDSL system.

Two Meetings of the Stakeholders' Relationship Committee were held during the financial year ended 31st March, 2021 and the attendance of the Members is as follow:

| Name of Member of the Stakeholders' Relationship Committee | Whether attended the Meetings held on | |
|---|---|---|
| | 28.07.2020 | 10.11.2020 |
| MS. ARUNDHUTI DHAR | YES | YES |
| MR. H. M. PAREKH | YES | NO |
| MR. GAURANG SHASHIKANT AJMERA | YES | YES |

## 6. REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Company has no pecuniary relationship or transaction with its Non-Executive & Independent Directors other than payment of sitting fees to them for attending Board & Committee Meetings. Remuneration by way of Sitting Fees for attending Board Meetings and Committee Meetings are paid to the Non-Executive Directors at the rate of ₹10,000/- per Meeting of the Board and Committees thereof. Apart from sitting fees, no other compensation is paid to the Non-Executive Directors. This may be treated as the disclosure in view of the provisions of Section II of Part II of Schedule V to the Companies Act, 2013. The details of sitting fees paid during 2020-2021 to the Non-Executive Directors of the Company are as under:

| Name of Director | Sitting Fees paid (₹) for Board Meetings | Sitting Fees paid (₹) for Committee Meetings | No. of shares held as on 31.03.2021 |
|---|---|---|---|
| Mr. A. Khaitan | 60,000 | - | - |
| Mr. Amritanshu Khaitan[1] | 40,000 | - | - |
| Mr. H. M. Parekh | 40,000 | 70,000 | - |
| Ms. Arundhuti Dhar | 60,000 | 1,00,000 | - |
| Mr. GaurangShashikantAjmera | 60,000 | 1,00,000 | |
| Mr. Rahul Nandan Sahaya[2] | 50,000 | - | - |
| Mr. Chandan Mitra[3] | 10,000 | - | - |
| **TOTAL** | **3,20,000** | **2,70,000** | |

[1] Ceased to be a Director w.e.f. 22.12.2020

[2] Appointed on the Board w.e.f. 15.09.2020

[3]Appointed on the Board w.e.f. 20.02.2021

The Company does not have any Scheme for grant of stock options to its employees.

## 7. RISK MANAGEMENT COMMITTEE

The Company's main activity is giving loans and making investment in shares and securities. The management constantly monitors the capital market risks and systematically address them through mitigating actions on a continuous basis. The audit committee has additional oversight in the area of financial risks and internal controls. The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this Report.

The Committee consists of three directors namely, Ms. Arundhuti Dhar, Mr. Aditya Khaitan, and Mr. Gaurang Shashikant Ajmera. Ms. Arundhuti Dhar is the Chairperson of the Committee. Ms. Aditi Daga, Company Secretary, is the Compliance Officer of the Company.

One Meeting of the Risk Management Committee was held during the financial year ended 31st March, 2021 and the attendance of the Members is as follow:

| Name of Member of the Risk Management Committee | Whether attended the Meeting held on 18.01.2021 |
|---|---|
| MS. ARUNDHUTI DHAR | YES |
| MR. GAURANG SHASHIKANT AJMERA | YES |
| MR. ADITYA KHAITAN | NO |

## 8. GENERAL BODY MEETINGS

### a) Location and time of last three Annual General Meetings held are as under:

| Financial Year | Date | Time | Venue |
|---|---|---|---|
| 2017-18 | 18.09.2018 | 11.00 a.m. | Williamson Magor Hall of The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata 700 001 |
| 2018-19 | 26.09.2019 | 3.00 p.m. | Williamson Magor Hall of The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata 700 001 |
| 2019-20 | 22.12.2020 (69th AGM) | 3.00 p.m. | The Meeting was held through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') |
| | 29.12.2020 (Adjourned 69th AGM) | 3.00 p.m. | |

**b) Special Resolutions passed in previous three Annual General Meetings:**

| Shareholders' Meeting | Special Business requiring Special Resolution |
|---|---|
| 18.09.2018 | (1) Approval to Mr. B. M. Khaitan to continue as a Non-Executive Director and Chairman of the Company.<br>(2) Approval to Mr. R. S. Jhawar to continue as Non-Executive Director of the Company after 31.03.2019.<br>(3)Approval to Mr. T. R. Swaminathan to continue as Non-Executive Independent Director of the Company after 31.03.2019.<br>(4) Approval to Dr. R Srinivasan to continue as Non-Executive Independent Director of the Company after 31.03.2019.<br>(5) Approval to Mr. G Momen to continue as Non-Executive Independent Director of the Company after 31.03.2019<br>(6) Approval to Mr. H M Parekh to continue as Non-Executive Independent Director of the Company after 31.03.2019 |
| 26.09.2019 | (1) Approval to Ms. Arundhuti Dhar for appointment as a Non – Executive Independent Director of the Company with effect from 30th May 2019.<br>(2) Approval to Mr. Harishchandra Maneklal Parekh for re-appointment for another term of five years as a Non- Executive Independent Director of the Company with effect from 10th September 2019<br>(3)Approval to take intercorporate loan form Kilburn Engineering Limited, an Associate of the Company of an amount not exceeding ₹ 12 Crores.<br>(4) Approval to take intercorporate loan form Eveready Industries India Limited, an Associate of the Company of an amount not exceeding ₹ 14 Crores. |
| 22.12.2020 | (1) Approval to give intercorporate loan to Williamson Financial Services Limited, of an amount not exceeding ₹ 100 Crores.<br>(2) Approval for Appointment of Mr. Madan Lal Agarwal as the Manager & CFO of the Company. |

**c) Special Resolution passed through Postal Ballot during the year**

During the year under review, there was no Special Resolution passed through Postal Ballot. None of the business proposed to be passed at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

**9. MEANS OF COMMUNICATION**

i) The Quarterly results, Half-yearly results and Annual Audited results are published in Financial Express and Aajkal (Vernacular).As per SEBI requirements, quarterly and annual results of the Company are intimated to the Stock Exchanges immediately after the same is approved by the Board. Further, the quarter-end shareholding pattern, quarterly Corporate Governance Report, and other Corporate Disclosures are also intimated to the Stock Exchanges within the prescribed time limit.

ii) The Company displays the financial results and certain other information on its web site: www.wmtea.com.

iii) Management Discussion and Analysis Report has been annexed to and forms part of the Report of the Directors to the Shareholders.

## 10. GENERAL SHAREHOLDER INFORMATION

### (i) 70th Annual General Meeting 2020-21

Date and Time: **28 September 2021 (Tuesday) at 03.00 p.m.**

| | |
|---|---|
| Venue : | Annual General Meeting through Video Conferencing / Other Audio Visual Means facility [Deemed venue for the meeting: Registered Office – Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700001]. |

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking appointment/re-appointment at this AGM are given as Annexure to the Notice of this AGM.

### (ii) Financial Year: 1st April, 2020 to 31st March, 2021.

### (iii) Financial Calendar (tentative) for the year 2021-22

| | |
|---|---|
| Publication of Unaudited Results for the quarter ending June 2021 | July / August 2021 |
| Publication of Unaudited Results for the half year ending September 2021 | October / November 2021 |
| Publication of Unaudited Results for the quarter ending December 2021 | January / February 2021 |
| Publication of Audited Results for the year ending March 2022 | April / May 2022 |
| Annual General Meeting for the year ending 31st March 2022 | September 2022 |

### (iv) Dividend

The Board of Directors of the Company has not recommended any dividend for the year ended 31st March, 2021.

### (v) Listing on Stock Exchange and Stock Code

The Company's Shares are listed at the following Stock Exchanges and the Annual Listing Fee for the year 2020-21 has been paid to each of them:

| Name of the Stock Exchange | Stock Code /Symbol |
|---|---|
| BSE Limited | 519224 |
| National Stock Exchange of India Limited | WILLAMAGOR |
| The Calcutta Stock Exchange Limited | 33013 |

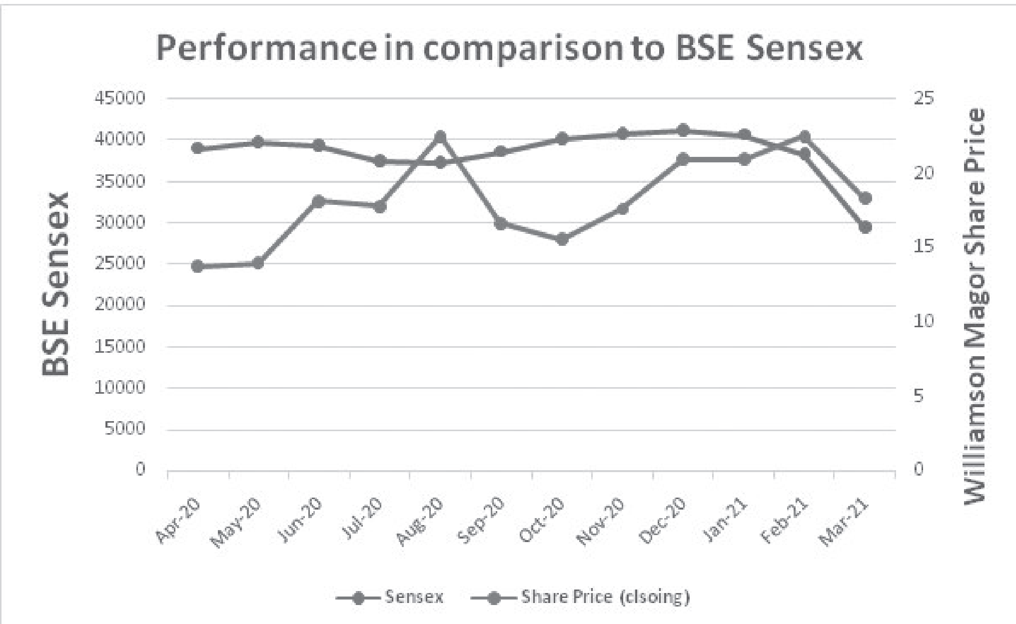
**(vi) Stock Price Data**

| Month | BSE Ltd | | | | National Stock Exchange of India Ltd | |
|---|---|---|---|---|---|---|
| | High ₹ | Low ₹ | Share Price (closing) ₹ | Sensex (closing) | High ₹ | Low ₹ |
| April 2020 | 16.59 | 10.37 | 13.71 | 33717.62 | 15.60 | 08.85 |
| May 2020 | 14.73 | 12.50 | 13.99 | 32424.10 | 15.20 | 12.25 |
| June 2020 | 20.44 | 13.51 | 18.15 | 34915.80 | 21.45 | 13.20 |
| July 2020 | 19.90 | 15.50 | 17.80 | 37606.89 | 20.00 | 16.05 |
| August 2020 | 25.90 | 16.95 | 22.55 | 38628.29 | 26.00 | 16.80 |
| September 2020 | 22.20 | 15.65 | 16.65 | 38067.93 | 22.25 | 15.65 |
| October 2020 | 17.60 | 14.35 | 15.55 | 39614.07 | 18.30 | 14.25 |
| November 2020 | 20.95 | 14.55 | 17.60 | 44149.72 | 20.55 | 14.50 |
| December 2020 | 23.20 | 17.60 | 21.00 | 47751.33 | 22.80 | 17.00 |
| January 2021 | 29.00 | 20.05 | 21.00 | 46285.77 | 28.60 | 19.75 |
| February 2021 | 27.50 | 20.25 | 22.50 | 49099.99 | 27.10 | 20.65 |
| March 2021 | 22.75 | 16.50 | 18.35 | 49509.15 | 22.90 | 15.95 |

**(vii) Performance in comparison to BSE Sensex:**

Share Price Performance (April 2020 to March 2021)

Share Price (Closing) Sensex (Closing)




**(viii) Share Transfer System**

Share transfers are processed and duly endorsed share certificates are dispatched within average period of fourteen days from the date of receipt, subject to documents being valid and complete in all respects. Shareholders holding shares in physical mode are requested for correspondence at the office of the Company's Registrar and Share Transfer Agents, Maheshwari Datamatics Private Limited (Registered with SEBI), 23 R.N. Mukherjee Road, 5th Floor, Kolkata – 700001 or at the Registered Office of the Company. The Board of Directors has unanimously delegated the powers of share transfer, transmission, issue of duplicate share certificates, sub-division and consolidation of shares to a Share Transfer Committee comprising of Ms. Arundhuti Dhar, Mr. Aditya Khaitan and Mr. G Ajmera.

In terms of Regulation 40(9) of the Listing Regulations,Certificate on Half Yearly basis have been issued by PCS with respect to due compliance of Share Transfer facilities etc., by the Company.

The Company conducts a weekly review of the functions of the Registrar and Share Transfer Agent for upgrading the level of service to the Shareholders. Weekly review is also conducted on the response to the shareholders pertaining to their communication and grievances, if any.

In terms of requirements to amendments to Regulation 40(1) of Listing Regulations w.e.f. 1st April, 2019, transfer of securities in physical form, except in case of request received for transmission or transposition of securities, shall not be processed unless the securities are held in the dematerialised form with a depository.

**(ix) (a) Categories of Shareholders as on 31st March, 2021**

| Sr. No. | Category | No. of Shareholders | No. of Shares held | Percentage of holding |
|---|---|---|---|---|
| 1 | Promoters | 4 | 6794443 | 62.0137 |
| 2 | Mutual Funds / UTI | - | - | - |
| 3 | Financial Institutions / Banks | 5 | 7880 | 0.0719 |
| 4 | Insurance Companies | 1 | 204841 | 1.8696 |
| 5 | Central / State Government(s) | - | - | - |
| 6 | Resident Individuals | 6889 | 3655361 | 33.3629 |
| 7 | NBFCs registered with RBI | - | - | - |
| 8 | Bodies Corporate | 88 | 157926 | 1.4414 |
| 9 | Clearing Member | 25 | 33781 | 0.3083 |
| 10 | Foreign National | 5 | 21920 | 0.2001 |
| 11 | Non-Resident Individuals | 60 | 80208 | 0.7321 |
| | **Total** | **7077** | **10956360** | **100.0000** |

**(b) Distribution of shareholding as on 31st March, 2021**

| Size of holding | No. of holders | Percentage | No. of Shares | Percentage |
|---|---|---|---|---|
| 1 to 500 | 5994 | 84.6969 | 573201 | 5.2317 |
| 501 to 1000 | 469 | 6.6271 | 384387 | 3.5083 |
| 1001 to 2000 | 310 | 4.3804 | 455304 | 4.1556 |
| 2001 to 3000 | 95 | 1.3424 | 247780 | 2.2615 |
| 3001 to 4000 | 60 | 0.8478 | 218156 | 1.9911 |
| 4001 to 5000 | 42 | 0.5935 | 193700 | 1.7679 |
| 5001 to 10000 | 58 | 0.8196 | 420355 | 3.8366 |
| 10001 and above | 49 | 0.6924 | 8463477 | 77.2473 |
| **Grand Total** | **7077** | **100.0000** | **10956360** | **100.0000** |

As on 31st March 2021, 10529644 of the Company's total shares representing 96.1053% Shares were held in the dematerialized form and the balance 426716 representing 3.8947% Shares were held in the physical form.

**(x) Dematerialization of Shares and liquidity**

The Shares of the Company are compulsorily traded in dematerialized form under depository systems of both the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL). Requests for dematerialization of shares are processed and confirmation is given to the respective Depositories Code No. allotted by NSDL & CDSL. The ISIN for the Company's Shares in Demat Form is INE 210A01017.

**(xi) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

**(xii) Commodity price risk or foreign exchange risk and hedging activities**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

**(xiii) Plant Location**

The Company is not engaged in any manufacturing activity.

**(xiv) CEO / CFO Certification**

The Company is duly placing a certificate to the Board from the Manager& CFO in accordance with the provisions of Regulation 17(8) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015. The aforesaid certificate duly signed by the Manager& CFO in respect of the financial year ended 31st March 2021 has been placed before the Board at the Meeting held on 30th June, 2021

**(xv) Auditors' Certificate on Corporate Governance**

As required by Regulation 34(3) & Schedule V (E) of the Listing Regulations, the Auditors' Certificate on compliance of the corporate governance norms is attached.

**(xvi) Address for correspondence**

For any assistance regarding Share transfers and transmission, change of address, non-receipt of share certificate/duplicate share certificate, demat and other matters and for Redressal of all share-related complaints and grievances, the Members are requested to please write to or contact the Registrar & Share Transfer Agent or the Share Department of the Company for all their queries or any other matters relating to their shareholding in the Company at the addresses given below:

**(i) The Company's Registered Office is situated at:**

Williamson Magor& Co. Limited
Corporate Identity Number (CIN):L01132WB1949PLC017715
Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700001.
TEL: 033-2210-1221, 033-2243-5391, 033-2248-9434, 033-2248-9435
FAX: 91-33-2248-3683, 91-33-2248-8114
E-Mail: administrator@mcleodrussel.com
Website: www.wmtea.com

**(ii) Appointment of Common Agency for Share Registry Work**

In accordance with the SEBI directive vide Circular No. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002 and D&CC/FITTC/CIR-18/2003 dated 12th February, 2003,

Maheshwari Datamatics Private Limited, a SEBI registered Registrar & Share Transfer Agent is handling all the work related to Share Registry of the Company for both physical and electronic mode at their Registered Office at:-

Maheshwari Datamatics Pvt. Ltd.
23 R. N. Mukherjee Road,
5th Floor, Kolkata – 700001
TEL.: (033) 2243-5029; 2248-2248
FAX: (033) 2248-4787
E-mail Id: mdpldc@yahoo.com

In case of any difficulty, Ms. Aditi Daga, Company Secretary and Compliance Officer at the Registered Office of the Company may be contacted.

**(xvii) List of all Credit Ratings obtained by the entity alongwith any revisions thereto during the relevant financial year: N.A.**

## 11. OTHER DISCLOSURES

i) Transactions with the related parties have been disclosed in Note No. 39 of the Notes to Financial Statements in the Annual Report for the year under review. There are no materially significant transactions with the related parties of the Company during the year **The Company has formulated a Related Party Transaction Policy which has been uploaded on the website of the Company www.wmtea.com and can be accessed at http://wmtea.com/images/rpt.pdf**

ii) The Company has complied with all the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the financial year. No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets during the financial years ended 31st March, 2019, 31st March, 2020 and 31st March, 2021.

However during the F.Y. ending 31st March, 2021, pursuant to non-compliance National Stock Exchange of India Limited and BSE Limited imposed fine upon the Company under Regulation 31(1) and Regulation 34 of SEBI (LODR)Regulations, 2015 amounting ₹ 51,920/- and ₹ 9440/- respectively Compliance with non – mandatory requirements are given below.

**Compliance of Non-Mandatory Requirements:**

**(i) Chairman of the Board**

During the year under review, no expenses were incurred in connection with the office of the Chairman.

**(ii) Shareholder Rights**

Half-yearly results including summary of the significant events are presently not being sent to the Shareholders of the Company.

**(iii) Audit Qualification**

The Auditors of the Company have furnished their Audit Report in respect of the financial results for the year ended 31st March 2021 with modified opinion.

**(iv) Training of Board Members**

The Company has devised a familiarization programme for the Independent Directors of the Company which has been uploaded on the website of the Company www.wmtea.com and which can be accessed at:

http://wmtea.com /images /FAMILIARISATION_PROGRAMME_FOR_INDEPENDENT_

DIRECTORS.pdf

The Company had organized a familiarization programme for the Independent Directors during the year ended 31st March, 2021.

**(v) Reporting of Internal Auditors**

The Internal Auditors of the Company are Independent and they report to the Audit Committee.

iii) The Company has a Whistle Blower Policy in place and no personnel has been denied access to the Audit Committee.

iv) Web link where policy for determining 'material subsidiaries' is disclosed: N.A.

v) The Company has a Remuneration Policy the details of which are given as a separate annexure which forms part of the Directors Report for the year ended 31st March, 2021.

vi) a) The Company has adopted separate Codes of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation 17(5)(a)(b) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Manager & CFO.

The Company has formulated the following Codes under the SEBI (Prohibition of Insider Trading) Regulations, 2015:

i) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

ii) Code of Conduct for Prevention of Insider Trading - 2015

b) The existing Risk Management Committee of the Board of Directors of the Company monitors and reviews the risks associated with the Company's business operations and manages them effectively in accordance with the risk management system of the Company.

vii) None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/ Ministry of Corporate Affairs or any such other authority. Refer to Certificate from Mr. A. K. Labh, Practicing Company Secretary.

viii) The total fees for all services paid by the listed entity, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part is provided in note no. 45 of the financial statements of the Company.

**12. COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS**

The Company has duly complied with the Corporate Governance requirements and there is no non-compliance of any requirement of Corporate Governance Report covered under sub-paras (2) to (10) of the Part C of Schedule V of the Listing Regulations.

**13. DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS**

The Company has duly complied with the Corporate Governance requirements as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

**14. REPORT ON CORPORATE GOVERNANCE**

As required by Schedule V of SEBI (LODR) Regulations, 2015, a certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance, is attached to the Directors' Report forming part of the Annual Report.

For and on behalf of the Board

| | |
|---|---|
| Aditya Khaitan | Arundhuti Dhar |
| Chairman | Director |
| DIN: 00023788 | DIN: 03197285 |

Kolkata
Date:12.08.2021

ANNEXURE III

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of Williamson Magor & Co. Limited**

1. We have examined the compliance of conditions of Corporate Governance by Williamson Magor & Co. Limited ("the Company") for the year ended March 31, 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and part C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI LODR").

**Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the SEBI LODR, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility**

4. We have conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on 'Reports or Certificates for Special Purposes' and the Guidance Note on 'Certification of Corporate Governance', both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on 'Reports or Certificates for Special Purposes' requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

6. The procedure selected depends on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria.

7. The procedures include but is not limited to verification of secretarial records and financial information of the Company. We have obtained necessary representations and declarations from directors including independent directors of the Company.

8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**Opinion**

9. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, in all material respects, complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46 (2) and part C and D of Schedule V to the SEBI LODR for the year ended March 31, 2021 except for the following:

   a. Pursuant to resignation of Mr. Tuladri Mullick as Manager and CFO of the Company with effect from 26.09.2019, the company did not have a managing director/Chief Executive Officer/ Manager/ Whole-time Director and CFO untill 18.10.2020. Mr. Madan Lal Agarwal was appointed as Manager and CFO of the Company with effect from 19.10.2020

b. CEO/ CFO certificate as required under Regulation 33(2)(a) of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 has not been obtained or placed before the Board while approving quarterly results for the quarter ended 31st March, 2020 and 30th June, 2020.

c. CEO/ CFO certificate as required under Regulation 17(8) of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 was not obtained or placed before the Board while approving the financial results for the year ended 31st March, 2020 nor was it a part of the Annual Report of the Company for the said year ended.

d. As required under Regulation 17(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the company did not consist of minimum six directors for the period from 01.04.2020 to 15.09.2020 and during the period from 22.12.2020 to 19.02.2021.

e. As required under Regulation 34(1)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has not submitted to the stock exchanges a copy of the annual report for the financial year ended 31st March, 2020 along with the notice of the annual general meeting as soon as the same were dispatched to its shareholders.

f. As required under Regulation 31(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the shareholding pattern for the quarter ended 31st March, 2020 required to be filed with the stock exchanges within the extended period of 15th May, 2020, was filed on 8th June, 2020.

**Other Matters and Restrictions on use**

10. We 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.

11. The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of the –SEBI LODR, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For V Singhi & Associates
Chartered Accountants
Firm Registration No: 311017E

(**V.K Singhi**)
Partner
Membership No.:050051

Place: Kolkata
Date: 12.08.2021

## CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY

The Company has adopted a Code of Conduct to be followed by the Directors and Senior Management Personnel. The Code of Conduct has been posted on the website of the Company.

The Company has since received declaration from all the Board Members and Senior Management Personnel affirming compliance of the Code of Conduct of the Company in respect of the financial year ended 31st March, 2021.

Madan Lal Agarwal

Manager & CFO

Place: Kolkata

Date: 12th August 2021

**Annexure IV**

# 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**
**Williamson Magor & Co. Limited**
Four Mangoe Lane
Surendra Mohan Ghosh Sarani
Kolkata-700001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Williamson Magor & Co. Limited** having CIN : L01132WB1949PLC017715 and having registered office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700001, West Bengal (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---|---|---|---|
| 1. | Aditya Khaitan | 00023788 | 26.11.1991 |
| 2. | Harischandra Maneklal Parekh | 00026530 | 30.03.2009 |
| 3. | Rahul Nandan Sahaya | 00112644 | 15.09.2020 |
| 4. | Gaurang Shashikant Ajmera | 00798218 | 13.09.2019 |
| 5. | Arundhuti Dhar | 03197285 | 30.05.2019 |
| 6. | Chandan Mitra | 09069336 | 20.02.2021 |

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 has been issued relying on the documents and information as mentioned herein above and as were made available to us or as came to our knowledge for verification without taking any cognizance of any legal dispute(s) or sub-judice matters, if any, which may have effect otherwise, if ordered so, by any concerned authority(ies). This certificate is also 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.

Signature :

Name : CS Atul Kumar Labh
Membership No. : FCS 4848
CP No. : 3238
PRCN : 1038/2020
UIN : S1999WB026800
UDIN : F004848C000772142

Place : Kolkata
Date : 12.08.2021

**Annexure V**

## Remuneration Policy of Williamson Magor& Co. Limited

### PREAMBLE

Every Listed Company is required to adopt a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Nomination and Remuneration Committee of the Board of Directors of the Company('Board') formed pursuant to Section 178 of the Companies Act, 2013 ('Act') has formulated the criteria for determining qualifications, positive attributes and independence of a Director and recommended to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

The Committee shall specify the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out either by the Board, by the Remuneration Committee or by an independent external agency and review its implementation and compliance.

Towards compliance of the above provisions of the Act and also Regulation 19(4) read with Part D (A) (1) of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of Williamson Magor & Co. Limited ('WM'), being a Listed Company, has adopted this Remuneration Policy which is subject to review by the Nomination and Remuneration Committee of the Board and as when deemed necessary.

### OBJECTIVES OF THE POLICY

The strategy of the Remuneration Policy is aimed at attracting and retaining a high standard of relevant talent to motivate qualified persons/Board Members and employees at the Executive level, to provide a well balanced and performance related remuneration package, taking into account the interest of the shareholders, industry standards and the regulatory provisions as applicable to the Company.

### SELECTION CRITERIA OF BOARD MEMBERS

1. The Remuneration Policy ensures nomination of a suitable person for appointment as a Director of the Company with the objective of maintenance of Board diversity and such persons should possess basic academic qualification, requisite knowledge, experience in fields of varied industries and business skills that will benefit the Company and its business operations.
2. The criteria for determining positive attributes for appointment of any person as a Director includes the following :

   Achiever, constructive, creative, decisive, deliberative, devoted, diligent, disciplined, dynamic, enterprising, focused, result oriented, self confident and sees the whole picture.
3. In case of appointment of an Independent Director, the aforesaid Committee considers the criteria for determining independence of a person as stipulated in Section 149(6) of the Act and the Rules made there under as also provided in Regulation 19 (4) read with Part D (A) (1) of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### REMUNERATION OF EXECUTIVE DIRECTOR, MANAGER, COMPANY SECRETARY, CFO

Remuneration of Executive Director, if any, Manager under the Companies Act, 2013 ('Manager'), Chief Financial Officer ('CFO'), the Company Secretary of the Company is approved by the Board of Directors ('Board') of the Company within the broad Remuneration Policy formulated and recommended by the Nomination and Remuneration Committee of the Board and in conformity with the relevant provisions of the

Companies Act, 2013 and also subject to the approval of the Shareholders in their General Meeting, if required.

The Company does not have any Executive Director. The Company Secretary and the Manager & CFO are entitled to performance bonus for each financial year up to such an amount as may be determined by the Board. Such remuneration is linked to short and long term performance objectives appropriate to the working of the Company and its goals as well as the group to which the Company belongs to as well as on the concerned employee's qualification and the grade and the overall performance of such employee of the Company as a whole.

**REMUNERATION OF NON EXECUTIVE DIRECTORS**

Commission of the Non- Executive and the Independent Directors of the Company is determined by the Board based, inter alia, on Company's performance and the prevailing regulatory provisions and is payable on a uniform basis to reinforce the principle of collective responsibility. All the Non-Executive Directors and the Independent Directors are also entitled to sitting fees for attending Meetings of the Board and Committees thereof, the quantum of which is determined by the Board within the limits as laid down in the Articles of Association of the Company. The sitting fees, as determined by the Board, is presently Rs. 10,000/- for attending each meeting of the Board, Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. The Non-Executive and the Independent Directors are reimbursed out of pocket expenses for attending Board and Committee Meetings of the Company at a city other than the one in which they reside.

**PUBLICATION AND OTHER PROVISIONS**

The Policy is annexed to the Report of the Board of Directors in terms of the relevant provisions of the Act. The provisions of the Articles of Association of the Company and all the applicable laws and regulations shall deal with any matter not provided in this policy and the right to interpret this policy shall vest in the Board of Directors of the Company.

For and on behalf of the Board

**Aditya Khaitan - Chairman**
DIN: 00023788

**Arundhuti Dhar - Director**
DIN: 03197285

Kolkata
Date: 12.08.2021

# CREITERIA FOR EVALUATION OF INDEPENDENT DIRECTORS AND THE BOARD

The Nomination and Remuneration Committee has approved the following criteria for evaluation of Independent directors and the Board in terms of Regulation 19(4) read with Part D (A) (2) of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 :

I. Regular attendance in Board and Committee Meetings.

II. Participation in discussions and contribution towards betterment and improvement of the Company's business operations.

III. Expression of independent opinion on various matters taken up by the Board.

IV. Adequate knowledge about the Company's business and the Country's business and economic scenario.

V. Innovative ideas for growth of the Company and in solving problems faced by the Company.

VI. In case of conflict of interest, prompt in disclosing the same.

VII. Possessing long term vision for growth of the Company.

**ANNEXURE VI**

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To
The Members,
**WILLIAMSON MAGOR & CO. LIMITED**

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

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and considering the relaxations granted by Ministry of Corporate Affairs and Securities and Exchange Board of India due to COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, generally 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 other records maintained by the Company for the financial year ended on 31st March, 2021, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;

iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;

iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:

   a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011

   b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations 2015

c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008

f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998

i) The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

vi) The following Directions, Circulars and Guidelines prescribed by the Reserve Bank of India, inter alia, specifically applicable to the Company:

a) The Reserve Bank of India Act, 1934 (Chapter IIIB), Sec 45 IA;

b) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;

c) Master Directions - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016;

d) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;

e) Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;

f) Master Direction - Know Your Customer (KYC) Direction, 2016;

g) Master Direction – Know Your Customer (KYC) Direction, 2016 on Know Your Customer (KYC) Guidelines – Anti Money Laundering Standards (AML) – Prevention of Money Laundering Act, 2002;

h) Master Circular – Miscellaneous Instructions to all Non-Banking Financial Companies dated 1st July, 2015;

i) Master Circular - Miscellaneous Instructions to NBFC- ND-SI dated 1st July, 2015;

j) Master Circular on Fair Practices Code dated 1st July, 2015;

k) Master Circular on Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 dated 1st July, 2015;

l) Master Circular – "Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015";

m) Master Direction - Information Technology Framework for the NBFC Sector;

n) Other Circulars/ Directions/ Guidelines issued by RBI in relation to Non-Banking Financial Companies, from time to time;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

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

i) pursuant to resignation of Mr. TuladriMullick as Manager and CFO of the Company with effect from 26.09.2019, the company did not have a managing director/Chief Executive Officer/ Manager/ Whole-time Director and CFO untill 18.10.2020., Mr. Madan Lal Agarwal was appointed as Manager and CFO of the Company with effect from 19.10.2020;

ii) CEO/ CFO certificate as required under Regulation 33(2)(a) of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 has not been obtained or placed before the Board while approving quarterly results for the quarter ended 31st March, 2020 and 30th June, 2020;

iii) CEO/ CFO certificate as required under Regulation 17(8) of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 was not obtained or placed before the Board while approving the financial results for the year ended 31st March, 2020. The said certificate was also not part of the Annual Report of the Company for the year ended 31st March, 2020;

iv) a resolution for approval of shareholders under Regulation 23 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for material related party transactions during the year ended 31st March, 2020 was placed but was not approved in the Annual General Meeting of the company held on 22.12.2020; We have been informed that the said Loans have since been refunded by the said Williamson Financial Services Limited.

v) as required under Regulation 17(1)(c) of SEBI (Listing Obligations and Disclosure Require-ments) Regulations, 2015, the Board of Directors of the company did not consist of minimum six directors for the period from 01.04.2020 to 15.09.2020 and 22.12.2020 to 19.02.2021;

vi) as required under Regulation34(1)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has not submitted to the stock exchanges a copy of the annual report for the financial year ended 31st March, 2020 along with the notice of the annual general meeting as soon as the same are dispatched to its shareholders

vii) as required under Regulation 31(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the shareholding pattern for the quarter ended 31st March, 2020 which was supposed to be filed with the stock exchanges within the extended period of 15th May, 2020, was filed on 8th June, 2020

We further report that during the year under review

a) The Board of Directors of the Company is duly constituted with proper balance of 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.

b) Adequate notice is given to all 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.

c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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

We further report that during the period under audit the company has passed a special resolution for appointment of Mr. Madan Lal Agarwal as Manager of the Company for a period of three years from 19.10.2020.

We further report that during the period under review, the Company has been forwarded by the Ministry of Corporate Affairs, a letter received from a third party inter alia alleging default in redemption of debentures and interest payment on debentures issued by the Company. The Company has provided a detailed response refuting the said letter and has not received any further clarifications from the MCA. The Company has obtained an independent legal opinion wherein it has been provided that the provisions of Section 164(2) of the Act are not applicable to the alleged default. Further, the directors of the Company have provided declarations as on March 31, 2021, which have been taken on record, confirming that the directors of the Company have not suffered any disqualification.

This report is to be read with our letter of even date which is annexed as **Annexure – 1** which forms an integral part of this report.

For **MKB & Associates**
Company Secretaries
Firm Reg No: P2010WB042700

Raj Kumar Banthia
Partner
Membership no. 17190
COP no. 18428

Date: 12.08.2021

Place: Kolkata

UDIN: A017190C000773209

## ANNEXURE – 1

To
The Members,
WILLIAMSON MAGOR & CO. LIMITED

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. Our responsibility is to express an opinion on those records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management's Representation about the com-pliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.

5. 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.

Note: Due to continuing COVID-19 pandemic, for carrying on and completion of the Audit, documents /details have been provided by the Company through electronic mode and the same have been verified by us.

For MKB & Associates
Company Secretaries
Firm Reg No: P2010WB042700

Raj Kumar Banthia
Partner
Membership no. 17190
COP no. 18428

Date: 12.08.2021

Place: Kolkata

UDIN: A017190C000773209

**ANNEXURE VII**

## Particulars of Employees

Pursuant to section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration) Rules 2014
Information pursuant to section 197(12) read with Rule 5(1) of the
Companies (Appointment and Remuneration) Rules, 2014

| | | |
|---|---|---|
| 1 | The ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year; | A.Khaitan–60/619<br>Amritanshu Khaitan(@)– 40/619<br>H.M. Parekh–110/619<br>Arundhuti Dhar – 160/619<br>GaurangShashikantAjmera – 160/619<br>Rahul Nandan Sahaya(#) – 50/619<br>Chandan Mitra(*) – 10/619 |
| 2 | The percentage increase/decrease in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; | (a)% increase/decrease in remuneration of each director from last financial year:<br>A.Khaitan– 20%<br>Amritanshu Khaitan– 100%<br>H.M. Parekh–(8%)<br>Arundhuti Dhar– 45%<br>Gaurang Shashikant Ajmera– 167%<br>Rahul Nandan Sahaya (#)<br>Chandan Mitra (*)<br>(b)% increase/ (decrease) in remuneration of CFO from last financial year – (23.05 %)<br>(c) % increase/ (decrease) in remuneration of Company Secretary from last financial year – (7.54%) |
| 3 | The percentage increase in the median remuneration of employees in the financial year; | % increase / (decrease) in median remuneration of employees from last financial year –(34.38 %) |
| 4 | The number of permanent employees on the rolls of the company; | Two (as on 31st March 2021) |
| 5 | Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | Not Applicable. |

| | | |
|---|---|---|
| 6 | Affirmation that the remuneration is as per the remuneration policy of the company. | The remuneration paid during the financial year 31st March, 2021 is in terms of the remuneration policy of the Company |

@ Mr. Amritanshu Khaitan ceased from the Board w.e.f. 22 February 2020.

#Mr. Rahul Nandan Sahaya was appointed as an Independent Director with effect from 15 September 2020. Therefore his remuneration for the current year is not comparable with the previous year.

*Mr. Chandan Mitra was appointed as an Additional Director (Non-Executive) with effect from 20 February 2021. Therefore his remuneration for the current year is not comparable with the previous year.

Information pursuant to section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014

(I) The following are the names of employees in terms of remuneration drawn:-

| Name | Designation | Remuneration received (in Rs. Lakhs) | Nature of Employment, whether contractual or otherwise | Qualifications and Experience of the employee | Date of commencement of employment | Age (years) | The last employment held before joining the Company | The percentage of Equity shares held | Whether any such employee is a relative of any Director or Manger of the Company and if so, name of such Director or Manager |
|---|---|---|---|---|---|---|---|---|---|
| Madan Lal Agarwal % | Manager & Chief Financial Officer | 6.19 | Contractual Employment | B.Com, CMA | 01.10.2020 | 53 | Assam Company India Limited | 0.00 | No |
| Aditi Daga | Company Secretary | 8.73 | Permanent Employment | B.Com(Hons), ACS | 01.04.2019 | 31 | Dhunseri Investments Limited | 0.00 | No |
| Yashodhara Khaitan* | Manager Investments | 4.38 | Permanent Employment | Graduate | 01.06.2015 | 63 | N.A. | 0.00 | Mr. Amritanshu Khaitan – Son Mr. B. M. khaitan – Father – in-law |

%Appointed w.e.f. 19.10.2020
*Ceased from the employment w.e.f. 08.09.2020

For and on behalf of the Board

**Aditya Khaitan - Chairman**
DIN: 00023788

**Arundhuti Dhar - Director**
DIN: 03197285

Kolkata
Date: 12.08.2021

**ANNEXURE VIII**

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

Pursuant to Section 134(3) of the Companies Act, 2013 Read with Rule 8(3) of Companies (Accounts) Rules, 2014

**(A) CONSERVATION OF ENERGY**

**Nil**

**(B) TECHNOLOGY ABSORPTION**

**Nil**

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

Total Foreign Exchange:

| | |
|---|---|
| Earned | Nil |
| Outgo | Nil |

For and on behalf of the Board
**Aditya Khaitan - Chairman**
**DIN:00023788**

**Arundhuti Dhar - Director**
**DIN: 03197285**

Kolkata
Date:12.08.2021

# INDEPENDENT AUDITOR'S REPORT

**To the Members of WILLIAMSON MAGOR & Co. LIMITED**

## Report on the Audit of the Standalone Financial Statements

### Qualified Opinion

We have audited the accompanying Standalone Financial Statements of Williamson Magor & Co. Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2021, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity, the Standalone 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 "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in the Basis for Qualified Opinion section of our Report, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (" the Act") in the manner so required and give a true and fair view, in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act and other principles generally accepted in India of the state of affairs of the Company as at 31st March, 2021, its profit including other comprehensive profit, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

**a. Default in repayment of principal and interest**

We draw attention to Note No 15A and 16A of the Standalone Financial Statements with respect to default in repayment of principal and interest on Non-convertible Debentures and loans borrowed from banks and financial institution and other lenders. On default, the credit facility advanced to the Company by the lenders have been henceforth recalled. Further, the lenders have taken legal action against the Company and the matter is subjudice.

These events and conditions may cast a significant doubt on the Company's ability to continue as a going concern.

**b. Non-recognition of Interest Expense**

The Company has not recognised interest expense amounting to Rs. 4,50,431 Thousands on inter - corporate borrowings and Rs. 2,95,000 Thousands on borrowings from financial institutions as referred to in Note No 49 to the Standalone Financial Statements for the year ended 31st March, 2021 (Rs.1,96,986 Thousands for the year ended 31st March, 2020). As a result, finance cost liability on account of interest are understated and total comprehensive profit for year ended 31st March, 2021 is overstated to that extent.

This constitutes a departure from the requirements of Ind AS 109 "Financial Instruments"

**c. Recognition of Deferred Tax Assets**

We draw attention to Note No 33 of the Standalone Financial Statements where the Management has considered recognition of deferred tax assets during the current financial year assuming virtual certainty supported by convincing evidence that sufficient future taxable income would be available against which such assets can be realised.

Considering the management's assessment of going concern assumption in the Standalone Financial Statements, the reasonable certainty for recognizing the deferred tax assets as per Ind AS 12 "Income Taxes" has not been met. Consequently, deferred tax assets are overstated and total comprehensive profit for the year ended 31st March, 2021 is overstated to that extent.

**d. Balances with secured loan creditor and balance confirmation.**

We draw attention to Note No. 36 to the Standalone Financial Statements with respect to certain balances, including non-reconciliation of balances with secured loan creditors and balance confirmation thereof. Adjustments/impacts in this respect are currently not ascertainable and as such cannot be commented upon by us.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's 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 ("ICAI") 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Material Uncertainty related to Going Concern**

During the year, the Company has defaulted in repayment of borrowings to its financial institution lenders and others. In the Management's view, the Company will be able to improve its net working capital position to discharge its current and non-current financial obligations as described in Note No. 49 to the Standalone Financial Statement. However, in view of the uncertainties involved, these events and conditions indicate a material uncertainty which may cast a significant doubt on the Company's ability to continue as a going concern. Accordingly, the use of going concern assumption of accounting in preparation of this Statement is not adequately and appropriately supported as per the requirements of Ind AS 1 "Presentation of Financial Statements".

**Key Audit Matters**

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the Standalone 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. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

| Serial No | Key Audit Matters | Auditor's Responses to Key Audit Matters |
|---|---|---|
| 1 | **Valuation of unquoted financial assets held at fair value**<br><br>The valuation of the Company's unquoted financial assets held at fair value is a key audit matter due to the significance of the amount and complexity involved in the valuation process. Management makes significant judgements because of the complexity of the techniques and assumptions used in valuing some of the level 3 investment securities given the limited external evidence and unobservable market data available to support the Company's valuations. | Principal Audit Procedures:<br>• Assessed the valuation methodologies including evaluation of independent external valuers' competence, capability and objectivity.<br>• Assessed the reasonableness of key assumptions based on our knowledge of the business and industry.<br>• Checked, on a sample basis, the accuracy and relevance of the input data used. |

| Serial No | Key Audit Matters | Auditor's Responses to Key Audit Matters |
|---|---|---|
| 2 | **Impairment loss allowances for loans and advances**<br><br>Impairment loss allowance of loans and advances ("Impairment loss allowance") is a key audit matter as the Company has significant credit risk exposure. The value of loans and advances on the Standalone Balance Sheet is significant and there is a high degree of complexity and judgment involved for the Company in estimating individual and collective credit impairment provisions and write-offs against these loans. The Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the three-stage impairment model ("ECL Model"), including the selection and input of forward-looking information. ECL provision calculations require the use of large volumes of data. The completeness and reliability of data can significantly impact the accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions. | We started our audit procedures with the understanding of the internal control environment related to Impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company.<br><br>We also assessed whether the impairment methodology used by the Company is in line with the requirements of Ind AS 109, "Financial Instruments". More particularly, we assessed the approach of the Company regarding the definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.<br><br>For loans and advances which are assessed for impairment on a portfolio basis, we performed particularly the following procedures:<br><br>• tested the reliability of key data inputs and related management controls;<br><br>• checked the stage classification as at the Standalone Balance Sheet date as per definition of default;<br><br>• calculated the ECL provision manually for a selected sample; and<br><br>• assessed the assumptions made by the Company in making accelerated provision, considering forward looking information and based on the status of a particular industry as on the reporting date. |

**Emphasis of Matter**

We draw attention to Note No. 48 to the Standalone Financial Statements in which the Company describes the uncertainties arising from COVID-19 – a global pandemic on the operations and financial matters of the Company.

Our opinion is not modified in respect of this matter.

**Information Other than the Standalone Financial Statements and Auditor's 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 Financial Performance highlights, Board's Report including Annexure to Board's Report, Management Discussions and Analysis, Business Responsibility Report,

Report on Corporate Governance, Shareholders Information and other information in the Integrated Annual Report but does not include the Standalone Financial Statements and our auditors' report thereon.

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 as identified above when it becomes available, and in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of auditors' report, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information, which we will obtain after the date of auditors' report and if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

**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 including total comprehensive profit, 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) 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 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 Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone 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 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 Auditor's Report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) Subject to the matters specified in qualified opinion section of our report, in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

e) On account of dispute regarding repayment of principal and interest due on non-convertible debentures, the Company has obtained legal opinion and accordingly the directors are not disqualified under section 164(2) (Refer Note No. 50 to the Standalone Financial Statement).

f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure B**;

g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act (as amended), the Company has neither paid nor provided for any remuneration to its directors during the year.

h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 No 32(A)(a) to the Standalone Financial Statements.

   ii. the Company did not have any material foreseeable losses on long-term contracts including derivative contracts, and

   iii. there were no amounts due which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2021.

For **V. SINGHI & ASSOCIATES**
***Chartered Accountants***
**Firm Registration No.: 311017E**

**(V. K. SINGHI)**
***Partner***
Membership No.: 050051
UDIN: 21050051AAAAG01706

Place : Kolkata
Date : 30th June, 2021

## Annexure – A to the Independent Auditor's Report

(Referred to in paragraph-1 under'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of Williamson Magor & Co. Limited on the Standalone Financial Statements for the year ended 31st March, 2021)

i. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As informed to us, the fixed assets have been physically verified by the management at regular intervals; and no material discrepancies have been noticed on such verification.

c) As per records of the Company and according to the information and explanations given to us, the Title Deed of Immovable Properties, are held in the name of the Company, except as disclosed in Note No. 11 to the Standalone Financial Statements, in respect of the following for which we are unable to comment whether the title deed is in the name of the Company due to non-availability thereof:

| Particulars | Class of Asset | Gross Block Amount (Rs. in thousands) | Net Block Amount (Rs. in thousands) |
|---|---|---|---|
| One property located at Mumbai | Buildings | 236 | 205 |

ii. The Company's nature of operations does not require it to hold any item of inventories. Accordingly, clause 3(ii) of the Order is not applicable.

iii. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, clause 3(iii) (a), (b) and (c) of the Order are not applicable.

iv. According to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, to the extent applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public in terms of directives issued by Reserve Bank of India and within the meaning of sections 73 to 76 of the Act and the rules framed thereunder to the extent notified. Accordingly, Clause 3 (v) of the Order is not applicable.

vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Sub section (1) of Section 148 of the Act, for any services rendered by the Company. Accordingly, clause 3(vi) of the Order is not applicable.

vii. (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, value added tax, service tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues have not been regularly deposited with the appropriate authorities and there are undisputed dues outstanding as on 31st March, 2021 for a period of more than six months from the date they became payable,which is as follows:

| Name of the Statute | Nature of Dues | Amount (Rs. in Thousands) | Period to which the amount relates |
|---|---|---|---|
| Income Tax Act, 1961 | Tax Deducted at Source | 8 | April, 2020 |
| | | 33 | May, 2020 |
| | | 385 | June, 2020 |
| | | 361 | July, 2020 |
| | | 14 | August, 2020 |

viii. (b) According to the information and explanations given to us, the Company has not deposited the following disputed dues with the appropriate authorities:

| **Name of the Statute** | **Nature of Dues** | **Amount (Rs. in thousands)** | **Period to which the amount relates** | **Forum where dispute is pending** |
|---|---|---|---|---|
| Central Excise Act, 1944 | Interest on Duty of Excise | 711 | 1987-1988 | Hon'ble High Court of Chennai |
| Finance Act, 1994 | Service tax penalty and interest thereon | 14,237 and interest thereon | 2005-06, 2006-07, 2007-08 and 2008-09 | Customs, Excise and Service Tax Appellate Tribunal, East Zonal Bench, Kolkata |
| Finance Act, 1994 | Service tax penalty and interest thereon | 11,931 and interest thereon | 2004-05 and 2005-06 | Customs, Excise and Service Tax Appellate Tribunal, East Zonal Bench, Kolkata |

ix. In our opinion and according to the information and explanations given to us, the Company hasdefaulted in repayment of loans or borrowings to financial institutions and dues to debentureholdersduring the year ended on 31st March, 2021. The details of such defaults are as under:

| **Particulars** | **Amount of default of repayment (Rs. In thousands)** | | **Period of default** |
|---|---|---|---|
| | **Principal** | **Interest** | |
| **i) Financial Institutions** | | | |
| Housing Development and Finance Corporation (Loan 1) | 2,84,125 | - | Remedied during the year |
| Housing Development and Finance Corporation (Loan 4) | 2,75,043 | - | Remedied during the year |

| Particulars | Amount of default of repayment (Rs. In thousands) | | Period of default |
|---|---|---|---|
| | Principal | Interest | |
| Housing Development and Finance Corporation (Loan 5) | 88,294 | - | Remedied during the year |
| Srei Infrastructure Private Limited | 5,99,670 | - | Remedied during the year |
| Housing Development and Finance Corporation (Loan 1) | 1,98,550 | 32,658 | From September, 2020 upto March, 2021 |
| Housing Development and Finance Corporation (Loan 4) | 3,00,964 | 47,409 | From September, 2020 upto March, 2021 |
| Housing Development and Finance Corporation (Loan 5) | 1,49,523 | 16,166 | From September, 2020 upto March, 2021 |
| KKR India Financial Services Private Limited | 10,00,000 | - | From April, 2020 upto March, 2021 |
| **ii) Debenture holders** | | | |
| IL & FS Financial Services Limited | 2,19,474 | - | Remedied during the year |
| IL & FS Financial Services Limited | 7,74,192 | - | From April, 2020 upto March, 2021 |

x. According to the information and explanations given to us and based on our examination of the books and records, we report that the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). However, the Company has obtained term loan during the year which was used for the purpose for which it was raised.

xi. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of any such case by the management.

xii. According to the information and explanations given to us and based on our examination of the books and records, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xiii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable.

xiv. According to the information and explanations given to us and based on our examination of the books and records of the Company, we report that the transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required under Ind AS 24"Related Party Disclosure" specified under Section 133 of the Act.

xv. According to the information and explanations given to us and based on our examination of the books and records, we report that the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable.

xvi. According to the information and explanations given to us and based on our examination of the books and records, we report that the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, clause 3 (xv) of the Order is not applicable.

xvii. The Company is a Non-Banking Financial Company and has obtained registration under Section 45-IA of the Reserve Bank of India Act, 1934.

For **V. SINGHI & ASSOCIATES**
***Chartered Accountants***
**Firm Registration No.: 311017E**

**(V. K. SINGHI)**
***Partner***
Membership No.: 050051
UDIN: 21050051AAAAG01706

Place : Kolkata
Date : 30th June, 2021

## Annexure – B to the Independent Auditor's Report

(Referred to in paragraph-2(f) under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of Williamson Magor & Co. Limited on the Standalone Financial Statements for the year ended 31st March, 2021)

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

We have audited the internal financial controls with reference to the financial statements of Williamson Magor & Co. Limited ("the Company") as of 31st March, 2021 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 financial controls with reference to financial statementscriteria 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 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 the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements.

**Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

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

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

**Opinion**

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

For **V. SINGHI & ASSOCIATES**
***Chartered Accountants***
**Firm Registration No.: 311017E**

**(V. K. SINGHI)**
***Partner***
Membership No.: 050051
UDIN: 21050051AAAAG01706

Place : Kolkata
Date : 30th June, 2021

## Standalone Balance Sheet as at 31st March, 2021

| Particulars | Note No | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|---|
| **I. ASSETS** | | | |
| **1 Financial Assets** | | | |
| (a) Cash and Cash Equivalents | 3 | 17,830 | 6,015 |
| (b) Bank Balances other than (a) above | 4 | 7,225 | 6,864 |
| (c) Receivables | | | |
| (i) Trade Receivables | 5 | 9,938 | 11,263 |
| (ii) Other Receivables | 6 | 26,79,720 | 12,38,857 |
| (d) Loans | 7 | 14,91,757 | 17,95,410 |
| (e) Investments | 8 | 3,94,251 | 8,54,090 |
| (f) Other Financial Assets | 9 | 6,58,282 | 12,42,768 |
| **2 Non-financial Assets** | | | |
| (a) Current Tax Assets (Net) | | 58,697 | 1,39,807 |
| (b) Deferred Tax Asset (Net) | 10 | 9,96,770 | 9,29,506 |
| (c) Property, Plant and Equipment | 11 | 4,283 | 10,681 |
| (d) Other Non-financial Assets | 12 | 4,505 | 9,129 |
| **Total Assets** | | **63,23,258** | **62,44,390** |
| **II. LIABILITIES AND EQUITY** | | | |
| **LIABILITIES** | | | |
| **1 Financial Liabilities** | | | |
| (a) Payables | | | |
| (I) Trade Payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 13 | 8,727 | 3,692 |
| (II) Other Payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 14 | 2,421 | 4,226 |
| (b) Debt Securities | 15 | 7,74,192 | 9,93,666 |
| (c) Borrowings (Other than Debt Securities) | 16 | 52,69,422 | 65,62,749 |
| (d) Other Financial Liabilities | 17 | 5,11,561 | 5,93,268 |
| **2 Non-Financial Liabilities** | | | |
| (a) Provisions | 18 | 11,64,663 | 10,14,691 |
| (b) Other Non-financial Liabilities | 19 | 18,337 | 54,501 |
| **3 Equity** | | | |
| (a) Equity Share Capital | 20 | 1,09,564 | 1,09,564 |
| (b) Other Equity | 21 | (15,35,629) | (30,91,967) |
| **Total Liabilities and Equity** | | **63,23,258** | **62,44,390** |
| Corporate Information and Significant Accounting Policies | 1-2 | | |

The above Standalone Balance Sheet should be read in conjunction with the accompanying Note No. 1 to 59.
This is the Standalone Balance Sheet referred to in our report of even date.

For **V. SINGHI & ASSOCIATES**
*Chartered Accountants*
Firm Registration No.: 311017E

**(V.K.SINGHI)**
*Partner*
Membership No. 050051

Place : Kolkata
Date: 30th June, 2021

For and on behalf of the Board of Directors

Aditya Khaitan
(Chairman)
DIN :00023788

Arundhuti Dhar
(Director)
DIN :03197285

Aditi Daga
(Company Secretary)

Madan Lal Agarwal
(Manager & CFO)

## Standalone Statement of Profit and Loss for the year ended 31st March, 2021

| Particulars | Note No | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from Operations | | | |
| Interest Income | 22 | 1,44,757 | 2,46,344 |
| Dividend Income | 23 | - | 4,319 |
| Net gain on derecognition of financial instruments under amortised cost category | 24 | - | 83,331 |
| Rental Income | 25 | 21,224 | 23,116 |
| Sale of Services | 26 | 35,952 | 37,855 |
| **(I) Total Revenue from Operations** | | **2,01,933** | **3,94,965** |
| (II) Other Income | 27 | 7,87,231 | 5,74,095 |
| **(III) Total Income (I + II)** | | **9,89,164** | **9,69,060** |
| **(IV) EXPENSES** | | | |
| Finance Costs | 28 | 1,05,861 | 5,86,634 |
| Impairment on Financial Instruments | 29 | - | 8,21,337 |
| Employee Benefits Expense | 30 | 1,976 | 4,009 |
| Depreciation / Amortisation Expense | **11** | 358 | 471 |
| Other Expenses | 31 | 4,42,988 | 1,01,617 |
| **Total Expenses** | | **5,51,183** | **15,14,068** |
| **(V) Profit/(Loss) before Tax (III-IV)** | | **4,37,981** | **(5,45,008)** |
| **Tax Expenses** | | | |
| a) Current Tax | | - | - |
| b) Deferred Tax | | (67,264) | 2,18,277 |
| **(VI) Profit/(Loss) for the year** | | **5,05,245** | **(7,63,285)** |
| **(VII) Other Comprehensive Income:** | | | |
| i. Items that will not be reclassified to Profit or Loss | | | |
| - Changes in fair value of FVOCI Equity Instruments | | 1,92,251 | (12,09,808) |
| - Profit/(Loss) on sale of Equity Instruments | | 8,58,838 | (60,967) |
| - Remeasurement of post-employment benefit obligations | | 4 | (16) |
| ii. Income tax relating to items that will not be reclassified | | - | 2,76,804 |
| **Total Other Comprehensive Income/(Loss)** | | **10,51,093** | **(9,93,987)** |
| **Total Comprehensive Income/(Loss) for the year** | | **15,56,338** | **(17,57,272)** |
| **Earnings per Equity Share of face value of Rs. 10 each** | | | |
| **Basic (in Rs.)** | | 46.11 | (69.67) |
| **Diluted (in Rs.)** | | 46.11 | (69.67) |

Corporate Information and Significant Accounting Policies 1-2

The above Standalone Statement of Profit and Loss should be read in conjunction with the accompanying Note No. 1 to 59.
This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For **V. SINGHI & ASSOCIATES**
*Chartered Accountants*
Firm Registration No.: 311017E

**(V.K.SINGHI)**
*Partner*
Membership No. 050051

Place : Kolkata
Date: 30th June, 2021

For and on behalf of the Board of Directors

Aditya Khaitan
(Chairman)
DIN :00023788

Arundhuti Dhar
(Director)
DIN :03197285

Aditi Daga
(Company Secretary)

Madan Lal Agarwal
(Manager & CFO)

# Standalone Statement of Changes in Equity for the year ended 31st March, 2021

**a. Equity Share Capital**

| Particulars | Balance as at March 31, 2020 | Balance as at March 31, 2021 |
|---|---|---|
| Equity Share Capital | 109,564 | 109,564 |
| **Total** | **109,564** | **109,564** |

**b. Other Equity** ₹ '000

| Particulars | Reserves and Surplus | | | | Fair Value of Equity Instruments through Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|
| | Statutory Reserve* | Capital Reserve | General Reserve | Retained Earnings | | |
| **Balance as at April 1, 2019** | **257,388** | **6,518** | **1,175,150** | **(1,135,536)** | **(1,638,215)** | **(1,334,695)** |
| Profit / (Loss) for the year | - | - | - | (763,285) | - | (763,285) |
| Other Comprehensive Income/ (Loss) | - | - | - | (16)** | (933,004) | (933,020) |
| Net Gain/(Loss) on Disposal of FVTOCI Investments | - | - | - | - | (60,967) | (60,967) |
| **Total Comprehensive Income/(Loss)** | **-** | **-** | **-** | **(763,301)** | **(993,971)** | **(1,757,272)** |
| **Balance as at March 31, 2020** | **257,388** | **6,518** | **1,175,150** | **(1,898,837)** | **(2,632,186)** | **(3,091,967)** |
| Profit / (Loss) for the year | - | - | - | 505,245 | - | 505,245 |
| Other Comprehensive Income/ (Loss) | - | - | - | - | 192,251 | 192,251 |
| Net Gain/(Loss) on Disposal of FVTOCI Investments | - | - | - | - | 858,838 | 858,838 |
| Transfer from Other Comprehensive Income | - | - | - | 608,709 | (608,705) | 4 |
| **Total Comprehensive Income/(Loss)** | **-** | **-** | **-** | **1,113,954** | **442,384** | **1,556,338** |
| Transfer to Statutory Reserve | 1,01,049 | - | - | (1,01,049) | - | - |
| **Balance as at March 31, 2021** | **3,58,437** | **6,518** | **1,175,150** | **(784,883)** | **(2,189,802)** | **(1,535,629)** |

* Created pursuant to Section 45IC of the Reserve Bank of India Act, 1934
** includes Remeasurement of the defined benefit plans measured through Other Comprehensive Income
The above Standalone Statement of Changes in Equity should be read in conjunction with the accompanying Note No. 1 to 59.
This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For **V. SINGHI & ASSOCIATES**
*Chartered Accountants*
Firm Registration No.: 311017E

**(V.K.SINGHI)**
*Partner*
Membership No. 050051
Place : Kolkata
Date: 30th June, 2021

For and on behalf of the Board of Directors

Aditya Khaitan
(Chairman)
DIN :00023788

Arundhuti Dhar
(Director)
DIN :03197285

Aditi Daga
(Company Secretary)

Madan Lal Agarwal
(Manager & CFO)

## Standalone Statement of Cash Flows for the year ended 31st March, 2021

| | Particulars | For the year ended 31st March, 2021 ₹ '000 | For the year ended 31st March, 2020 ₹ '000 |
|---|---|---|---|
| **A.** | **Cash flows from operating activities** | | |
| | Profit/(Loss) before taxation and after exceptional items | 4,37,981 | (5,45,008) |
| | Adjustments for : | | |
| | Depreciation | 358 | 471 |
| | (Profit)/Loss on sale of Property, Plant and Equipment(Net) | (6,66,609) | (5,60,388) |
| | (Profit)/Loss on derecognition of financial instruments under amortised cost category(Net) | - | (83,331) |
| | Provision for Employee Benefits written back | - | (3,038) |
| | Provision for doubtful debts/ advances written back | - | (2,794) |
| | Contingent Provision for Standard Assets written back | - | (2,942) |
| | Contingent Provision for Standard Assets made | 5,138 | - |
| | Provision for Sub Standard Assets | 3,04,053 | 61,546 |
| | Provision for Doubtful Loans and advances | - | 8,20,400 |
| | Provision for Doubtful Trade Receivables | - | 937 |
| | Interest on Income Tax Refund | (7,468) | - |
| | Interest and Advances written off | 1,05,311 | - |
| | Liabilities/Provisions no longer required written back | (1,20,612) | (4,888) |
| | **Operating profit before working capital changes** | **58,152** | **(3,19,035)** |
| | Adjustments for : | | |
| | (Increase) / Decrease in Trade Receivables, Other Receivables, Loans, Other Financial Assets and Other Non-Current Financial Assets | (15,53,227) | (73,488) |
| | Increase / (Decrease) in Trade and Other Payables, Other Financial Liabilities, Other Current Liabilities and Other Non-Current Liabilities | 1,00,332 | 3,05,553 |
| | **Cash generated from Operations** | **(13,94,743)** | **(86,970)** |
| | Direct taxes paid | 88,579 | 17,475 |
| | **Cash Flow from operating Activities** | **(13,06,164)** | **(69,495)** |
| **B.** | **Cash flows from investing activities** | | |
| | Sale of Property, Plant & Equipment | 6,80,000 | 5,66,012 |
| | Purchase of Investments | - | (11) |
| | Sale of Investments | 15,10,930 | 4,30,766 |
| | Advance for purchase of investments | - | (9,99,998) |
| | **Net cash (used in) / from investing activities** | **21,90,930** | **(3,231)** |

## Standalone Statement of Cash Flows for the year ended 31st March, 2021

| Particulars | For the year ended 31st March, 2021 ₹ '000 | For the year ended 31st March, 2020 ₹ '000 |
|---|---|---|
| **C. Cash flows from financing activities** | | |
| Proceeds of long term borrowings | - | 8,50,000 |
| (Repayment) of long term borrowings | - | (2,56,656) |
| (Repaymemt) of Non-Convertible Debentures | (2,19,474) | - |
| Proceeds of short term borrowings | 16,11,143 | 12,10,900 |
| (Repayment) of short term borrowings | (22,63,147) | (16,93,320) |
| Interest paid | - | (6,444) |
| **Net cash (used in) / from financing activities** | **(8,71,478)** | **1,04,480** |
| Net increase in cash and cash equivalents | 13,288 | 31,754 |
| Cash and cash equivalents at the beginning of the year | 4,542 | (27,212) |
| **Cash and cash equivalents at the end of the year** | **17,831** | **4,542** |

Reconciliation of Cash and Cash Equivalents as per Standalone Statement of Cash Flows
Cash and Cash Equivalents as per above comprise of the following:

| Particulars | For the year ended 31st March, 2021 ₹ '000 | For the year ended 31st March, 2020 ₹ '000 |
|---|---|---|
| Cash and Cash Equivalents | 17,830 | 6,015 |
| Less: Overdrawn Balances with banks included in Other Financial Liabilities (Refer Note No. 17) | - | (1,473) |
| **Balance per Standalone Statement of Cash Flows** | **17,830** | **4,542** |

Notes :

1 Components of cash and cash equivalents include cash, bank balances in current and deposit accounts as disclosed under note no. 3 of the Standalone Financial Statements

2 The above Standalone Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows".

The above Standalone Statement of Cash Flows should be read in conjunction with the accompanying Note No. 1 to 59.
This is the Standalone Statement of Cash Flows referred to in our report of even date.

For **V. SINGHI & ASSOCIATES**
**Chartered Accountants**
Firm Registration No.: 311017E

**(V.K.SINGHI)**
**Partner**
Membership No. 050051
Place : Kolkata
Date: 30th June, 2021

For and on behalf of the Board of Directors

Aditya Khaitan
(Chairman)
DIN :00023788

Arundhuti Dhar
(Director)
DIN :03197285

Aditi Daga
(Company Secretary)

Madan Lal Agarwal
(Manager & CFO)

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

### Note 1 Corporate Information

Williamson Magor & Co. Limited ("the Company") was incorporated as Public Company in the year 1949. The Company limited by shares is domiciled in India, having its registered office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700001.

The Company currently operates as an Investment Company registered with the Reserve Bank of India (RBI) w.e.f. 31st March, 2003. The Equity Shares of the Company are listed on the Bombay Stock Exchange, The National Stock Exchange of India and The Calcutta Stock Exchange Limited.

Information on other related party relationship of the Company is provided in Note 39.

### Note 2 Significant Accounting Policies

#### 2.1 Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act and the Rules made thereunder (as amended from time to time) and applicable RBI directions.

These Standalone Financial Statements have been approved for issue in accordance with a resolution of the Board of Directors passed in its meeting held on 30th June, 2021.

A summary of Significant Accounting Policies applied in the preparation of the Standalone Financial Statements is given below. These accounting policies have been applied consistently to all the periods presented in the Standalone Financial Statements.

The Company presents its Standalone Financial Statements to comply with Division III of Schedule III to the Act which provides general instructions for the preparation of Financial Statements of a Non-Banking Financial Company (NBFC to comply with Ind AS) and the requirements of Ind AS. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 44.

Financial Assets and Financial Liabilities are generally reported gross in the Balance Sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default

The Standalone Financial Statements have been prepared and presented on the Going Concern basis and at Historical Cost, except for the following assets and liabilities, which have been subsequently measured at fair value:

- Certain Financial assets and liabilities at fair value (Refer Note 2.4)
- Employee's Defined Benefit Plan as per actuarial valuation (Refer Note 2.12)

#### 2.2 Functional and Presentation Currency

The Standalone Financial Statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All Financial information presented in INR has been rounded off to thousands, unless otherwise stated.

#### 2.3 Use of Estimates and Judgements

The preparation of the Standalone Financial Statements in conformity with Ind AS requires the management to make

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

estimates, assumptions and judgements that affects the application of accounting policies and the reported amounts of revenue, expenses, assets and liabilities, the disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

This note provides an overview of the areas where there is a higher degree of judgement or complexity. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation.

The areas involving critical estimates or judgements are:

- Defined Benefit Obligations - Note 2.12
- Recognition of Revenue – Note 2.14
- Current Tax- Note 2.16
- Deferred Tax – Note 2.16
- Impairment of Financial Assets – Note 2.6

Estimates and assumptions are continuously evaluated based on most recent available information. Revisions to accounting estimates are recognised prospectively in the Standalone Statement of Profit and Loss in the period in which the estimates are revised and future period affected.

Although these estimates are based on managements' best knowledge of current events and action, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

**2.4 Fair Value Measurement**

The Company measures financial instruments and other derivatives at fair values except Equity Investments in Joint Ventures and Associates 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, the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

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 recognised in the Standalone Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted Financial Assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

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

**2.5 Property, Plant and Equipment (PPE) and Depreciation**

PPE are stated at Acquisition or Construction cost less Accumulated Depreciation and Impairment Loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning (if any).

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repair and maintenance expenses are charged to the Standalone Statement of Profit and Loss during the year in which they are incurred.

**Depreciation**

Depreciation is recognised so as to write-off the Cost of assets less their Residual values as per Written Down Value method, over the estimated Useful lives as prescribed in Schedule II to the Act.

Residual value is estimated as 5% of the original cost of PPE.

In respect of the following assets, Useful lives as per Schedule II have been considered, as under:

| Assets | Years |
|---|---|
| Non- factory Building | 60 |
| Plant & Machinery | 15 |
| Furniture & Fixtures | 10 |
| Motor Vehicle | 8 |
| Office Equipment | 5 |
| Electric Installation | 10 |
| Water Supply | 30 |

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

The PPE's residual values and useful lives are reviewed, at each financial year end, and if expectations differ from previous estimates the same is accounted for as change in accounting estimates.

Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from the date of such addition or, as the case may be, up to the date on which such asset has been available for use/disposedof.

**Derecognition**

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Standalone Statement of Profit and Loss.

### 2.6 Financial Instruments

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

**Financial Assets**

**Initial recognition and measurement**

All Financial assets are recognised initially at fair value. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are included therein.

**Subsequent measurement**

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

- Debt Instruments at Amortised cost
- Debt Instruments at Fair Value Through Other Comprehensive Income (FVTOCI)
- Debt Instruments, Derivatives and Equity Instruments, Mutual funds at Fair Value Through Profit or Loss (FVTPL)
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

**Debt Instruments at Amortised Cost**

A 'Debt Instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at 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 Standalone Statement of Profit and Loss. The losses arising from impairment are recognised in the Standalone Statement of Profit and Loss.

**Debt Instruments at FVTOCI**

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the Financial assets, and

b) The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value.

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

### Note 2 Significant Accounting Policies *(Contd.)*

Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Standalone Statement of Profit and Loss.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Standalone Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt Instruments at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instruments, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Standalone Statement of Profit and Loss.

**Equity Instruments**

All equity investments (other than investments in associates and joint ventures) are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For equity instruments other than held for trading, the Company has irrevocable option to present in OCI 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.

Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Standalone Statement of Profit and Loss, even on sale of investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Standalone Statement of Profit and Loss.

**Classification and Provisioning**

Loan asset classification of the Company is given in the table below:

| Particulars | Criteria | Provision |
|---|---|---|
| Standard Assets | The asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business. | 0.40% of the outstanding loan portfolio of standard assets. |
| Sub- Standard Assets | An asset for which, interest/principal payment has remained overdue for more than 3 months and less than 12 months | 100% of the outstanding loan portfolio of standard assets. |
| Loss Assets | An asset for which, interest/principal payment has remained overdue for a period of 12 months or more | 100% of the outstanding loan portfolio of standard assets. |

**Impairment of Financial Assets**

The Company applies the Expected Credit Loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial assets, and financial guarantees not designated as at FVTPL.

# Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

## Note 2 Significant Accounting Policies *(Contd.)*

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**Write off**

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial assets (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a de-recognition event.

**De-recognition of Financial Assets**

A Financial Asset (or, where applicable, a part of a Financial Asset or part of a group of similar Financial Assets) is primarily derecognised (i.e. removed from the Balance Sheet) when:

a) The rights to receive cash flows from the asset have expired, or

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to 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.

**Investments in Associates and Joint Ventures**

Investments in Associates and Joint ventures are accounted for at cost in the Standalone Financial Statements and the same are tested for impairment in case of any indication of impairment.

**Financial Liabilities and Equity Instruments**

**Classification as Debt or Equity**

Debt and equity instruments, issued by the Company, are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**Financial Liabilities**

**Initial Recognition**

All Financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, are recognised net of directly attributable transaction costs.

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, debt securities and other borrowings.

**Subsequent Measurement**

After initial recognition, all financial liabilities are subsequently measured at FVTPL except borrowings which are measured at amortised cost using the EIR method. Any gains or losses arising on derecognition of liabilities are recognised in the Standalone Statement of Profit and Loss.

**Derecognition of Financial Liabilities**

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Standalone Statement of Profit and Loss.

**Finance costs**

Borrowing costs on financial liabilities are recognised using the EIR Method as explained above.

**Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Standalone Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**2.7 Expected Credit Loss**

Expected Credit Losses ('ECL') are recognised for Financial Assets held under amortised cost, debt instruments measured at FVTOCI, and certain loan commitments as approved by the Board and internal policies for business model.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL resulting from default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial Assets where 12 months ECL is recognised are considered to be in 'stage 1'; Financial Assets that are considered to have significant increase in credit risk are considered to be in 'stage 2'; and Financial Assets which are in default or Financial Assets for which there is objective evidence of impairment are considered to be in 'stage 3'.

The treatment of the different stages of Financial Assets and the methodology of determination of ECL is set out below:

**Unimpaired and without significant increase in credit risk (stage 1)**

ECL resulting from default events that are possible in the next 12 months are recognised for financial instruments that remain in stage 1.

We have ascertained default events based on past behavioural trends witnessed for each homogenous portfolio. These trends are established based on customer centric scores, economic trends of industry segments in wholesale portfolios.

**Significant increase in credit risk (stage 2)**

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default occurring over the remaining life of the loan exposure. However, unless identified at an earlier stage, the Company have determined all assets deemed to have suffered a significant increase in credit risk when 30 days past due.

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

Based on other indications of borrower's delaying payments beyond due dates though not 30 days past due and other indications like non-cooperative borrowers, customer's overall indebtedness, death of customer, adverse impact on the business, serious erosion in the value of the underlying collateral, certain accounts are included in stage 2.

The measurement of risk of defaults under stage 2 are done by classifying them into homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles.

The default risk is assessed using probability of default (PD) derived from past behavioural trends of default across the identified homogenous portfolios.

For retail portfolios in stage 2, the PDs initially based on are average lifetime PDs experienced for stage 2 customers in each homogenous groups in the past. These past trends factor in the past customer centric behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

For wholesale loans, the default risk is established based on multiple factors like Nature of security, Customer industry segments external credit ratings, credit transition probabilities, current conditions and future macroeconomic conditions.

**Credit impaired (stage 3)**

The Company has determined that a Financial asset is credit impaired and in stage 3 by considering relevant objective evidence, primarily whether

- Contractual payments of either principal or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default

Interest income is recognised by applying the effective interest rate to the net amortised cost amount i.e. gross carrying amount less ECL allowance.

**Movement between stages**

Financial assets can be transferred between different categories depending on their relative increase in credit risk since initial recognition. Financial assets are transferred out of stage 2 if their credit risk is no longer considered significantly increased since initial recognition based on assessments described above.

Except for restructured assets, financial assets are transferred out of stage 3 when they no longer exhibit any evidence of credit impairment as described above. Restructured loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period typically 12 months- post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

**Restructured Financial assets**

A loan where repayment terms are renegotiated on substantially different terms as compared to the original contracted terms due to significant credit distress of the borrower are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period typically 12 months-post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

**Measurement of ECL**

The assessment of credit risk and the estimation of ECL are unbiased and probability weighted and incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money, a Probability of Default (PD), a Loss Given Default (LGD) and the Exposure at Default (EAD).

ECL is calculated by multiplying the PD, LGD and EAD. For stage 1 assets, the 12 months ECL is calculated. For assets in stage 2 and 3, Lifetime ECL is calculated using the lifetime PD.

The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected draw downs of committed facilities.

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The ECL for stage 2 and stage 3 is determined based on the expected future cash flows based on the estimates supported by past trends. Collateral is taken into account if it is likely that the recovery of the outstanding amount will include realisation of collateral based on the estimated value of the collateral at the time of estimated realisation, less costs for obtaining and selling the collateral. The cash flows are discounted at a reasonable approximation of the original effective interest rate.

### 2.8 Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less which are subject to insignificant risk of changes in value.

### 2.9 Earnings Per Share (EPS)

The basic EPS is computed by dividing the profit/loss after tax for the year attributable to the equity shareholders by the weighted average number of Equity Shares outstanding during the year.

For the purpose of calculating diluted EPS, profit/loss after tax for the year attributable to the equity shareholders and the weighted average number of Equity Shares outstanding during the year is adjusted for the effects of all dilutive potential Equity Shares.

### 2.10 Impairment of Non-financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of Non-financial Assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs of disposal and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Standalone Statement of Profit and Loss.

### 2.11 Leases

The Company assesses whether a contract contains a lease, at inception of a 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.

At the date of commencement of the lease, the Company recognises a Right-of-Use asset (‘ROU’) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses (if any). Right-of-use assets are depreciated from the commencement date on a Straight-Line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate for the average lease period. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

**2.12 Employee Benefits**

**Short-Term Employee Benefits**

Liabilities for salaries and wages, including non-monetary benefits in respect of employees' services up to the end of the reporting period, are recognised as liabilities (and expensed) and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Standalone Balance Sheet.

**Post-employment Benefits**

**Defined Contribution Plan**

Employee Benefits under defined contribution plans comprises of Contributory Provident Fund, Post Retirement Benefit Scheme, etc. are recognized based on the undiscounted amount of obligations of the Company to contribute to the plan.

**Defined Benefits Plan**

Defined Benefits plan comprising of gratuity, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligations which are computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the StandaloneStatement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Standalone Statement of Changes in Equity and in the Standalone Balance Sheet through Other Comprehensive Income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Other Long-Term Employee Benefits**

Other long-term employee benefits comprises of leave encashment towards unavailed leave and compensated absence, these are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

Remeasurement of leave encashment towards unavailed leave and compensated absences are recognized in the Standalone Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

### 2.13 Foreign Currency Transactions

Foreign currency transactions are translated into Indian Rupee (INR) which is the functional currency (i.e. the currency of the primary economic environment in which the entity operates) using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are recognised in the Standalone Statement of Profit and Loss.

### 2.14 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Interest income is accounted for all Financial instruments measured at Amortised Cost or at Fair Value Through Other Comprehensive Income, interest income is recorded using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the Financial instruments to the gross carrying amount of the Financial asset. Interest income on all trading assets and Financial Assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

### 2.15 Borrowings Costs

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for its intended use.

Other borrowing costs are charged to the Standalone Statement of Profit and Loss in the period in which they are incurred.

### 2.16 Income Tax

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

#### Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or 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 on temporary differences between the carrying amount of assets and liabilities in the Standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects

# Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**2.17 Provisions, Contingent Liabilities and Contingent Assets**

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 will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the Liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the Standalone Financial Statements since this may result in the recognition of income that may never be realised. A Contingent assets is disclosed where an inflow of economic benefits is probable.

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

### NOTE 3

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| **Cash & Cash Equivalents** | | |
| Cash in hand | 375 | 434 |
| Current Account balances with banks* | 17,455 | 5,581 |
| | **17,830** | **6,015** |

*Two Current Accounts have become inoperative, balances whereof amount to ₹ 48,06,211/-. These are subject to balance confirmation.

### NOTE 4

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| **Bank balances other than Cash and Cash equivalents** | | |
| Term Deposit | 7,225 | 6,864 |
| | **7,225** | **6,864** |

### NOTE 5

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| **Trade Receivables** | | |
| **(Unsecured)** | | |
| -- Considered good* | 9,938 | 11,263 |
| | **9,938** | **11,263** |

*Refer Note No. 36 and 39

### NOTE 6

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| **Other Receivables** | | |
| **(Unsecured)** | | |
| -- Considered good* | 26,79,720 | 12,38,857 |
| -- Considered doubtful | 31,383 | 30,965 |
| | 27,11,103 | 12,69,822 |
| Less: Provision for doubtful deposits | (31,383) | (30,965) |
| | **26,79,720** | **12,38,857** |

*Refer Note No. 36 and 39

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**NOTE 7**

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| **Loans** | | |
| **(Unsecured)** | | |
| **Inter Corporate Deposits** | | |
| To Associates | | |
| -- Considered good | - | 1,84,045 |
| -- Considered doubtful | 57,415 | 57,365 |
| | 57,415 | 2,41,410 |
| Less: Provision for Doubtful Loans | (57,415) | (57,365) |
| | **-** | **1,84,045** |
| To Others | | |
| -- Considered good | 14,91,757 | 12,69,365 |
| -- Considered substandard | 1,30,000 | 3,80,000 |
| -- Considered doubtful | 6,12,500 | 6,12,500 |
| | 22,34,257 | 22,61,865 |
| Less: Provision for sub-standard Loans | (1,30,000) | (38,000) |
| Less: Provision for doubtful deposits | (6,12,500) | (6,12,500) |
| | **14,91,757** | **16,11,365** |
| | **14,91,757** | **17,95,410** |
| Loans in India | 14,91,757 | 17,95,410 |
| Loans outside India | - | - |
| | **14,91,757** | **17,95,410** |

## NOTE 8

**Investments**

₹ '000

| Particulars | As at 31st March, 2021 | | | | As at 31st March, 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| | Fair Value | | Others | Total | Fair Value | | Others | Total |
| | Through Other Comprehensive Income | Through Profit or Loss | | | Through Other Comprehensive Income | Through Profit or Loss | | |
| **Investments in** | | | | | | | | |
| Debt Securities | - | - | - | - | - | - | - | - |
| Equity Instruments | 3,30,355 | - | - | 3,30,355 | 6,83,242 | - | - | 6,83,242 |
| Associates | - | - | 63,896 | 63,896 | - | - | 1,70,848 | 1,70,848 |
| **Total Gross (A)** | **3,30,355** | **-** | **63,896** | **3,94,251** | **6,83,242** | **-** | **1,70,848** | **8,54,090** |
| Investments Outside India | - | - | - | - | - | - | - | - |
| Investments in India | 3,30,355 | - | 63,896 | 3,94,251 | 6,83,242 | - | 1,70,848 | 8,54,090 |
| **Total (B)** | **3,30,355** | **-** | **63,896** | **3,94,251** | **6,83,242** | **-** | **1,70,848** | **8,54,090** |
| Less: Impairment Loss Allowance (C) | - | - | - | - | - | - | - | - |
| **Total Net D= A-C** | **3,30,355** | **-** | **63,896** | **3,94,251** | **6,83,242** | **-** | **1,70,848** | **8,54,090** |

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

### Note 8

### Investments (Continued)

| Particulars | Face Value (₹) | 31st March, 2021 No. of Shares/ Debentures/ Units | 31st March, 2021 Amount ₹ '000 | 31st March, 2020 No. of Shares/ Debentures/ Units | 31st March, 2020 Amount ₹ '000 |
|---|---|---|---|---|---|
| **Investments measured at Cost** | | | | | |
| **In Equity Shares** | | | | | |
| **Unquoted, Fully paid up** | | | | | |
| **- of Associates Company** | | | | | |
| Majerhat Estates & Developers Limited | 10 | 14,70,000 | 9,962 | 14,70,000 | 9,962 |
| **- of Joint Venture** | | | | | |
| D1 Williamson Magor Bio Fuel Limited | 10 | 33,33,273 | - | 33,33,273 | - |
| **In Equity Shares** | | | | | |
| **Quoted, Fully Paid Up** | | | | | |
| **- of Associates Company** | | | | | |
| Williamson Financial Services Limited | 10 | 25,87,750 | 53,930 | 25,87,750 | 53,930 |
| Kilburn Engineering Limited | | - | - | 43,19,043 | 1,06,956 |
| **Total of Investments measured at Cost** | | | **63,892** | | **1,70,848** |
| **Investments measured at Fair Value through Profit or Loss** | | | | | |
| **In Debentures of Others** | | | | | |
| Bengal Chambers of Commerce and Industries 6.5% Non redeemable debentures | 1000 | 24 | - | 24 | - |
| **In Equity Shares of Others** | | | | | |
| Dewrance Macneill & Company Limited (In liquidation) | 10 | 12,00,000 | - | 12,00,000 | - |
| Seema Apartments Co-operative Housing Society Limited | 10 | 80 | 4 | 80 | - |
| **Total of Investments measured at Fair Value through Profit or Loss** | | | **4** | | **-** |
| **Investments measured at Fair Value through Other Comprehensive Income** | | | | | |
| **Unquoted, Fully paid up** | | | | | |
| **In Equity Shares** | | | | | |
| McNally Bharat Engineering Company Limited | 10 | 2,53,18,952 | - | 1,51,51,515 | 34,091 |
| Babcock Borsig Limited | 10 | 66,99,586 | - | 66,99,586 | - |
| Woodside Parks Limited | 10 | 51,74,000 | - | 51,74,000 | - |
| Bishnauth Investment Limited | 10 | 35,000 | - | 35,000 | - |
| **Quoted, Fully Paid Up** | | | | | |
| **In Equity Shares** | | | | | |
| Kilburn Engineering Limited | 10 | 43,19,043 | 1,06,956 | - | - |
| McNally Sayaji Engineering Limited | 10 | 36,013 | - | 36,013 | - |
| McNally Bharat Engineering Company Limited | 10 | 2,53,18,952 | 1,98,754 | 1,64,67,437 | 37,051 |
| The Standard Batteries Limited | 1 | 2,88,625 | 13,609 | 2,88,625 | 1,201 |
| Eveready Industries India Limited | 5 | 7,191 | 1,942 | 1,17,53,501 | 5,92,964 |
| Mcleod Russel India Limited | 5 | 4,76,315 | 9,094 | 89,67,253 | 17,935 |
| **Total of Investments measured at Fair Value Through Other Comprehensive Income** | | | **3,30,355** | | **6,83,242** |
| **Total Investments** | | | **3,94,251** | | **8,54,090** |
| Aggregate amount of quoted Investments | | | 3,84,285 | | 8,10,037 |
| Market Value of quoted Investments | | | 3,30,355 | | 6,49,151 |
| Aggregate amount of unquoted Investments | | | 9,966 | | 44,053 |
| Market Value of unquoted Investments | | | - | | 34,091 |

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 8**

**Investments (Continued)**

1 Kilburn Engineering Limited has ceased to be an associate during the year ended 31st March, 2021.

2 During the year, the Joint Lenders of the Group Companies have invoked securities given by the Company for and on behalf of its Associate Company, namely Williamson Financial Services Limited and sold 63,00,000 Equity Shares of McNally Bharat Engineering Company Limited pledged with them. The company has recognised ₹34,650 thousands against such invocation as receivable from the said Associate Company.

3 Securities given by the Company on behalf of group companies to Housing Development Finance Corporation Limited by way of pledge of 32,00,000 Equity Shares of Eveready Industries India Limited (EIIL) were invoked and out of these pledged shares, 9,55,337 Equity Shares were sold by the said institution in earlier year and the sale proceeds adjusted against the dues owed by the company and other group companies. Sale proceeds of 22,44,663 Equity Shares of EIIL which were invoked in earlier years, have been adjusted against the dues owed by the Company and other group companies during the year.

4 During the year, Securities given by the Company on behalf of the group companies to IL & FS by way of pledge of 78,32,253 Equity Shares of McLeod Russel India Limited and 57,90,715 Equity Shares of Eveready Industries India Limited were invoked and the sale proceeds of the shares have been shown as other receivable by the Company. In absence of adequate information from the lenders necessary adjustment thereof with borrowings could not be made.

5 During the year, Securities given by the Company on behalf of the group companies to IL & FS by way of pledge of 37,10,932 Equity Shares of Eveready Industries India Limited have been invoked and the sale proceeds are shown as Other Receivables. In absence of adequate information from the lenders necessary adjustment thereof with borrowings could not be made.

6 During the year, Securities given by the Company on behalf of the group companies to Indusind Bank by way of pledge of 5,23,685 Equity Shares of McLeod Russel India Limited for credit facility availed by group companies have been invoked. The company has sent written communication to the lender asking for detail statement. Necessary adjustment will be made upon receipt of information from the lender.

**Note 9**

**Other Financial Asset**

**Unsecured**

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| Security Deposits | | |
| - with Government Authorities | | |
| Considered Good | 1,132 | 1,547 |
| | **1,132** | **1,547** |
| - with Others | | |
| Considered Good | 4,784 | 1,91,556 |
| Considered Doubtful | 10 | 10 |
| | 4,794 | 1,91,566 |
| Less: Provision for Doubtful Deposits | (10) | (10) |
| | **4,784** | **1,91,556** |

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 9** *(Continued)*

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| Accrued Interest | | |
| From Associates | | |
| Considered Good | - | 1,05,311 |
| Considered Doubtful | 32,927 | 32,927 |
| | 32,927 | 1,38,238 |
| Less: Provision for Doubtful Accrued Interest | (32,927) | (32,927) |
| | **-** | **1,05,311** |
| From Others | | |
| Considered Good | 1,43,834 | 2,27,081 |
| Considered Sub-standard | 2,36,329 | 2,35,457 |
| Considered Doubtful | 2,00,230 | 2,00,230 |
| | 5,80,393 | 6,62,768 |
| Less: Provision for Sub-standard Accrued Interest | (2,36,329) | (23,546) |
| Less: Provision for Doubtful Accrued Interest | (2,00,230) | (2,00,230) |
| | **1,43,834** | **4,38,992** |
| Advances to Others* (Refer Note No. 39) | | |
| Considered Good | 5,08,533 | 5,05,362 |
| Considered Doubtful | 78,825 | 80,022 |
| | 5,87,358 | 5,85,384 |
| Less: Provision for Doubtful Advances | (78,825) | (80,022) |
| | 5,08,533 | 5,05,362 |
| | **6,58,282** | **12,42,768** |

*Includes advance given to group company of ₹ 135 thousand

**Note 10**

**Deferred Tax Asset (Net)***

*Refer Note No. 33

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| **Deferred Tax Liabilities** | | |
| Accumulated Depreciation | 613 | 856 |
| | **613** | **856** |
| **Deferred Tax Assets** | | |
| Unabsorbed Business Losses and Expense | 3,51,303 | 3,07,824 |
| Unabsorbed Depreciation Losses | 973 | 816 |
| Unabsorbed Capital Losses | 1,38,841 | 27,382 |
| Provision for Impairment/Diminution in value of Investments and Doubtful Advances | 5,06,266 | 5,94,340 |
| | **9,97,383** | **9,30,362** |
| | **9,96,770** | **9,29,506** |

## Note 11

### PROPERTY, PLANT AND EQUIPMENT

₹ '000

| Description | Gross Block | | | | Accumulated Depreciation | | | | Net Carrying Amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2020 | Additions during the year | Disposals during the year | As at 31st March, 2021 | As at 31st March, 2020 | Depreciation for the year | Disposal during the year | As at 31st March, 2021 | As at 31st March, 2021 | As at 31st March, 2020 |
| **Tangible Assets** | | | | | | | | | | |
| **Own Assets:** | | | | | | | | | | |
| Land | 4,988 | - | 4,988 | - | - | - | - | - | - | 4,988 |
| Buildings | 5,631 | - | 1,206 | 4,425 | 488 | 229 | 154 | 563 | 3,862 | 5,143 |
| Plant & Machinery | 11 | - | - | 11 | 6 | 0* | - | 6 | 5 | 5 |
| Motor Vehicles | 8 | - | - | 8 | 3 | 2 | - | 5 | 3 | 5 |
| Furnitures & Fittings | 90 | - | - | 90 | 8 | 21 | - | 29 | 61 | 82 |
| Office Equipment | 95 | - | - | 95 | 61 | 14 | - | 75 | 20 | 34 |
| Electrical Installation | 725 | - | - | 725 | 376 | 78 | - | 454 | 271 | 349 |
| Water Supply | 112 | - | - | 112 | 37 | 14 | - | 51 | 61 | 75 |
| **Total** | **11,660** | **-** | **6,194** | **5,466** | **979** | **358** | **154** | **1,183** | **4,283** | **10,681** |

| Description | Gross Block | | | | Accumulated Depreciation | | | | Net Carrying Amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1st April, 2019 | Additions during the year | Disposals during the year | As at 31st March, 2020 | As at 31st March, 2019 | Depreciation for the year | Disposal during the year | As at 31st March, 2020 | As at 31st March, 2020 | As at 31st March, 2019 |
| **Tangible Assets** | | | | | | | | | | |
| **Own Assets:** | | | | | | | | | | |
| Land | 8,737 | - | 3,749 | 4,988 | - | - | - | - | 4,988 | 8,737 |
| Buildings | 7,522 | - | 1,891 | 5,631 | 323 | 264 | 99 | 488 | 5,143 | 7,198 |
| Plant & Machinery | 11 | - | - | 11 | 3 | 3 | - | 6 | 5 | 8 |
| Motor Vehicles | 8 | - | - | 8 | 2 | 1 | - | 3 | 5 | 6 |
| Furnitures & Fittings | 152 | - | 62 | 90 | 6 | 4 | 2 | 8 | 82 | 146 |
| Office Equipment | 127 | 11 | 43 | 95 | 53 | 28 | 20 | 61 | 34 | 73 |
| Electrical Installation | 725 | - | - | 725 | 222 | 154 | - | 376 | 349 | 503 |
| Water Supply | 112 | - | - | 112 | 20 | 17 | - | 37 | 75 | 92 |
| **Total** | **17,394** | **11** | **5,745** | **11,660** | **629** | **471** | **121** | **979** | **10,681** | **16,763** |

Buildings include one property (Gross Block and Net Block amounting to ₹ 236 Thousand and ₹ 205 Thousand respectively) as at March 31, 2021 (March 31, 2020: ₹ 912 Thousand and ₹ 236 Thousand respectively) located at Mumbai, the title deeds of which is not readily traceable. Necessary steps are being taken to obtain certified copy of the title deed from the appropriate authorities in respect of the said property. However, the property is in the possession of the Company.

* Amount is below the rounding off norm adopted by the Company

# Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

## Note 12

### Other Non-Financial Assets

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| Balances with Government Authorities | 4,481 | 1,196 |
| Lease Equalisation account | - | 7,352 |
| Prepaid Expense | 24 | 581 |
| | **4,505** | **9,129** |

## Note 13

### Trade Payables

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| (A) total outstanding dues of micro enterprises and small enterprises | - | - |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises* | 8,727 | 3,692 |
| | **8,727** | **3,692** |

*Refer Note 36

## Note 14

### Other Payables

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| (A) total outstanding dues of micro enterprises and small enterprises | - | - |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises* | 2,421 | 4,226 |
| | **2,421** | **4,226** |

*Refer Note No. 36

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

### Note 15

**Debt Securities**

Secured

(Refer Note No. 50)

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| Debt securities measured at Amortised Cost | | |
| Others | | |
| Non-Convertible Debentures *(Refer Notes 15A and 15B) | 7,74,192 | 9,93,666 |
| | **7,74,192** | **9,93,666** |
| Debt Securities in India | 7,74,192 | 9,93,666 |
| Debt Securities outside India | - | - |
| | **7,74,192** | **9,93,666** |

*Interest on debt securities due from 1st August, 2019, has not been provided. The matter is under dispute/litigation.

### Note 15A

| | As on 31st March, 2021 Principal ₹ '000 | Interest** ₹ '000 | Period in default / Remarks |
|---|---|---|---|
| **Default of Loan during the reporting period** | | | |
| **Default remedied during the year** | | | |
| Non-convertible Debentures | 2,19,474 | - | Default remedied before 31st March, 2021 |
| | **2,19,474** | **-** | |
| **Default not remedied during the year** | | | |
| Non-Convertible Debentures | 7,74,192 | - | From April, 2020 to March, 2021 |
| | **7,74,192** | **-** | |

**To the extent interest recognised in the books.

### Note 15B

Pursuant to the terms and conditions of the assignment agreement dated 10th September, 2018, IL & FS Financial Services Limited had assigned a sum of ₹ 9,95,000 thousands out of the outstanding facility of ₹ 10,00,000 thousand to IL & FS Infrastructure Debt Fund and had exercised their option to convert their entire outstanding facility amount into non-convertible debentures pursuant to a second amendment to the Loan Agreement dated 29th March, 2017.

Accordingly, the Company issued 1,000 secured, redeemable, freely transferable, non-convertible debentures, with a face value of ₹ 1,000 Thousand each on a private placement basis in earlier years. During the year, the lender recalled the debt advanced to the Company against the non-convertible debentures on account of default in repayment of principal and interest (Also Refer Note No. 50 ). The matter is under litigation. Accordingly, the repayment schedule has not been provided in the Standalone Financial Statements.

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

### Note 16

**Borrowings (Other than Debt Securities)**

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| **(a) Secured** | | |
| **Borrowings measured at Amortised Cost** | | |
| Term Loans* (Refer Notes 16A and 16B) | | |
| From Finacial Institutions | | |
| HDFC (Refer Note No 51) | | |
| HDFC Loan 1 | 1,98,550 | 4,82,675 |
| HDFC Loan 4 | 3,00,964 | 5,76,007 |
| HDFC Loan 5 | 1,49,523 | 2,37,817 |
| KKR India Financial Services Private Limited** | 10,00,000 | 10,00,000 |
| Srei Infrastructure Private Limited*** (Refer Note No. 52) | - | 5,99,670 |
| | **16,49,037** | **28,96,169** |

*The above outstanding amount includes current maturities of long-term debt.

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| **(b) Un-secured** | | |
| From Associates: | | |
| Inter Corporate Loans | - | 40,000 |
| | - | 40,000 |
| From Others: | | |
| Inter Corporate Loans | 36,20,385 | 36,26,580 |
| | 36,20,385 | 36,26,580 |
| | **52,69,422** | **65,62,749** |
| Borrowings (Other than Debt Securities) in India | 52,69,422 | 65,62,749 |
| Borrowings (Other than Debt Securities) outside India | - | - |
| | **52,69,422** | **65,62,749** |

**The Company has not recognised interest due to the Financial Institution from 1st August, 2019. The Company has disputed higher rate of interest/principal amount of loan. The matter is under litigation.(Refer Note No 49 & 53).

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 16A: Borrowings** *(Continued)*

| | As on 31st March, 2021 | | Period in default / Remarks |
|---|---|---|---|
| | Principal ₹ '000 | Interest* ₹ '000 | |
| **Default of Loan during the reporting period** | | | |
| **Default remedied during the year** | | | |
| HDFC 1 | 2,84,125 | - | Default remedied before 31st March, 2021 |
| HDFC 4 | 2,75,043 | - | |
| HDFC 5 | 88,294 | - | |
| Srei Infrastructure Private Limited | 5,99,670 | - | |
| | **12,47,132** | **-** | |
| **Default not remedied during the year** | | | |
| HDFC 1 | 1,98,550 | 32,658 | From September, 2020 upto March, 2021 |
| HDFC 4 | 3,00,964 | 47,409 | |
| HDFC 5 | 1,49,523 | 16,166 | |
| KKR India Financial Services Private Limited | 10,00,000 | - | From April, 2020 upto March, 2021 |
| | **16,49,037** | **96,233** | |

*To the extent interest recognised in the books.

**Note 16B: Borrowings**

| Particulars | Coupon Rate | Repayment Schedule | Security Details** |
|---|---|---|---|
| HDFC Loan 1 (Refer Note 16B(2)) | @13.35% p.a. | To be repaid in 56 Equated Monthly Instalments (EMIS) of ₹23,932 thousand each commenced from April, 2017 along with interest payable. | 1)Mortgage of property at Four Mangoe Lane, Kolkata, mortgaged against existing loans of the Company.<br>2) Pledge of 32,00,000 Equity shares of Eveready Industries India Limited and 1,35,000 Equity shares of McLeod Russel India Limited. |
| HDFC Loan 4 (Refer Note 16B(2)) | @12.45% pa. | To be repaid in 56 equated monthly instalments begins from September, 2018 amounting to ₹17,931 thousand each along with interest payable. | |
| HDFC Loan 5 (Refer Note 16B(2)) | H D F C Lease Rental Discounting Prime Lending rate + 0.10% bps spread which is effectively 10% p.a. | The Facility shall be repaid in 140 months by way of monthly installments or Equated Monthly Installments of ₹ 3,048 Thousand each, comprising of principal repayment and interest payment commenced from June, 2019. | 1) Mortgage of property at Four Mangoe Lane, Kolkata, mortgaged against existing loans of the Company<br>2) Pledge of 32,00,000 shares of Eveready Industries India Limited and 1,35,000 shares of McLeod Russel India Limited.<br>3)Personal Guarantee of Mr. Aditya Khaitan (Director). |

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 16B: Borrowings** *(Continued)*

| | | | | |
|---|---|---|---|---|
| IL & FS Financial Services Limited (Refer Note 16B(2)) | @13.50% p.a. | Instalment Date<br>31-12-2020<br>31-03-2021<br>30-06-2021<br>30-09-2021<br>31-12-2021<br>31-03-2022<br>30-06-2022<br>30-09-2022<br>31-12-2022<br>31-03-2023 | Instalment Amount<br>1,56,25,000<br>10,93,75,000<br>10,93,75,000<br>10,93,75,000<br>10,93,75,000<br>10,93,75,000<br>10,93,75,000<br>10,93,75,000<br>10,93,75,000<br>10,93,75,000 | 1) Pledge of 18,05,570 Equity shares of McLeod Russel India Limited and 25,00,000 Equity shares of Eveready Industries India Limited at a cover of 0.5x of the facility amount, with topup in case of shortfall in margin. 2) Mortgage of Land at Neemrana, Rajasthan, admeasuring approx. 156 acres. Pledge of 100% of fully paid-up Equity shares of Vedica Sanjeevani Projects Private Limited and Christopher Estates Private Limited owned by other companies along with the Company. 3) Mortgage of other Immovable Properties: a)Residential property in Dover Park, Kolkata admeasuring 1 Bigha, 3 Cottahs valued at ₹540,000 thousand owned by other group companies b)Bunglow at Sedgemoor in Ootacamund admeasuring 103.25 cents land valued at ₹ 180,000 thousand owned by other group companies. |
| KKR India Financial Services Private Limited (Refer Note 16B(2)) | @16%p.a. | Bullet repayment at the end of 3rd year that is 30th September, 2019 | | 1) Collateral cover to be in the form of Acceptable Real Estate, Equity shares of McLeod Russel India Limited and Eveready Industries India Limited.<br>2) Charge over 4,16,66,666 Equity Shares of McNally Bharat Engineering Company Limited held by various group companies.<br>3)Personal guarantee of Mr. Aditya Khaitan (Director) and Mr. Amritanshu Khaitan (Director).<br>4) Letter of comfort from McLeod Russel India Limited. |
| Srei Infrastructure Private Limited | Srei Prime Lending Rate + 0.50% bps spread which is effectively 15% p.a. | Instalment Date<br>30-11-2019<br>31-12-2019<br>31-01-2020<br>29-02-2020<br>31-03-2020<br>31-07-2020 | Instalment Amount<br>11,80,00,000<br>11,80,00,000<br>11,80,00,000<br>11,80,00,000<br>11,80,00,000<br>1,00,00,000 | 1) Comfort Letter for Rs. 50 crore from Eveready Industries India Limited backed by Board Resolution.<br>2) Personal Guarantee of Mr. Aditya Khaitan (Director)<br>3) Cross Security: All securities, provided by the Company or any of its other group company or associate company to SREI or any of SREI's group entities under any facility shall also secure this Loan and vice versa. |

** Updation of modified charges with MCA is pending.

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 16B: Borrowings** *(Continued)*

1 The Company and its Group Company, namely McLeod Russel India Limited defaulted in repayment of its dues against credit facility availed by them from HDFC Limited, which has taken legal action against the Company, for recovering its dues and the matter is pending before the Calcutta Jurisdiction Court. During the year, the lenders of the Company have recalled the loans advanced to the Company on default in repayment of principal and interest. The matter is subjudice. (Refer Note No. 51)

### Note 17

### Other Financial Liabilities

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| Deposits | | |
| Security Deposits | 4,676 | 4,676 |
| Interest Accrued but not due | 5,06,885 | 5,87,119 |
| Book Overdraft | - | 1,473 |
| | **5,11,561** | **5,93,268** |

### Note 18

### Provisions

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| For employee Benefits | | |
| For Gratuity | 149 | 115 |
| For Pension | 381 | 381 |
| Other | | |
| Provision for Standard Asset (Refer Note No. 47) | 19,335 | 14,197 |
| Provision for Probable Contingencies (Refer Note No. 54) | 11,44,798 | 9,99,998 |
| | **11,64,663** | **10,14,691** |

### Note 19

### Other Non-Financial Liabilities

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| Advances | 150 | 150 |
| Statutory Dues | 18,187 | 54,351 |
| | **18,337** | **54,501** |

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 20**

**Equity Share Capital**

| Particulars | 31st March, 2021 | | 31st March, 2020 | |
|---|---|---|---|---|
| | Number | ₹ '000 | Number | ₹ '000 |
| **Authorised :** | | | | |
| Equity Shares of ₹ 10/- each | 2,37,50,000 | 2,37,500 | 2,37,50,000 | 2,37,500 |
| Preference Shares of ₹ 100/- each | 1,25,000 | 12,500 | 1,25,000 | 12,500 |
| | | **2,50,000** | | **2,50,000** |
| **Issued, Subscribed & Paid up :** | | | | |
| Equity Shares of ₹ 10 each fully paid up | 1,09,56,360 | 1,09,564 | 1,09,56,360 | 1,09,564 |
| | | **1,09,564** | | **1,09,564** |

Reconciliation of number of Equity Shares Outstanding:

| Particulars | 31st March, 2021 | | 31st March, 2020 | |
|---|---|---|---|---|
| | Number | ₹ '000 | Number | ₹ '000 |
| Number of Shares outstanding at the beginning of the year | 1,09,56,360 | 1,09,564 | 1,09,56,360 | 1,09,564 |
| **Number of Shares outstanding at the end of the year** | **1,09,56,360** | **1,09,564** | **1,09,56,360** | **1,09,564** |

**Rights, preferences and restrictions attached to Equity Shares**

The Company has one class of Equity Shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**Details of shareholders holding more than 5% of the shares in the Company :**

| Particulars | 31st March, 2021 | | 31st March, 2020 | |
|---|---|---|---|---|
| | Number | % of Shareholding | Number | % of Shareholding |
| Bishnauth Investments Limited | 50,36,629 | 45.97 | 50,36,629 | 45.97 |
| United Machine Co. Limited | 9,07,210 | 8.28 | 9,07,210 | 8.28 |
| Ichamati Investments Private Limited | 8,35,364 | 7.62 | 8,35,364 | 7.62 |

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 21**

**Other Equity**

| | | | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|---|---|
| **A.** | **Retained Earnings** | | | |
| | Surplus (Balance in Statement of Profit and Loss) | | | |
| | As per last Financial Statement | | (18,98,837) | (11,35,536) |
| | Add: Profit/(Loss) for the year | | 5,05,245 | (7,63,285) |
| | Add/(Less): Transfer from-Other Comphrensive Income | | 6,08,709 | (16) |
| | Less : Transfer to Statutory Reserve | | (1,01,049) | - |
| | | **(a)** | **(8,85,932)** | **(18,98,837)** |
| | **General Reserve** | | | |
| | As per last Financial Statement | | 11,75,150 | 11,75,150 |
| | | **(b)** | **11,75,150** | **11,75,150** |
| **B.** | **Capital Reserve** | | | |
| | As per last Financial Statement | | 6,518 | 6,518 |
| | | **(c)** | **6,518** | **6,518** |
| **C.** | **Other Reserves** | | | |
| | **Statutory Reserve** | | | |
| | As per last Financial Statement | | 2,57,388 | 2,57,388 |
| | Add : Tranfer from Retained Earnings | | 1,01,049 | - |
| | | **(d)** | **3,58,437** | **2,57,388** |
| **D.** | **Fair value of Equity Instruments through Other Com-pehensive Income** | | | |
| | As per last Financial Statement | | (26,32,186) | (16,38,215) |
| | Add: Movement in OCI (Net) during the year | | 10,51,093 | (9,93,987) |
| | | | (15,81,093) | (26,32,202) |
| | Less: Transfer to Retained Earnings | | 6,08,709 | (16) |
| | | **(e)** | **(21,89,802)** | **(26,32,186)** |
| | | **(a+b+c+d+e)** | **(15,35,629)** | **(30,91,967)** |

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 21** *(Continued)*

**Nature and Purpose of Reserves:**

**Retained Earnings:**
The Retained earnings comprises of General Reserve and Surplus which is used from time to time to transfer profits by appropriations. It is a free reserve of the Company and can be utilised in accordance with the provisions of the Companies Act, 2013 and as per the approval of the Board. It includes the remeasurement of defined benefit plans as per actuarial valuations which will not be reclassified to the Standalone Statement of Profit and Loss in subsequent periods.

**Statutory Reserve:**
Statutory Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 ("the RBI Act"). In terms of section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

**Capital Reserve:**
Capital Reserve was created through business combinations and shall be utilised as per the provisions of the Companies Act, 2013.

**Fair value of Equity Instruments through Other Compehensive Income:**
This reserve represents the cumulative effect of fair value fluctuations of Investments made by the Company in equity instruments of other entities. The cumulative gain or loss arising on such changes are recognised through Other Comprehensive Income (OCI) and is accumulated under this reserve. The amount from this reserve will not be reclassified to the Standalone Statement of Profit and Loss in subsequent periods.

**Note 22**

**Revenue from Operations**

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| **Interest Income** | | |
| On Inter Corporate Deposits | 1,36,898 | 2,32,877 |
| Other Interest | 7,859 | 13,467 |
| | **1,44,757** | **2,46,344** |

**Note 23**

**Dividend Income**

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| On Financial Assets measured at Amortised Cost or Through Other Comprehensive Income | | |
| From Associates | - | 4,319 |
| | **-** | **4,319** |

**Note 24**

**Net gain on derecognition of financial instruments under amortised cost category**

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| Net gain on derecognition of financial instruments under amortised cost category | - | 83,331 |
| | **-** | **83,331** |

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

### Note 25
### Rental Income

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| From Rental Properties | 21,224 | 23,116 |
| | **21,224** | **23,116** |

### Note 26
### Sale of Service

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| Maintenance Services | 15,004 | 17,455 |
| Other Consultancy Services | 20,948 | 20,400 |
| | **35,952** | **37,855** |

### Note 27
### Other Income

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| Profit on sale of Property, Plant and Equipment | 6,66,609 | 5,60,388 |
| Miscellaneous Income | 10 | 45 |
| Provision for Employee Benefits written back | - | 3,038 |
| Provision for doubtful debts/ advances written back | - | 2,794 |
| Contingent Provision for Standard Assets written back | - | 2,942 |
| Liabilities no longer required written back | 1,20,612 | 4,888 |
| | **7,87,231** | **5,74,095** |

### Note 28
### Finance Costs

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| Interest Expense | | |
| - On Fixed Loans* | 96,233 | 2,75,471 |
| - On Intercorporate Borrowings | 6,587 | 2,28,582 |
| - On Debentures* | - | 47,772 |
| - Other interest | 1,932 | 554 |
| Other Borrowing Cost | 1,109 | 34,255 |
| | **1,05,861** | **5,86,634** |

*Refer Note No. 49

# Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

## Note 29

### Impairment on Financial Instruments*

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| For Doubtful Trade Receivables | - | 937 |
| For Doubtful Loans and advances | - | 8,20,400 |
| | **-** | **8,21,337** |

*The impairment has been provided in accordance with the Prudential norms issued by the Reserve Bank of India, which is applicable to the Company and in compliance with Ind AS 109 "Financial Instruments".

## Note 30

### Employees Benefits Expense

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| Salaries, Wages and Bonus | 1,296 | 2,582 |
| Contribuition to Provident and other funds | 200 | 282 |
| Pension and Gratuity | 72 | 423 |
| Workmen and Staff welfare expenses | 408 | 722 |
| | **1,976** | **4,009** |

## Note 31

### Other Expence

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| Power and fuel | 223 | 1,939 |
| Rent | 14,499 | 8,690 |
| Repairs and Maintenace | 2,041 | 5,510 |
| Insurance | 454 | 684 |
| Rates and Taxes | 2,700 | 8,880 |
| Legal and Professional charges (Refer Note No. 45) | 6,367 | 5,220 |
| Establishment and General Expenses | 1,670 | 6,973 |
| Travelling and conveyance | 532 | 1,938 |
| Provision for Sub Standard Assets | 3,04,053 | 61,546 |
| Interest and Advances written off | 1,05,311 | 237 |
| Contingent Provision for Standard Assets | 5,138 | - |
| | **4,42,988** | **1,01,617** |

# Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 32**

**Contingent Liabilities and Commitments**

**A) Contingent Liabilities** **(₹ '000)**

| | Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| a) | Claims against the Company not acknowledged as debts: | | |
| | Excise matters under dispute ( Note i ) | 711 | 711 |
| | Service Tax Matters under dispute(Note ii) | 26,583 | 26,583 |
| | Others | 9,089 | 10,544 |
| b) | Guarantees given for loans granted to companies within the group | 3,16,350 | 3,16,350 |
| c) | Corporate Guarantees given, in respect of loans borrowed by others (Note iii) | | |
| | Guarantee Amount | 21,92,500 | 21,92,500 |
| | Balance outstanding | 21,92,500 | 21,92,500 |

The probable cash outflow in respect of the above is not determinable at this stage.

**Notes:**

i. Representing claim in respect of Interest on Excise Duty pending before the Hon'ble High Court at Chennai.

ii. Representing demand as per Order issued by the Commissioner of Service Tax, Kolkata in respect of various service tax matters. The above includes penalty and interest for delayed payment of the taxes which have not been quantified in the Order.

iii. The details of corporate guarantees are given below:

**(₹ '000)**

| Given on behalf of | Given to | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| 1. Woodside Parks Limited | RBL Bank | - | 11,50,000 |
| 2. Seajuli Developers & Finance Limited | IndusInd Bank | - | 2,98,090 |
| 3. Williamson Financial Services Limited | DMI Finance Private Limited | 20,925 | 20,925 |

**B) Other commitments**

The Company has given an undertaking to ICICI Bank Limited (the Bank) not to transfer, assign, dispose of, pledge, charge or create any lien or in any way dispose of the existing Equity Sharesto the extent of 13,04,748 shares(31st March, 2020: 13,04,748 shares) or future shareholdings in McNally Bharat Engineering Company Limited without prior approval of the bank.

# Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 33**

**Income Tax Disclosure**

The Major Components of Income Tax Expense for the year ended 31st March, 2021 and 31st March, 2020 are as follow:

**a) Income Tax Recognised in Profit or Loss** **(₹'000)**

| Particulars | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| **Current Income Tax** | - | - |
| Adjustment in respect of current income tax of previous year | - | - |
| Total Current Tax Expense | - | - |
| **Deferred Tax** | | |
| (Decrease)/Increase in Deferred Tax Assets | 67,075 | (2,21,918) |
| Decrease/(Increase) in Deferred Tax Liabilities | 189 | 3,641 |
| Deferred Tax | **67,264** | **(2,18,277)** |
| **Tax Expense** | **67,264** | **(2,18,277)** |

**b) Deferred Tax related to items recognized in OCI during the year** **(₹'000)**

| Particulars | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| Tax on Gain/(Loss) on FVTPL financial assets | - | 2,76,804 |
| **Income Tax charged to OCI** | - | **2,76,804** |

**c) Component of Deferred Tax** **(₹'000)**

| Particulars | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| Deferred Tax Liabilities | | |
| Depreciation | (613) | (856) |
| Deferred Tax Assets | | |
| Unabsorbed Business Loss & Other Provisions | 3,51,303 | 3,07,824 |
| Unabsorbed Depreciation | 973 | 816 |
| Unabsorbed Capital Losses | 1,38,841 | 27,382 |
| Provision for investment & doubtful advances | 5,06,266 | 5,94,340 |
| **Total Deferred Tax Assets** | **9,96,770** | **9,29,506** |

The management has considered recognition of deferred tax assets during the current and previous financial year based on virtual certainty supported by convincing evidence that sufficient future taxable income would be available against which such deferred tax assets can be realised.

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 33 Income Tax Disclosure** *(Contd.)*

**d) Reconciliation of Tax Expense** **(₹'000)**

| Particulars | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| Profit / (Loss) before Tax | 4,37,981 | (5,45,008) |
| Tax on accounting profit | 1,10,240 | (1,24,698) |
| Effect of income which is not taxable | (1,99,187) | (2,301) |
| Effect of expenses which are not deductible | 77,840 | 2,02,066 |
| Effect on recognition of previously unrecognised allowances/ disallowances | (2,11,257) | 1,34,704 |
| Difference in tax due to income chargeable at Special Rates | 6,31,226 | (17,780) |
| Effect of Rate change | (4,76,126) | (2,50,519) |
| **Tax expense recognised in profit or loss** | **(67,264)** | **(58,528)** |

**Note 34**

**Leases**

**As a Lessor**

The Company had given its premises on operating lease. However, such immovable property, being pledged as security against loan taken by the Company and its Group Company, has been sold during the year (Refer Note 51)and accordingly the lease agreements stand cancelled. Thus, the Company has recognised its lease rentals upto the date of disposal of the aforementioned premises which is reflected in the Standalone Statement of Profit and Loss as rental income under Note 25. Accordingly the lease liability and Right of Use asset presented in the Standalone Statement of Asset and Liabilities stand at Nil.

**(₹ '000)**

| | Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|---|
| A. | Lease rentals recognised as income during the year | 21,224 | 23,116 |
| B. | Value of assets given on lease included in tangible assets | | |
| | - Gross carrying amount | - | 2,449 |
| | - Depreciation for the year | - | 60 |
| | - Accumulated Depreciation | - | 148 |

**Note 35**

**Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006**

Based on the information received by the Company from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to any suppliers covered under this Act as at the Balance Sheet date and hence, disclosures relating to amounts unpaid as at the year-end together with interest paid / payable as required under the said Act have not been given. Auditors have relied on this.

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

### Note 36

**Balance Confirmation**

Outstanding balances of Trade Receivables, Trade Payables, Loans and Advances are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation, if any. Although the management is of the view that there will be no material discrepancies in this regard, with respect to certain balances, including non-reconciliation of balances with secured loan creditor and balance confirmation thereof,adjustments/impacts are currently not ascertainable and may affect the financial statements materially.

### Note 37

**EarningsPer Share (EPS)**

Net Profit for the year has been used as the numerator and numbers of shares have been used as denominator for calculating the basic and diluted earnings per share.

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **A. BASIC** | | |
| i) Number of Equity Shares at the beginning of the year | 1,09,56,360 | 1,09,56,360 |
| ii) Number of Equity Shares at the end of the year | 1,09,56,360 | 1,09,56,360 |
| iii) Weighted average number of Equity Shares outstanding during the year | 1,09,56,360 | 1,09,56,360 |
| iv) Face Value of each Equity Share (₹) | 10 | 10 |
| v) Profit / (Loss) after Tax for Equity Shareholders (₹ '000) | 5,05,245 | (7,63,285) |
| vi) Basic Earnings / (Loss) Per share ( v / iii ) (₹) | 46.11 | (69.67) |
| **B. DILUTED** | | |
| i) Number of Dilutive potential Equity Shares | - | - |
| ii) Diluted Earnings / (Loss) per Share [Same as A (vi) above] (₹) | 46.11 | (69.67) |

### Note 38

**Retirement Benefits**

Disclosure in respect of Employee Benefits pursuant to Ind AS -19

**Note 38 : Retirement Benefits** *(Continued)*

**A. Defined Benefit Plans:**

(₹'000)

| Particulars | Gratuity (unfunded) | | Medical Insurance (unfunded) | | Leave Encashment (unfunded) | | Pension (unfunded) | |
|---|---|---|---|---|---|---|---|---|
| | As at/year ended 31st March, 2021 | As at/year ended 31st March, 2020 | As at/year ended 31st March, 2021 | As at/year ended 31st March, 2020 | As at/year ended 31st March, 2021 | As at/year ended 31st March, 2020 | As at/year ended 31st March, 2021 | As at/year ended 31st March, 2020 |
| **i) Amounts recognised in the Balance Sheet** | | | | | | | | |
| Present Value of the unfunded Defined Benefit Obligations at the end of the year | 149 | 115 | - | - | - | - | 381 | 381 |
| Fair Value of Plan Assets | - | - | - | - | - | - | - | - |
| **Net (Asset)/Liability** | **149** | **115** | **-** | **-** | **-** | **-** | **381** | **381** |
| **Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss** | | | | | | | | |
| Current Service cost | 30 | 28 | - | - | - | - | 35 | - |
| Interest on Net Defined Benefit Liability/(Assets) | 7 | 35 | - | - | - | - | - | - |
| **Net Cost** | **37** | **63** | **-** | **-** | **-** | **-** | **35** | **-** |
| **Amount recognised in Other Comprehensive Income (OCI) for the year** | | | | | | | | |
| Actuarial Changes Arising from Changes in Financial Assumptions | 1 | 3 | - | - | - | - | - | - |
| Actuarial gain/loss on obligations due to Unexpected Experience | (5) | 13 | - | - | - | - | - | - |

**Note 38 : Retirement Benefits** *(Continued)*

| Particulars | Gratuity (unfunded) | | Medical Insurance (unfunded) | | Leave Encashment (unfunded) | | Pension (unfunded) | |
|---|---|---|---|---|---|---|---|---|
| | As at/year ended 31st March, 2021 | As at/year ended 31st March, 2020 | As at/year ended 31st March, 2021 | As at/year ended 31st March, 2020 | As at/year ended 31st March, 2021 | As at/year ended 31st March, 2020 | As at/year ended 31st March, 2021 | As at/year ended 31st March, 2020 |
| **Closing amount recognised in OCI outside Profit and Loss Account** | **(4)** | **16** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Change in Net Liabilities/(Assets)** | | | | | | | | |
| Opening Defined Benefit Obligations | 115 | 1,041 | - | 1,794 | - | 639 | 381 | 276 |
| Current Service Cost | 30 | 28 | - | - | - | - | 35 | 105 |
| Interest Cost | 7 | 35 | - | - | - | - | - | - |
| Actuarial Changes Arising from Changes in Financial Assumptions | 1 | 3 | - | - | - | - | - | - |
| Actuarial Changes Arising from Changes in Unexpected Experience | (4) | 13 | - | - | - | - | - | - |
| Benefits Paid | - | 1,005 | - | 1,794 | - | 639 | 35 | - |
| **Closing Defined Benefit Obligations** | **149** | **115** | **-** | **-** | **-** | **-** | **381** | **381** |

**Note:** For the year ended 31st March, 2021, no actuarial valuation has been conducted in respect of Medical Insurance, Leave Encashment and Pension. As per the management, leaves for the FY 2020-21 lapses and the yearly post-retirement medical amount are insignificant. As for pension no new employees are provided for such benefits and the accrual leave liability (including foreign pension) is insignificant, hence, the Company has not conducted Actuarial Valuation.

# Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 38 Retirement Benefits** *(Continued)*

### iii. Quantitative Sensitivity Analysis for Significant Assumption is as below:

**Increase / Decrease in Present Value of Defined Benefits Obligation at the end of the year** (₹'000)

| Particulars | 31st March, 2021 | | 31st March, 2020 | |
|---|---|---|---|---|
| | Amount | (%) | Amount | (%) |
| 50 Bps Increase in Discount Rate | 145440 | -2.121% | 1,13,600 | -1.516% |
| 50 Bps Decrease in Discount Rate | 152172 | 2.409% | 1,17,343 | 1.729% |
| 50 Bps Increase in Rate Of Salary Increase | 152186 | 2.419% | 1,17,355 | 1.739% |
| 50 Bps Decrease in Rate Of Salary Increase | 145402 | -2.147% | 1,13,576 | -1.537% |
| 50 % Increase in Employee Turnover Rate | 148472 | -0.081% | 1,15,282 | -0.058% |
| 50 % Decrease in Employee Turnover Rate | 148712 | 0.081% | 1,15,416 | 0.058% |
| 50 % Increase in Employee Mortality Rate | 148617 | 0.017% | 1,15,365 | 0.014% |
| 50 % Decrease in Employee Mortality Rate | 148567 | -0.017% | 1,15,333 | -0.014% |

### iv. Sensitivity Analysis Method

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **Principal Actuarial Assumptions atthe Balance Sheet Date** | | |
| **Discount Rate** | 6.29% | 6.44% |
| **Salary Escalation – Staff** | 5.00% | 5.00% |
| **Annual Expected Future Service** | 1.00% | 1.00% |
| **Mortality Rate during Employment** | IALM 2006-2008 Ultimate | IALM 2006-2008 Ultimate |
| **Early Retirement& Disablement (All causes combined)** | 1.00% | 1.00% |
| **Rate of Employee Turnover** | | |
| Age - Up to 28 Years | 0.01% | 0.01% |
| Age - 29 to 45 Years | 0.03% | 0.03% |
| Age - 46 and above | 0.06% | 0.06% |

Disability: Voluntary Retirement has been ignored.

# Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 38 Retirement Benefits** *(Continued)*

**B. Defined Contribution Plans** (₹' 000)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Contribution to Employee's Provident Fund | 65 | 99 |
| Contribution to Employee's Family Pension Fund | 24 | 27 |
| Contribution to Superannuation Fund | 111 | 156 |
| **Total** | **200** | **282** |

**Note 39**

**Related Party Disclosures**

**A. Names of related parties where control exists:**

**Associate Companies:**

a) Majerhat Estates & Developers Limited (MEDL)

b) Kilburn Engineering Limited (KEL) (ceased to be an Associate during the year ended 31st March, 2021)

c) Williamson Financial Services Limited (WFSL)

**Joint Venture Company**

D1 Williamson Magor Bio Fuel Limited (D1WM)

**Key Managerial Personnel**

a) Mrs.Aditi Daga (Company Secretary)

b) Mr. Madanlal Agarwal (Chief Financial Officer)

**B. Statement of Related Party Transaction and Balances**

**Inter- Corporate Transactions** **(₹' 000)**

| Particulars | 2020-21 | 2019-20 |
|---|---|---|
| **WFSL** | | |
| Sale of Security of Assets | 31,059 | - |
| Interest Income | - | 60,443 |
| Trade Receivables received | - | 29 |
| Inter- Corporate Loan Given | 4,23,817 | 6,93,045 |
| Inter- Corporate Loan Refunded | 6,07,862 | 11,27,100 |
| **MEDL** | | |
| Advances Given | - | 50 |

# Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 39 Related Party Disclosures** *(Continued)*

**Transaction with Key Managerial Personnel** (₹' 000)

| **Particulars** | **2020-21** | **2019-20** |
|---|---|---|
| Remuneration | | |
| Mrs.AditiDaga | 873 | 944 |
| Mr.Madanlal Agarwal | 619 | - |

**Balances as at year end** (₹' 000)

| Particulars | 2020-21 | 2019-20 |
|---|---|---|
| WFSL | | |
| Investments | 53,930 | 53,930 |
| Inter- Corporate Loan Given | - | 1,84,045 |
| Interest on Inter- Corporate Loan Given | - | 1,05,311 |
| Trade Receivables | 31,059 | - |
| MEDL | | |
| Investments | 9,962 | 9,962 |
| Inter- Corporate Loan Given | 57,415 | 57,365 |
| Interest on Inter- Corporate Loan Given | 32,927 | 32,927 |
| Advances | 135 | 135 |
| Provision for Doubtful Advances | 57,540 | 57,540 |
| Provision for Other Financial Assets | 32,927 | 32,927 |

**Note 40**

**Capital Management**

The primary objective of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder's value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and requirements of the financial covenants. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives,policies and processes from the previous years. However, they are under constant review by the Board.

(₹' 000)

| **Regulatory capital** | **31st March, 2021** | **31st March, 2020** |
|---|---|---|
| Common Equity Tier1 capital (CET1) | (24,76,736) | (39,65,800) |
| Other Tier 2 capital instruments (CET2) | - | - |
| **Total capital** | **(24,76,736)** | **(39,65,800)** |
| **Risk weighted assets** | **52,42,059** | **5,16,19,426** |
| CET1 capital ratio | (47.25) | (0.77) |
| CET2 capital ratio | - | - |
| **Total capital ratio** | **(47.25)** | **(0.77)** |

Regulatory capital consists of CET1 capital, which comprises share capital, share premium, retained earnings including current year losses. Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments.

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 41**

**Financial Instruments- Fair Value Measurement**

**A. Accounting classification for Fair Values**

**(i) Following table shows carrying amount and Fair Values of Financial Assets:** (₹' 000)

| Financial Assets | As at 31st March, 2021 | | | As at 31st March, 2020 | | |
|---|---|---|---|---|---|---|
| | Carrying Value | FVTOCI | FVTPL | Carrying Value | FVTOCI | FVTPL |
| **Investments in Associates** | | | | | | |
| Quoted Instruments | 53,930 | - | - | 1,60,886 | - | - |
| Unquoted Instruments | 9,962 | - | - | 9,962 | - | - |
| **Investments in Equity Instruments** | | | | | | |
| Quoted Equity Instruments | 1,06,956 | 2,23,399 | - | - | 6,49,151 | - |
| Unquoted Equity Instruments | - | - | 4 | - | 34,091 | - |
| **Trade Receivables** | 9,938 | - | - | 11,263 | - | - |
| **Other Receivables** | 26,79,720 | - | - | 12,38,857 | - | - |
| **Cash on Hand** | 375 | - | - | 434 | - | - |
| **Balances with Bank** | 17,455 | - | - | 5,581 | - | - |
| **Balances with Bank other than Cash & cash Equivalents** | 7,225 | - | - | 6,864 | - | - |
| **Loans** | 14,91,757 | - | - | 17,95,410 | - | - |
| **Other Financial Assets** | 6,58,282 | - | - | 12,42,768 | - | - |

**Note 41- Financial Instruments- Fair Value Measurement**

**(ii) Following table shows carrying amount and Fair Values of Financial Liabilities:** (₹' 000)

| Financial Liabilities | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | Carrying Value | Amortized Cost | Carrying Value | Amortized Cost |
| **Borrowings** | | | | |
| Long Term Borrowings | - | 16,49,037 | - | 28,96,169 |
| Debentures | - | 7,74,192 | - | 9,93,666 |
| Inter Corporate Deposits | 36,20,385 | - | 36,66,580 | - |
| **Trade Payables*** | 8,727 | - | 3,691 | - |
| **Other payables*** | 2,421 | - | 4 226 | - |
| **Other Financial Liabilities*** | 5,11,561 | - | 36,74,497 | - |

*Fair Values for these Financial Instruments have not been disclosed because their carrying amounts are reasonable approximation of their fair values.

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 41 Financial Instruments- Fair Value Measurement** *(Continued)*

**(iii) Finance Income and Finance Cost instrument category wise classification** (₹' 000)

| Financial Income and Financial Cost | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | Carrying Value | Amortized Cost | Carrying Value | Amortized Cost |
| **Income** | | | | |
| Interest income | 1,44,757 | - | 2,46,344 | - |
| Dividend Income | - | - | 4,319 | - |
| **Expenses** | | | | |
| Interest Expense | 8,519 | 96,233 | 2,29,136 | 3,23,243 |

**B. Fair Value Hierarchy**

The following table shows the details of financial assets and financial liabilities including their levels in the fair value hierarchy

**i. Financial assets and financial liabilities measured at fair value – recurring fair value measurements** (₹' 000)

| Financial Assets | As at 31st March, 2021 | | | As at 31st March, 2020 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Investments in Associates** | | | | | | |
| Quoted Instruments | 53,930 | - | - | - | 1,60,886 | - |
| Unquoted Instruments | - | 9,962 | - | - | 9,962 | - |
| **Investments in Equity Instruments** | | | | | | |
| Quoted Equity Instruments | 3,30,355 | - | - | 6,49,151 | - | - |
| Unquoted Equity Instruments | - | 4 | - | 34,091 | - | - |

**ii. Fair value disclosure of financial assets and financial liabilities measured at carrying value** (₹' 000)

| Financial Liabilities | As at 31st March, 2021 | | | As at 31st March, 2020 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Borrowings** | | | | | | |
| - Long Term Borrowings | - | 16,49,037 | - | - | 28,96,169 | - |
| - Debentures | - | 7,74,192 | - | - | 9,93,666 | - |
| - Inter Corporate Deposits | - | 36,20,385 | - | - | 36,66,580 | - |

**Level 1** hierarchy includes financial instruments valued using quoted market prices. Listed equity instruments and traded debt instruments which are traded in the stock exchanges are valued using the closing price at the reporting date.

**Level 2** hierarchy includes financial instruments that are not traded in active market. This includes OTC derivatives and debt instruments valued using observable market data such as yield etc. of similar instruments traded in active market. All derivatives are reported at discounted values hence are included in level 2. Borrowings have been fair valued using market rate prevailing as on the reporting date.

**Level 3** if one or more significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments and certain debt instruments which are valued using assumptions from market participants.

# Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 41 Financial Instruments- Fair Value Measurement** *(Continued)*

**iii. Valuation techniques used for valuation of instruments categorised as level 3.**

For valuation of investments in equity shares and associates which are unquoted, peer comparison has been performed wherever available. Valuation has been primarily done based on the cost approach where in the net worth of the Company is considered and price to book multiple is used to arrive at the fair value. In cases where income approach was feasible valuation has been arrived using the earnings capitalisation method. For inputs that are not observable for these instruments, certain assumptions are made based on available information. The most significant of these assumptions are the discount rate and credit spreads used in the valuation process. For valuation of investments in debt securities categorised as level 3, market polls which represent indicative yields are used as assumptions by market participants when pricing the asset.

**Note 42**

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses need to be provided as required under any law / Indian Accounting Standards.

**Note 43**

**Financial Risk Management**

The Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through a risk management framework, including on-going identification, measurement and monitoring subject to risk limits and other controls. The Company's activities expose it to credit risk, liquidity risk and market risk.

This note explains the sources of risk which the Company is exposed to and how the entity manages the risk

| Risk | Arising from | Executive governance structure | Management |
|---|---|---|---|
| Credit Risk | Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations | Board appointed Risk Management Committee | Credit risk is<br>• measured as the amount at risk due to repayment default of a customer or counterparty to the Company. Various matrics such as installment default rate, overdue position, collection efficiency, customersnon performing loans etc. are used as leading indicators to assess credit risk.<br>• monitored by Risk Management Committee using level of credit exposures, portfolio monitoring, repurchase rate, bureau data of portfolio performance and industry, geographic, customer, portfolio concentration risks; and assessment of any major change in the business environment including economic, political as well as natural calamity/ pandemic. |

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

### Note 43 Financial Risk Management *(Continued)*

| Risk | Arising from | Executive governance structure | Management |
|---|---|---|---|
| | | | • managed by a robust control framework by the risk and collection department which continuously align credit and collection policies and resourcing, obtaining external data from credit bureaus and reviews of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, collection and fraud containment along with business. The same is periodically reviewed by the Board appointed Risk Management Committee. |
| Liquidity and funding risk | Liquidity risk arises from mismatches in the timing of cash flows.<br>Funding risk arises from<br>• inability to raise incremental borrowings and deposits to fund business requirement or repayment obligations<br>• when long term assets cannot be funded at the expected term resulting in cashflow mismatches<br>• Amidst volatile market conditions impacting sourcing of funds from banks | Board appointed Asset Liability Committee (ALCO) | Liquidity and funding risk is<br>• measured by<br>– identification of gaps in the structural and dynamic liquidity statements.<br>– assessment of incremental borrowings required for meeting the repayment obligation as well as Company's business plan in line with prevailing market conditions.<br>monitored by<br>– assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory directions for NBFCs.<br>– a constant calibration of sources of funds in line with emerging market conditions in banking<br>– periodic reviews by ALCO relating to the liquidity position and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company.<br>• managed by Company's treasury team under the guidance of ALCO through various means like liquidity buffers, sourcing of long-term funds, positive asset liability mismatch, keeping strong pipeline of sanctions and approvals from banks and assignment of loans |

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 43 Financial Risk Management** *(Continued)*

| Risk | Arising from | Executive governance structure | Management |
|---|---|---|---|
| Market Risk | Market risk arises from fluctuation in the fair value of future cash flow of financial instruments due to changes in the market variables such as interest rates and equity prices. | Board appointed Asset Liability Committee/ Senior Management | Market risk is<br>• measurement of market risks encompasses exposure to equity investments, foreign exchange rates which would impact our external commercial borrowings and interest rate risks on investment portfolios as well as the floating rate assets and liabilities with differing maturities is measured using changes in equity prices, and sensitivities movements;<br>• monitored by assessments of fluctuation in the equity price, movements of interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movements on both fixed and floating assets and liabilities; and<br>• managed by Company's treasury team under the guidance of ALCO and Investment Committee. |

The Board of Directors provide guiding principles for overall risk management, as well as policies covering specific areas, such as, credit risk, liquidity risk, and investment of available funds. The Company's risk management is carried out by its Risk Management Committee as per such policies approved by the Board of Directors. Accordingly, Company's Risk Management Committee identifies, evaluates and manages financial risks.

### a) Liquidity and funding risk

ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the balance sheet.

The table below summarises the maturity profile of the undiscounted contractual cashflow of financial liabilities

| Particulars | 31st March, 2021 | | | 31st March, 2020 | | |
|---|---|---|---|---|---|---|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| Trade Payables | 8,727 | - | 8,727 | 3,691 | - | 3,691 |
| Other Payables | 2,421 | - | 2,421 | 10,04,222 | - | 10,04,222 |
| Debt Securities | 7,74,192 | | 7,74,192 | 9,93,666 | - | 9,93,666 |
| Borrowings (Other than Debt Securities) | 52,69,422 | - | 52,69,422 | 57,64,392 | 7,98,357 | 65,62,749 |
| Other Financial Liabilities | 5,11,561 | - | 5,11,561 | 5,93,269 | - | 5,93,269 |
| **Total** | **65,66,323** | **-** | **65,66,323** | **83,59,240** | **7,98,357** | **91,57,597** |

Disputed and defaulted liability have been considered as due within 12 months in compliance with Ind AS 1: Presentation of Financial Statements

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

### Note 43 Financial Risk Management *(Continued)*

**b) Interest rate risk**

The Company holds shorter duration investment portfolio and thus it has a minimum fair value change impact on its investment portfolio. The interest rate risk on the investment portfolio and corresponding fair value change impact is monitored.

**On assets and liabilities**

Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis. The same is computed monthly and sensitivity of the market value of equity assuming varied changes in interest rates are presented and monitored by ALCO.

**c) Price risk**

Company's equity investments carry a risk of change in prices. To manage its price risk arising from investments in equity securities, Company periodically monitors the sectors it has invested in, performance of the investee companies, measures mark-to-market gains/losses and reviews the same.

**d) Credit Risk**

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company. It has a diversified lending model and focuses on commercial lending.

Classification of financial assets under various stages

The Company classifies its financial assets in three stages having the following characteristics

Stage 1: unimpaired and without significant increase in credit risk since initial recognition on which a 12-months allowance for ECL is recognised;

Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised; and

Stage 3: objective evidence of impairment and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due (DPD) or one installment overdue on the reporting date and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12-months Point in Time (PIT) probability weighted probability of default (PD). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime PD.

The Company has calculated ECL using three main components: PD, LGD (loss given default) and EAD (exposure at default) along with an adjustment considering forward macro-economic conditions.

| Particulars | Nature of businesses | PD | | | EAD | LGD |
|---|---|---|---|---|---|---|
| | | Stage 1 | Stage 2 | Stage 3 | | |
| Loans | Working capital and term loans to small and mid-sized corporates | External ratings or internal evaluation with a management overlay for each customer or customer industry segment. | 100% | EAD is computed taking into consideration the time to default based on historic trends across rating profile | Based on estimates of cash flows | |

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

### Note 43 Financial Risk Management *(Continued)*

Financial instruments other than Loans were subjected to simplified ECL approach under Ind AS 109 - 'Financial Instruments'.

(₹' 000)

| AssetClassificationas per RBI Norms | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS109 provisions and IRACP norms |
|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5)=(3)-(4) | (6) | (7) = (4)-(6) |
| **Performing Assets** | | | | | | |
| Standard | Stage 1 | 48,39,697 | 19,335 | 48,20,362 | 19,385 | (23) |
| Subtotal for Performing Assets | | 48,39,697 | 19,335 | 48,20,362 | 19,385 | (23) |
| Non-Performing Assets (NPA) | | | | | | |
| Substandard | Stage 3 | 3,66,329 | 3,66,329 | - | 91,582 | 2,74,747 |
| Doubtful - up to 1 year | Stage 3 | - | - | - | - | - |
| 1 to 3 years | Stage 3 | - | - | - | - | - |
| More than 3 years | Stage 3 | 10,13,290 | 10,13,290 | - | 10,13,290 | - |
| Subtotal for doubtful | | 10,13,290 | 10,13,290 | - | 10,13,290 | - |
| Loss | Stage 3 | - | - | - | - | - |
| Subtotal for NPA | | 13,79,619 | 13,79,619 | - | 11,04,872 | 2,74,747 |
| Other items such as guarantees, loancommitments,etc. | Stage 1 | 21,92,500 | - | 21,92,500 | - | - |
| **Total** | **Stage 1** | **70,32,197** | **(19,335)** | **70,12,862** | **(19,385)** | **(23)** |
| | **Stage 2** | **-** | **-** | **-** | **-** | **-** |
| | **Stage 3** | **13,79,619** | **(13,79,619)** | **-** | **(11,04,872)** | **2,74,747** |
| | **Total** | **84,11,816** | **(13,98,954)** | **70,12,862** | **(11,24,257)** | **2,74,724** |

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 44**

**Maturity analysis of assets and liabilities** (₹' 000)

| Particulars | 31st March, 2021 | | | 31st March, 2020 | | |
|---|---|---|---|---|---|---|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| **Financial Assets** | | | | | | |
| Cash and Cash Equivalents | 17,830 | - | 17,830 | 6,015 | - | 6,015 |
| Bank Balance other than above | - | 7,225 | 7,225 | - | 6,864 | 6,864 |
| Trade Receivables | 9,938 | - | 9,938 | 11,263 | - | 11,263 |
| Other Receivables | 26,79,720 | - | 26,79,720 | 12,38,857 | - | 12,38,857 |
| Loans | 14,91,757 | - | 14,91,757 | 17,95,410 | - | 17,95,410 |
| Investments | - | 3,94,251 | 3,94,251 | - | 8,54,091 | 8,54,091 |
| Other Financial Assets | 6,52,366 | 5,916 | 6,58,282 | 10,49,665 | 1,93,103 | 12,42,768 |
| **Non-Financial Assets** | | | | | | |
| Current Tax Assets (Net) | 58,697 | - | 58,697 | 1,39,807 | - | 1,39,807 |
| Deferred Tax Assets (Net) | 9,96,770 | - | 9,96,770 | 9,29,506 | - | 9,29,506 |
| Property, Plant and Equipment | - | 4,283 | 4,283 | - | 10,681 | 10,681 |
| Other Non- Financial Assets | 24 | 4,481 | 4,505 | 581 | 8,548 | 9,129 |
| **Total** | **59,07,102** | **4,16,156** | **63,23,258** | **51,71,104** | **10,73,287** | **62,44,391** |
| | | | | | | |
| **Financial Liabilities** | | | | | | |
| Trade Payables | 8,727 | - | 8,727 | 3,691 | - | 3,691 |
| Other Payables | 2,421 | - | 2,421 | 4,266 | - | 10,04,222 |
| Debt Securities | 7,74,192 | - | 7,74,192 | 9,93,666 | - | 9,93,666 |
| Borrowings (Other than Debt Securities) | 52,69,422 | - | 52,69,422 | 57,64,392 | 7,98,357 | 65,62,749 |
| Other Financial Liabilities | 5,11,561 | - | 5,11,561 | 5,93,269 | - | 5,93,269 |
| **Non-Financial Liabilities** | | | | | | |
| Provisions | 11,64,663 | - | 19,865 | 10,14,691 | - | 14,693 |
| Other Non-Financial Liabilities | 18,187 | 150 | 18,337 | 54,351 | 150 | 54,501 |
| **Total** | **77,49,173** | **150** | **66,04,525** | **84,28,326** | **7,98,507** | **92,26,791** |
| **Net** | **(18,42,071)** | **4,16,006** | **(2,81,267)** | **(32,57,222)** | **2,74,780** | **(29,82,400)** |

**Note 45**

**Payment to Statutory Auditors**

During the year, the Company made following payments to Statutory Auditors: (₹' 000)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| As Auditors | | |
| Audit Fees | 800 | 800 |
| For Other Services | | |
| Tax Audit Fees | 200 | 200 |
| Certifications | 1,656 | 67 |
| Other Professional Charges | - | 630 |
| **Total** | **2,656** | **1,697** |

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**Note 46**

Segment Reporting

The main business of the Company is Investment activity; hence, there are no separate reportable segments as per Ind AS 108 on 'Operating Segment'.

**Note 47**

Based on Notification no. DNBR.009/CGM(CDS)-2015 dated 27th March, 2015, provision has been made for standard assets at 0.40 percent of the balance of such assets as at 31st March, 2021 which has been disclosed separately as Provision for Standard Assets' in Note 18.

**Note 48**

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Consequent to the declaration of COVID-19 as a global pandemic, the Government of India had declared a nationwide lockdown on 24th March, 2020 which got extended from time to time in order to prevent community spread of the virus resulting in significant reduction in economic activities. Consequently, the Company was forced to restrict or close the operations in the short term. The Company is closely monitoring the situation and the operations are being resumed in a phased manner after considering the directives as issued by the Government of India. The Company has evaluated its liquidity position, recoverability and carrying value of its assets and has concluded that no material adjustments are required at this stage.

**Note 49**

During the year, the Company's financial performance has been adversely affected due to external factors beyond the control of the Company and negative net worth due to the classification of loans and advances as Non-Performing Assets and diminution in the value of Investments. The Company has defaulted in repayment to the lenders and others and the liquidity issues faced by the Company are being discussed with them. The Management is confident that with the Lender's support and various other measures taken by it, the Company will be able to generate sufficient cash inflows through profitable operations improving its net working capital position to discharge its current and non-current financial obligations. Accordingly, the Board of Directors have decided to prepare the Standalone Financial Statements on a going concern basis.

The Company has requested the financial institutions and other lenders to reconsider the rate of interest charged and decided not to recognise interest expense on their term loans, debts securities and inter corporate depositsfrom 1st August, 2019.

Accordingly, interest of ₹ 4,50,431 Thousands on intercorporate borrowings for the year ended 31st March, 2021 (₹ 3,97,050 Thousand for the quarter ended 31st March, 2021) has not been recognised and Interest of ₹ 2,95,000 Thousands on borrowings from financial institution for the year ended 31st March, 2021 (₹ 73,750 Thousand for the quarter ended 31st March, 2021 and ₹ 1,96,986 Thousands for the year ended 31st March, 2020), is not recognised in this Standalone Financial Statements.

**Note 50**

a) In respect of the debentures issued to IL&FS in earlier year, the first instalment of redemption thereof of ₹ 15,625 thousands was due on 31st December, 2020 and the second instalment of ₹ 1,09,375 thousands on 31st March, 2021. However, IL&FS had unilaterally called for premature redemption on 10th June, 2019. Aggrieved by this the Company has stopped recognising the interest expense from August 2019 onwards. The Company has also disputed their arbitrary action and is negotiating with them for proper resolution. In the meantime the shares, fixed deposits and immovable property pledged/ mortgaged by the Company including that of its group companies were invoked by IL&FS from time to time, details whereof are as under:-

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

**A ) Securities invoked**

| Shares Held by | Scrip name | Invoked by | Date of Invocation | Amount Repaid (₹' 000) |
|---|---|---|---|---|
| Babcock Borsig Limited | Eveready Industries India Limited | IL & FS Financial Services Limited | 07-10-2020 | 1,41,120 |
| Williamson Financial Services Limited | Eveready Industries India Limited | IL & FS Financial Services Limited | 07-10-2020 | 1,03,680 |
| Bishnauth Investments Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 10-06-2019 | 47,345 |
| Bishnauth Investments Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 10-06-2019 | 5,570 |
| Williamson Magor& Co. Ltd. | Eveready Industries India Limited | Vistra ITCL (India) Ltd | 11-06-2019 | 1,26,000 |
| Babcock Borsig Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 11-06-2019 | 13,200 |
| Bishnauth Investments Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 11-06-2019 | 34,489 |
| Williamson Magor& Co. Ltd. | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 21-06-2019 | 13,775 |
| Babcock Borsig Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 21-06-2019 | 6,397 |
| Williamson Financial Services Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 21-06-2019 | 4,622 |
| Williamson Financial Services Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 21-06-2019 | 7,695 |
| Williamson Financial Services Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 27-06-2019 | 30,020 |
| Williamson Magor& Co. Ltd. | Eveready Industries India Limited | Vistra ITCL (India) Ltd | 08-07-2019 | 55,320 |
| Williamson Financial Services Limited | Eveready Industries India Limited | Vistra ITCL (India) Ltd | 08-07-2019 | 34,575 |
| Williamson Financial Services Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 08-07-2019 | 25,762 |
| Bishnauth Investments Limited | Eveready Industries India Limited | IL & FS Financial Services Limited | 14-07-2020 | 71,120 |
| Williamson Financial Services Limited | Eveready Industries India Limited | Vistra ITCL (India) Ltd | 14-07-2020 | 56,680 |
| Williamson Magor& Co. Ltd. | Eveready Industries India Limited | IL&FS Infra Asset Management Ltd | 14-07-2020 | 16,716 |

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

| Shares Held by | Scrip name | Invoked by | Date of Invocation | Amount Repaid (₹' 000) |
|---|---|---|---|---|
| Bishnauth Investments Limited | McLeod Russel India Limited | IL & FS Financial Services Limited | 21-12-2020 | 4,542 |
| Williamson Magor& Co. Ltd. | McLeod Russel India Limited | IL & FS Financial Services Limited | 21-12-2020 | 10,945 |
| Williamson Magor& Co. Ltd. | Eveready Industries India Limited | IL & FS Financial Services Limited | 22-03-2021 | 30,033 |
| Williamson Magor& Co. Ltd. | McLeod Russel India Limited | IL & FS Financial Services Limited | 28-05-2021 | 14,603 |
| Bishnauth Investments Limited | McLeod Russel India Limited | IL & FS Financial Services Limited | 26-05-2021 | 2,830 |
| Bishnauth Investments Limited | McLeod Russel India Limited | IL & FS Financial Services Limited | 27-05-2021 | 2,900 |
| Williamson Magor& Co. Ltd. | Eveready Industries India Limited | IL&FS Infra Asset Management Ltd | 11-03-2019 | 36,612 |
| Williamson Magor& Co. Ltd. | Eveready Industries India Limited | IL&FS Infra Asset Management Ltd | 14-07-2020 | 1,07,651 |
| Bishnauth Investments Limited | Eveready Industries India Limited | Vistra ITCL (India) Ltd | 30-10-2019 | 1,48,900 |
| **Total** | | | | **11,53,102** |

**B) Fixed Deposit**

| Fixed Deposit held by | Invoked By | Date of adjustments | Amount Repaid/ adjusted (₹' 000) |
|---|---|---|---|
| Williamson Magor& Co. Ltd | IL & FS Financial Services Limited | Not – Known | 1,90,488 (including interest thereon upto June, 19 ) |

**C) Real Estate Property**

| Property held by | Description of the Property | Invoked By | Date of Invocation | Amount Repaid (₹' 000) |
|---|---|---|---|---|
| Williamson Financials Services Ltd | Flat of 5 Rowland Road Kolkata | IL & FS Financial Services Limited | 27-09-2019 | 54,017 |

b) In earlier year IL&FS Financial Services Limited ("the Investor") had invested in one of the promoter Group Company namely McNally Bharat Engineering Company Limited by subscribing to 1,61,29,000 Compulsorily Convertible Preference Shares (CCPSs) @ ₹ 62/- per share aggregating to ₹ 9,99,998 thousands. The said Investor had exercised put option to sell the said CCPSs to the Company. Without prejudice to Company's right to oppose the investor's action the Company as a prudential measure had recognised the said sum as Contingencies for Probable Obligations and a corresponding Financial Asset recognised in the Standalone Financial Statements.

The shares pledged belonged to the Company and its Group Companies against the borrowings of the Company and other Group Companies and no confirmations/intimation have been received from IL&FS Financial Services Limited as to how the adjustments have been made by them against the Company's and the Group Companies' borrowings with the sale proceeds of the shares and property pledged with them in a common pool.

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

In the absence of segregation of the invoked securities held by Vistra ITCL (India) Ltd and IL&FS Financial Services Limited it is not clear as to how much value is ascribed to the Non-Convertible Debentures issued by the Company to ILFS-IDF. On the basis of pro-rata loan principal outstanding as on date, the value of invoked common securities is more than that of repayment obligation of 31st December 2020 and 31st March 2021. The Company has obtained legal opinion in this matter and accordingly the management is of the opinion that there has been no default on the company's part as to its redemption obligation of the Non-Convertible Debentures. Hence, none of the Directors are disqualified under Section 164(2) of the Act.

### Note 51

During the year HDFC Ltd. the lender of the Company sold the pledged security of immovable property (building) for a consideration of Rs. 6,80,000 thousands and adjusted the same against the outstanding dues of the Company and a Group Company. Accordingly, Profit on sale of such assets amounting to ₹ 6,66,609 thousands has been recognised and credited to Statement of Profit and Loss for the year ended 31st March, 2021.

### Note 52

During the year the Lender Company SREI Equipment Finance Limited (Formerly known as SREI Infrastructure Finance Ltd) has invoked the Letter of Comfort given by Eveready Industries India Limited for the settlement of total outstanding amount of ₹ 6,00,000 thousands. As per Memorandum of Understanding (MOU) entered between the Borrower, Lender and Guarantors on 28th September, 2020, the Loan amount was settled at ₹ 4,79,108.81 thousands against the said Letter of Comfort given by Eveready Industries India Limited. Accordingly, the Company has squared off the amount due to SREI Equipment Finance Limited and recognized the liability to Eveready Industries India Limited of ₹ 4,79,108.81 thousands and the loan settlement income of ₹ 1,20,562 thousands shown as other income in the Standalone Statement of Profit and Loss.

### Note 53

In earlier year loan of ₹ 10,00,000/- thousands due to KKR Financial Services Limited (KKR) could not be repaid by the company. The matter has been referred to arbitration and the parties are in the process of appointing their arbitrator(s).

### Note 54

In earlier year the Company had entered into a Put Option Agreement with Kotak Mahindra Bank ("the Investor") and the Investor had invested in one of the promoter group entity company namely McNally Bharat Engineering Company Limited in the form of 24,00,000 Compulsorily Convertible Preference Shares (CCPSs) @ ₹ 62/- per share aggregating to ₹ 1,48,800 thousands. As per the terms of agreement the said Investor exercised put option to sell the said shares to the Company. On failure to recover the amount, the investor filed an application under section 9 of Arbitration & Conciliation Act before the Bombay High Court. An order of injunction was passed upon the Company restraining it from transferring, disposing of or alienating its assets and an undertaking was taken from the company that ₹ 5000 thousands would be paid by it upfront. Accordingly, the Company has paid ₹ 5,000 thousand to the investor. Consequently, the Company has recognised the said sum of ₹ 1,48,800 thousands as Contingencies for Probable Obligations and ₹ 5,000 thousand has been recognised as advance in the Standalone Financial Statements.

### Note 55

In earlier year pursuant to an agreement entered into by the Company with Aditya Birla Finance Limited ("the Investor") the Investor had invested in one of the promoter group company namely McNally Bharat Engineering Company Limited by subscribing to 1,12,90,000 Compulsorily Convertible Preference Shares (CCPSs) @ ₹ 62/- per share aggregating to ₹ 6,99,980 thousands. On the Investor's failure to realize the amount on invocation of the above CCPs, it initiated arbitration proceedings and the Arbitral Tribunal passed an interim award upon the group companies and the Company declaring it to

## Notes Forming Part of the Standalone Financial Statements for the year ended 31st March, 2021

be jointly and severally liable to pay a sum of ₹ 8,10,000 thousands. The Company has filed an application challenging the award and is pending for adjudication.

**Note 56**

Securities given on behalf of group companies by the Company to HDFC Limited by way of pledge of 32,00,000 Equity Shares of Eveready Industries India Limited (EIIL) have been invoked in earlier years. Out of these pledged shares, sale proceeds of 9,55,337 Equity Shares were adjusted against the dues owed by the Company and other group companiesin earlier years. For the remaining 22,44,663 Equity Shares the sale proceeds have been adjusted against the dues owed by the Company and other Group Companies during the year.

**Note 57**

During the current financial year, the Company has opted for settlement of eligible Income Tax disputes for the Assessment Years 2014-15 to 2017-18 through Vivad se Vishwas Scheme introduced by the Government of India vide The Direct Tax Vivad Se Vishwas Act, 2020.

**Note 58**

The Company had reversed the TDS liability on interest provided in earlier years as the company is in negotiation with the lenders in respect of interest payment. Further, the management of the company is of the view that as the relevant interest has been disallowed in the income tax due to non-payment of TDS, hence TDS if payable on such interest will arise/be paid on payment of interest.

**Note 59**

The previous year's figures have been regrouped and reclassified wherever necessary.

Signature to Note 1 to 59.

As per our report of even date.

**For V. SINGHI & ASSOCIATES**

Chartered Accountants

Firm Registration No.: 311017E

**(V.K.SINGHI)**

Partner

Membership No. 050051

Place : Kolkata

Date: 30th June, 2021

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

Aditya Khaitan
(Chairman)
DIN :00023788

Arundhati Dhar
(Director)
DIN :03197285

Aditi Daga
(Company Secretary)

Madan Lal Agarwal
(Manager & CFO)

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Standalone Financial Results**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021**

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

| I. | Sl. No. | Particulars | Audited Figures (as reported before adjusting for qualifications) (₹ in thousand) | Adjusted Figures (audited figures after adjusting for qualifications) (₹ in thousand) |
|---|---|---|---|---|
| | 1 | Turnover / Total income | 9,89,164 | 9,89,164 |
| | 2 | Total Expenditure | 4,83,919 | 22,26,120 |
| | 3 | Net Profit/(Loss) | 5,05,245 | (12,36,956) |
| | 4 | Earnings Per Share | 46.11 | (112.89) |
| | 5 | Total Assets | 63,23,258 | 53,26,488 |
| | 6 | Total Liabilities | 77,49,322 | 84,94,753 |
| | 7 | Net Worth | (14,26,064) | (31,68,265) |
| | 8 | Any other financial item(s) | NIL | NIL |

| II. | Audit Qualification (each audit qualification separately): | |
|---|---|---|
| | a. Details of Audit Qualification: | (1) Going Concern Assumption in preparation of the Statement<br><br>The Company has defaulted in repayment of borrowings to its financial institutions lenders and others. In view of the Management, the Company would be able to improve its net working capital position to discharge its current and non-current financial obligations as described in Note 4(a) to the Statement. However, in view of the uncertainties involved, these events and conditions indicate a material uncertainty which may cast a significant doubt on the Company's ability to continue as a going concern. Accordingly, the use of going concern assumption of accounting in preparation of this Statement is not adequately and appropriately supported as per the requirements of Indian Accounting Standard 1 "Presentation of Financial Statements".<br><br>(2)Non-recognition of Interest Expense<br><br>We draw attention to Note 4(b) of the Statement relating to non-recognition of interest expense of Rs. 4,50,431 Thousands on inter - corporate borrowings for the quarter ended 31st March, 2021(Rs. 3,97,050 Thousand for the quarter ended 31st March, 2021) and interest expense of Rs. 2,95,000 Thousands on borrowings from financial institution for the year ended 31st March, 2021 (Rs. 73,750 Thousands for the quarter ended 31st March, 2021 and Rs.1,96,986 Thousands for the year ended 31st March, 2020). As a result, finance cost, liability on account of interest and total comprehensive profit for the quarter and year ended 31st March, 2021 are understated to that extent. |

| | | |
|---|---|---|
| | | (3) Recognition of Deferred Tax Assets<br>We draw attention to Note 15 of the Statement relating to recognition of Deferred Tax Assets amounting to Rs. 9,96,770 thousand as at 31st March, 2021. Considering the management's assessment of going concern assumption in the Statement, the threshold of reasonable certainty for recognizing the deferred tax assets as per Indian Accounting Standard 12 "Income Taxes" has not been met. Consequently, deferred tax assets is overstated and total comprehensive loss for the year ended 31st March, 2021 is understated by that extent. |
| | | (4) Balances with secured loan creditor and balance confirmation.<br>We draw attention to Note No. 5 a) and b) with respect to certain balances, including non-reconciliation of balances with secured loan creditor and balance confirmation thereof. Adjustments/impacts in this respect are currently not ascertainable and as such cannot be commented upon by us. |
| | b. Type of Audit Qualification : | Qualified Opinion |
| | c. Frequency of qualification: | Annual |
| | d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: | • The company is not agreeable to the processing fees & high interest already charged by lenders. Company will go for restricting so as get relief from Interest expenditure.<br>• Most of the borrowers have been facing financial stress due to slow down in economy. The problem further increased due to COVID 19 pandemic due to which the borrowers are not in a situation to pay interest hence keeping conservatism approach Interest Income is not booked.<br>• Management is of view that these advances are good in nature and will be recovered in due course |
| | e. For Audit Qualification(s) where the impact is not quantified by the auditor: | |
| | (i) Management's estimation on the impact of audit qualification: | Estimation not possible |
| | (ii) If management is unable to estimate the impact, reasons for the same: | Estimation not possible |
| | (iii) Auditors' Comments on (i) or (ii) above: | Not able to comment on impact of going concern assumption at present (Refer (a) Basis for Qualified Opinion) and the Management need to take confirmation and do reconciliation to calculate the impact of Borrowings and Loans and Advances.(Refer (e) Basis for Qualified Opinion). |

III. Signatories :

- Manager & CFO (Mr. Madanlal Agarwal)
- Audit Committee Chairman (Ms. Arundhuti Dhar) DIN. - 03197285
- Statutory Auditor

For **V. SINGHI & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 311017E
**(V. K. SINGHI)**
Partner
Membership No.: 050051

Place : KOLKATA
Date : 30th June, 2021

# Form AOC-1

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

**Statement containing salient features of the financial statement of subsidiaries/ Associate Companies/ Joint Ventures**

**Part "A": Subsidiaries: The Company does not have any subsidiary**

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associates and Joint Venture

(₹' 000)

| | **Name of Associates/Joint Ventures** | **Majerhat Estates & Developers Limited (MEDL)** | **Williamson Financial Services Limited (WFSL)** | **D1 Williamson Magor Bio Fuel Limited (D1WM)** |
|---|---|---|---|---|
| 1. | Latest audited Balance Sheet Date | 31st March, 2021 | 31st March, 2021 | 31st March, 2021 |
| 2. | Shares of Associate/Joint Ventures held by the company on the year end | | | |
| | i. No. | 1470000 | 2587750 | 3333273 |
| | ii. Amount of Investment in Associates/Joint Venture | 9,962 | 53,930 | - |
| | iii. Extend of Holding % | 49 | 30.96 | 15.7 |
| 3. | Description of how there is significant influence | Associate | Associate | Joint Venture |
| 4. | Reason why the associate/joint venture is not consolidated | Consolidated | Consolidated | Consolidated |
| 5. | Networth attributable to Shareholding as per latest audited Balance Sheet | 11,920 | (9,28,562) | 269 |
| 6. | Profit / Loss for the year | | | |
| | i. Considered in Consolidation | (29) | - | (95) |
| | ii. Not Considered in Consolidation | - | (60,780) | - |

**Notes:**

1. Names of associates or joint ventures which are yet to commence operations - Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year- Nil

For and on behalf of the Board of Directors

**Aditya Khaitan**
Chairman
DIN: 00023788

**Arundhuti Dhar**
Director
DIN: 03197285

**Madan Lal Agarwal**
Manager & CFO

**Aditi Daga**
Company Secretary

Place : Kolkata
Date : 12.08.2021

# Consolidated Financial Statements

# INDEPENDENT AUDITOR'S REPORT

**To the Members of WILLIAMSON MAGOR & Co. LIMITED**

## Report on the Audit of the Consolidated Financial Statements

### Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of **Williamson Magor & Co. Limited** (hereinafter referred to as "the Investment Company"), its Associate Companies and its Joint Venture which comprise of the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, 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 "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of available reports of other auditors on separate financial statements and on the financial information of the Associates as referred to in the "Other Matters" section below and except for the matters described in the "Basis for Qualified Opinion" section of our Report, the aforesaid Consolidated Financial Statements give the information required by the Companies Act,2013("the Act") in the manner so required and give a true and fair view, in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act and other principles generally accepted in India of the state of affairs of the Company as at 31st March, 2021, its consolidated profit including other comprehensive profit, its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Qualified Opinion

**a. Default in repayment of principal and interest**

We draw attention to Note No 15A and 15B of the Consolidated Financial Statements with respect to default in repayment of principal and interest on Non-convertible Debentures and loans borrowed from banks and financial institution and other lenders. On default, the credit facility advanced to the Investment Company by the lenders have been henceforth recalled. Further, the lenders have taken legal action against the Investment Company and the matter is subjudice.

These events and conditions may cast a significant doubt on the Investment Company's ability to continue as a going concern.

**b. Non-recognition of Interest Expense**

The Investment Company has not recognised interest expense amounting to ₹ 4,50,431 Thousands on inter-corporate borrowings for the year ended 31st March, 2021 and interest expense of ₹ 2,95,000 Thousands on borrowings from financial institutions as referred to in Note No 49 to the Consolidated Financial Statements for the year ended 31st March, 2021 (₹1,96,986 Thousands for the year ended 31st March, 2020). As a result, finance cost, liability on account of interest are understated and total comprehensive profit for year ended 31st March, 2021 is overstated to that extent.

This constitutes a departure from the requirements of Ind AS 109 "Financial Instruments."

**c. Recognition of Deferred Tax Assets**

We draw attention to Note No 33 of the Consolidated Financial Statements where the Management has considered recognition of deferred tax assets during the current financial year assuming virtual certainty supported by convincing evidence that sufficient future taxable income would be available against which such assets can be realised.

Considering the management's assessment of going concern assumption in the Consolidated Financial Statements, the reasonable certainty for recognizing the deferred tax assets as per Ind AS 12 "Income Taxes" has not been met. Consequently, deferred tax assets are overstated and consolidated total comprehensive profit for the year ended 31st March, 2021 is overstated to that extent.

**d. Balances with secured loan creditor and balance confirmation.**

We draw attention to Note No. 36 to the Consolidated Financial Statements with respect to certain balances, including non-reconciliation of balances with secured loan creditor and balance confirmation thereof. Adjustments/impacts in this respect are currently not ascertainable and as such cannot be commented upon by us.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Investment Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Material Uncertainty related to Going Concern**

The Investment Company has defaulted in repayment of borrowings to its financial institutions lenders and others. In view of the Management, the Investment Company would be able to improve its net working capital position to discharge its current and non-current financial obligations as described in Note No. 49 to the Consolidated Financial Statement. However, in view of the uncertainties involved, these events and conditions indicate a material uncertainty which may cast a significant doubt on the Investment Company's ability to continue as a going concern. Accordingly, the use of going concern assumption of accounting in preparation of this Statement is not adequately and appropriately supported as per the requirements of Ind AS 1 "Presentation of Financial Statements".

**Key Audit Matters**

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the Consolidated 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. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

| Serial No | Key Audit Matters | Auditor's Responses to Key Audit Matters |
|---|---|---|
| 1 | **Valuation of unquoted financial assets held at fair value**<br><br>The valuation of the Investment Company's unquoted financial assets held at fair value is a key audit matter due to the significance of the amount and complexity involved in the valuation process. Management makes significant judgements | Principal Audit Procedures:<br>• Assessed the valuation methodologies including evaluation of independent external valuers' competence, capability and objectivity.<br>• Assessed the reasonableness of key assumptions based on our knowledge of the business and industry. |

| Serial No | Key Audit Matters | Auditor's Responses to Key Audit Matters |
|---|---|---|
| | because of the complexity of the techniques and assumptions used in valuing some of the level 3 investment securities given the limited external evidence and unobservable market data available to support the Investment Company's valuations. | • Checked, on a sample basis, the accuracy and relevance of the input data used. |
| 2 | **Impairment loss allowances for loans and advances**<br><br>Impairment loss allowance of loans and advances ("Impairment loss allowance") is a key audit matter as the Investment Company has significant credit risk exposure. The value of loans and advances on the Consolidated Balance Sheet is significant and there is a high degree of complexity and judgment involved for the Investment Company in estimating individual and collective credit impairment provisions and write-offs against these loans. The Investment Company's model to calculate expected credit loss ("ECL") is inherently complex and judgment is applied in determining the three-stage impairment model ("ECL Model"), including the selection and input of forward-looking information. ECL provision calculations require the use of large volumes of data. The completeness and reliability of data can significantly impact the accuracy of the modelled impairment provisions. The accuracy of data flows and the implementation of related controls are critical for the integrity of the estimated impairment provisions. | We started our audit procedures with the understanding of the internal control environment related to Impairment loss allowance. Our procedures over internal control focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Investment Company.<br><br>We also assessed whether the impairment methodology used by the Investment Company is in line with the requirements of Ind AS 109, "Financial Instruments". More particularly, we assessed the approach of the Investment Company regarding the definition of default, Probability of Default, Loss Given Default and incorporation of forward-looking information for the calculation of ECL.<br><br>For loans and advances which are assessed for impairment on a portfolio basis, we performed particularly the following procedures:<br><br>• tested the reliability of key data inputs and related management controls;<br><br>• checked the stage classification as at the Consolidated Balance Sheet date as per definition of default;<br><br>• calculated the ECL provision manually for a selected sample; and<br><br>• assessed the assumptions made by the Investment Company in making accelerated provision, considering forward looking information and based on the status of a particular industry as on the reporting date. |

**Emphasis of Matter**

We draw attention to Note No. 48 to the Consolidated Financial Statements in which the Investment Company describes the uncertainties arising from COVID-19 – a global pandemic on the operations and financial matters of the Investment Company.

Our opinion is not modified in respect of this matter.

**Information Other than the Consolidated Financial Statements and Auditor's Report thereon**

The Investment Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Financial Performance highlights, Board's Report including Annexure to Board's Report, Management Discussions and Analysis, Business Responsibility Report, Report on Corporate Governance, Shareholders Information and other information in the Integrated Annual Report but does not include the Consolidated Financial Statements and our auditors' report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and 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.

If, based on the work we have performed on the other information that we obtained prior to the date of auditors' report, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information, which we will obtain after the date of auditors' report and if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements**

The Investment 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 Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated total comprehensive profit, consolidated changes in equity and consolidated cash flows of the Investment Company, its Associate Companies and its Joint Venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) specified under Section 133 of the Act.

The respective Board of Directors of the Investment Company, its Associate Companies and its Joint Venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Investment Company,its Associate Companies and its Joint Venture respectively 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of the Consolidated Financial Statements by the Directors of the Investment Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Investment Company, its Associate Companies and its Joint Venture are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of respective Companies either intends to liquidate the Investment Company, its Associate Companies and its Joint Venture or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the Investment Company, its Associate Companies and its Joint Venture are also responsible for overseeing the financial reporting process of each Company.

**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 Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated 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 Investment Company, its Associate Companies and its Joint Venture 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 Investment Company, its Associate Companies and its Joint Venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Investment Company, its Associate Companies and its Joint Venture 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 such entities or business activities within the Investment Company, its Associate Companies and its Joint Venture to express an opinion on the of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statement of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Investment Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

a) The Consolidated Financial Statements include the Investment Company's share of Total Comprehensive Loss of ₹ 53,390 thousand for the year ended 31st March, 2021, in respect of an associate, whose Financial Statements have been audited by their independent auditor. They have expressed a qualified opinion on such Financial Results vide their Audit Report dated 25th June, 2021. The Independent Auditor' Report on such Financial Results of this entity has been furnished to us and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditor and the procedures performed by us.

b) The Consolidated Financial Statements include the Investment Company's share of Total Comprehensive Loss of ₹ 95 thousand for the year ended 31st March, 2021, in respect of an Associate and a Jointly Controlled Entity, whose Financial Statements have not been audited. These unaudited interim financial information have been furnished to us by the Board of Directors and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this Associate and a Jointly Controlled Entity is based solely on such unaudited interim financial information. In our opinion and according to the information and explanations given to us by the Board of Directors of the Investment Company, these interim financial information are not material to the Investment Company.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Information certified by the Board of Directors, of the Investment Company.

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on Separate Financial Statements of the Associate Companies and Joint Venture referred to in the Other Matters Paragraph above, we report, to the extent applicable that:

a) we have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

b) in our opinion, proper books of account as required by law is maintained by the Investment Company, its Associate Companies and its Joint Venture relating to the preparation of the aforesaid Consolidated Financial Statements, have been kept so far as it appears from our examination of those books and the report of the other auditor;

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 maintained by the Investment Company, its Associate Companies and its Joint Venture for the purpose of the preparation of the Consolidated Financial Statements.

d) Subject to the matters specified in qualified opinion section of our report, in our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

e) On Account of dispute regarding repayment of principal and interest due on non-convertible debentures, the Investment Company has obtained legal opinion from former Judge of the hon'ble Supreme Court of India and accordingly the directors are not disqualified under section 164(2) (Refer Note No. 50 to the Consolidated Financial Statement.

f) with respect to the adequacy of the internal financial controls with reference to Consolidated financial statements of the Investment Company, its Associate Companies and Joint Venture 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 Auditor's Report in accordance with the requirements of section 197(16) of the Act (as amended), the Investment Company on the basis of the reports of the statutory auditors of Associate Company and Joint Venture the remuneration paid by the Associate Companies to its directors during the year is in accordance with the provisions of Section 197 of the Act and the remuneration paid to any director is not in excess of the limit laid down under the said Section; and

h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the separate financial statements of the Associate Companies and Joint Venture as noted in other matters paragraph:

   i. the Consolidated Financial Statement disclosed the impact of pending litigations on the consolidated financial position of the Investment Company, its Associate Companies and its Joint Venture (Refer Note No 32(A)(a) to the Consolidated Financial Statements).

   ii. the Investment Company, its Associate Companies and its Joint Venture did not have any material foreseeable losses on long-term contracts including derivative contracts, and

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Investment Company, its Associate Companies and Joint Venture, during the year ended 31st March,2021.

For **V. SINGHI & ASSOCIATES**
***Chartered Accountants***
**Firm Registration No.: 311017E**

**(V. K. SINGHI)**
***Partner***
Membership No.: 050051
**UDIN: 21050051AAAAGQC553**

Place : Kolkata
Date : 30th June, 2021

## Annexure – A to the Independent Auditor's Report

(Referred to in paragraph-(f) under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of Williamson Magor & Co. Limited on the Consolidated Financial Statements for the year ended 31st March, 2021)

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

In Conjunction with our audit of the Consolidated Financial Statements as of and for the year ended 31st March, 2021 we have audited the internal financial controls with reference to Consolidated Financial Statements of Williamson Magor & Co. Limited ("the Investment Company").

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

The respective Board of Director's of the Investment Company, its Associate Companies and Joint Venture management are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Consolidated Financial Statementscriteria established by the Investment 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 Investment Company's internal financial controls with reference to Consolidated Financial Statements of the Investment Company, its Associate Companies and Joint Venture 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 the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements both applicable to an audit of Internal Financial Controls with reference to Consolidated Financial Statements and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 auditor's judgment, 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 is sufficient and appropriate to provide a basis for our audit opinion on the Investment Company's 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 controlswith reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the 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 the 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 controlswith 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 Investment Company, its Associate Companies and its Joint Venture has, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls were operating effectively as at 31st March, 2021, based on the internal financial controls with reference to financial statements criteria established by the Investment 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 **V. SINGHI & ASSOCIATES**
***Chartered Accountants***
**Firm Registration No.: 311017E**

**(V. K. SINGHI)**
***Partner***
**Membership No.: 050051**
**UDIN: 21050051AAAAGQC553**

Place : Kolkata
Date : 30th June, 2021

## Consolidated Balance Sheet as at 31st March, 2021

| Particulars | Note No | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|---|
| **I. ASSETS** | | | |
| **1 Financial Assets** | | | |
| (a) Cash and Cash Equivalents | 3 | 17,830 | 6,015 |
| (b) Bank Balances other than (a) above | 4 | 7,225 | 6,864 |
| (c) Receivables | | | |
| (i) Trade Receivables | 5 | 9,938 | 11,263 |
| (ii) Other Receivables | 6 | 26,79,720 | 12,38,857 |
| (d) Loans | 7 | 14,91,757 | 17,95,410 |
| (e) Investments | 8 | 6,95,305 | 11,55,268 |
| (f) Other Financial Assets | 9 | 6,58,282 | 12,42,768 |
| **2 Non-financial Assets** | | | |
| (a) Current Tax Assets (Net) | | 58,697 | 1,39,807 |
| (b) Deferred Tax Asset (Net) | 10 | 9,96,770 | 9,29,506 |
| (c) Property, Plant and Equipment | 11 | 4,283 | 10,681 |
| (d) Other Non-financial Assets | 12 | 4,505 | 9,129 |
| **Total Assets** | | **66,24,312** | **65,45,568** |
| **II. LIABILITIES AND EQUITY LIABILITIES** | | | |
| **1 Financial Liabilities** | | | |
| (a) Payables | | | |
| (I) Trade Payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 13 | 8,727 | 3,692 |
| (II) Other Payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises | 14 | 2,421 | 4,226 |
| (b) Debt Securities | 15 | 7,74,192 | 9,93,666 |
| (c) Borrowings (Other than Debt Securities) | 16 | 52,69,422 | 65,62,749 |
| (d) Other Financial Liabilities | 17 | 5,11,561 | 5,93,268 |
| **2 Non-Financial Liabilities** | | | |
| (a) Provisions | 18 | 11,64,663 | 10,14,691 |
| (b) Other Non-financial Liabilities | 19 | 18,337 | 54,501 |
| **3 Equity** | | | |
| (a) Equity Share Capital | 20 | 1,09,564 | 1,09,564 |
| (b) Other Equity | 21 | (12,34,575) | (27,90,789) |
| **Total Liabilities and Equity** | | **66,24,312** | **65,45,568** |
| Corporate Information and Significant Accounting Policies | 1-2 | | |

The above Consolidated Balance Sheet should be read in conjunction with the accompanying Note No. 1 to 58.

This is the Consolidated Balance Sheet referred to in our report of even date.

For **V. SINGHI & ASSOCIATES**
*Chartered Accountants*
Firm Registration No.: 311017E

**(V.K.SINGHI)**
*Partner*
Membership No. 050051

Place : Kolkata
Date: 30th June, 2021

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

Aditya Khaitan
(Chairman)
DIN :00023788

Arundhuti Dhar
(Director)
DIN :03197285

Aditi Daga
(Company Secretary)

Madan Lal Agarwal
(Manager & CFO)

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

| Particulars | Note No | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from Operations | | | |
| Interest Income | 22 | 1,44,757 | 2,46,344 |
| Dividend Income | 23 | - | - |
| Net gain on derecognition of financial instruments under amortised cost category | 24 | - | - |
| Rental Income | 25 | 21,224 | 23,116 |
| Sale of Services | 26 | 35,952 | 37,855 |
| **(I) Total Revenue from Operations** | | **2,01,933** | **3,07,315** |
| (II) Other Income | 27 | 7,87,231 | 5,74,095 |
| **(III) Total Income (I + II)** | | **9,89,164** | **8,81,410** |
| **(IV) EXPENSES** | | | |
| Finance Costs | 28 | 1,05,861 | 5,86,634 |
| Impairment on Financial Instruments | 29 | - | 8,21,337 |
| Employee Benefits Expense | 30 | 1,976 | 4,009 |
| Depreciation / Amortisation Expense | | 358 | 471 |
| Other Expenses | 31 | 4,42,988 | 5,62,500 |
| **Total Expenses** | | **5,51,183** | **19,74,951** |
| **(V) Profit/(loss) before Share of Profit/(Loss) of Associates and Joint Venture (III-IV)** | | 4,37,981 | (10,93,541) |
| **(VI)** Share of Profit/(Loss) of Associate and Joint Venture | | (29) | (37,141) |
| **VII Profit/(Loss) before Tax (V + VI)** | | **4,37,952** | **(11,30,682)** |
| **Tax Expenses** | | | |
| a) Current Tax | | - | - |
| b) Deferred Tax | | (67,264) | 2,18,277 |
| **VI Profit/(Loss) for the year** | | **5,05,216** | **(13,48,959)** |
| **VII Other Comprehensive Income:** | | | |
| i. Items that will not be reclassified to Profit or Loss | | | |
| - Changes in fair value of FVOCI Equity Instruments | | 1,92,251 | (12,09,808) |
| - Profit/(Loss) on sale of Equity Instruments | | 8,58,838 | (60,967) |
| - Remeasurement of post-employment benefit obligations | | 4 | (16) |
| ii. Income tax relating to items that will not be reclassified | | - | 2,76,804 |
| Share of Profit/(Loss) of Associates and Joint Venture | | (95) | 2,842 |
| **Total Other Comprehensive Income/(Loss)** | | **10,50,998** | **(9,91,145)** |
| **Total Comprehensive Income/(Loss) for the year** | | **15,56,214** | **(23,40,104)** |
| **Earnings per Equity Share of face value of Rs. 10 each** | | | |
| **Basic (in Rs.)** | | 46.11 | (123.12) |
| **Diluted (in Rs.)** | | 46.11 | (123.12) |
| Corporate Information and Significant Accounting Policies | 1-2 | | |

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying Note No. 1 to 58.
This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For **V. SINGHI & ASSOCIATES**
*Chartered Accountants*
Firm Registration No.: 311017E

**(V.K.SINGHI)**
*Partner*
Membership No. 050051

Place : Kolkata
Date: 30th June, 2021

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

Aditya Khaitan
(Chairman)
DIN :00023788

Arundhuti Dhar
(Director)
DIN :03197285

Aditi Daga
(Company Secretary)

Madan Lal Agarwal
(Manager & CFO)

# Consolidated Statement of Changes in Equity for the year ended 31st March, 2021

**a. Equity Share Capital**

| Particulars | Balance as at March 31, 2020 | Balance as at March 31, 2021 |
|---|---|---|
| Equity Share Capital | 109,564 | 109,564 |
| **Total** | **109,564** | **109,564** |

**b. Other Equity** ₹ '000

| Particulars | Reserves and Surplus | | | | Fair Value of Equity Instruments through Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|
| | Statutory Reserve* | Capital Reserve | General Reserve | Retained Earnings | | |
| **Balance as at April 1, 2019** | **2,57,389** | **6,518** | **11,75,150** | **(2,15,360)** | **(16,74,381)** | **(4,50,684)** |
| Profit / (Loss) for the year | - | - | - | (13,48,959) | - | (13,48,959) |
| Other Comprehensive Income/ (Loss) | - | - | - | (16) | (9,30,163) | (9,30,179) |
| Net Gain/(Loss) on Disposal of FVTOCI Investments | - | - | - | - | (60,967) | (60,967) |
| **Total Comprehensive Income/(Loss)** | **-** | **-** | **-** | **(13,48,975)** | **(9,91,130)** | **(23,40,105)** |
| **Balance as at March 31, 2020** | **2,57,389** | **6,518** | **11,75,150** | **(15,64,336)** | **(26,65,510)** | **(27,90,789)** |
| Profit / (Loss) for the year | - | - | - | 5,05,2156 | - | 5,05,215 |
| Other Comprehensive Income/ (Loss) | - | - | - | 6,08,709 | 1,92,160 | 8,00,870 |
| Net Gain/(Loss) on Disposal of FVTOCI Investments | - | - | - | - | 8,58,838 | 8,58,838 |
| Transfer to Retained Earings | | | | - | (6,08,709) | (6,08,709) |
| **Total Comprehensive Income/(Loss)** | **-** | **-** | **-** | **11,13,924** | **4,42,289** | **15,56,214** |
| **Transfer to Statutory Reserve** | **1,01,044** | **-** | **-** | **(1,01,044)** | **-** | **-** |
| **Balance as at March 31, 2021** | **3,58,433** | **6,518** | **11,75,150** | **5,51,454** | **(22,23,221)** | **(12,34,575)** |

* Created pursuant to Section 45IC of the Reserve Bank of India Act, 1934

** includes Remeasurement of the defined benefit plans measured through Other Comprehensive Income

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Note No. 1 to 58.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For **V. SINGHI & ASSOCIATES**
*Chartered Accountants*
Firm Registration No.: 311017E

**(V.K.SINGHI)**
*Partner*
Membership No. 050051

Place : Kolkata
Date: 30th June, 2021

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

Aditya Khaitan
(Chairman)
DIN :00023788

Arundhuti Dhar
(Director)
DIN :03197285

Aditi Daga
(Company Secretary)

Madan Lal Agarwal
(Manager & CFO)

## Consolidated Statement of Cash Flows for the year ended 31st March, 2021

| Particulars | For the year ended 31st March, 2021 ₹ '000 | For the year ended 31st March, 2020 ₹ '000 |
|---|---|---|
| **A. Cash flows from operating activities** | | |
| Profit/(Loss) before Share of Profit/(Loss) of Associates and Joint Venture and Tax Adjustments: | 4,37,981 | (10,93,541) |
| Adjustments for : | | |
| Depreciation | 358 | 471 |
| (Profit)/Loss on sale of Property, Plant and Equipment(Net) | (6,66,609) | (5,60,388) |
| (Profit)/Loss on sale of Associate | - | 4,60,883 |
| Provision for Employee Benefits written back | - | (3,038) |
| Provision for doubtful debts/ advances written back | - | (2,794) |
| Contingent Provision for Standard Assets written back | - | (2,942) |
| Contingent Provision for Standard Assets made | 5,138 | - |
| Provision for Sub Standard Assets | 3,04,053 | 61,546 |
| Provision for Doubtful Loans and advances | - | 8,20,400 |
| Provision for Doubtful Trade Receivables | - | 937 |
| Interest on Income Tax Refund | (7,468) | |
| Interest and Advances written off | 1,05,311 | - |
| Liabilities/Provisions no longer required written back | (1,20,612) | (4,888) |
| **Operating profit before working capital changes** | **58,152** | **(3,23,354)** |
| Adjustments for : | | |
| (Increase) / Decrease in Trade Receivables, Other Receivables, Loans, Other Financial Assets and Other Non-Current Financial Assets | (15,53,227) | (69,168) |
| Increase / (Decrease) in Trade and Other Payables, Other Financial Liabilities, Other Current Liabilities and Other Non-Current Liabilities | 1,00,332 | 3,05,555 |
| **Cash generated from Operations** | **(13,94,742)** | **(86,968)** |
| Direct taxes paid | 88,579 | 17,475 |
| **Cash Flow from operating Activities** | **(13,06,164)** | **(69,493)** |
| **B. Cash flows from investing activities** | | |
| Sale of Property, Plant & Equipment | 6,80,000 | 5,66,012 |
| Purchase of Property, Plant & Equipment | - | (11) |
| Purchase of Investments | - | - |
| Sale of Investments | 15,10,930 | 4,30,765 |
| Advance for purchase of investments | - | (9,99,998) |
| **Net cash (used in) / from investing activities** | **21,90,930** | **(3,232)** |

## Consolidated Statement of Cash Flows for the year ended 31st March, 2021

| Particulars | For the year ended 31st March, 2021 ₹ '000 | For the year ended 31st March, 2020 ₹ '000 |
|---|---|---|
| **C. Cash flows from financing activities** | | |
| Proceeds of long term borrowings | - | 8,50,000 |
| (Repayment) of long term borrowings | - | (2,56,656) |
| (Repaymemt) of Non-Convertible Debentures | (2,19,474) | - |
| Proceeds of short term borrowings | 16,11,143 | 12,10,900 |
| (Repayment) of short term borrowings | (22,63,147) | (16,93,320) |
| Interest paid | - | (6,444) |
| **Net cash (used in) / from financing activities** | **(8,71,478)** | **1,04,480** |
| **Net increase in cash and cash equivalents** | **13,288** | **31,754** |
| Cash and cash equivalents at the beginning of the year | 4,542 | (27,212) |
| **Cash and cash equivalents at the end of the year** | **17,830** | **4,542** |
| **Reconciliation of Cash and Cash Equivalents as per Consolidated Statement of Cash Flows** | | |
| Cash and Cash Equivalents as per above comprise of the following: | | |
| Cash and Cash Equivalents | 17,830 | 6,015 |
| Less: Overdrawn Balances with banks included in Other Financial Liabilities (Refer Note No. 17) | - | (1,473) |
| **Balance per Consolidated Statement of Cash Flows** | **17,830** | **4,542** |

Notes :

1. Components of cash and cash equivalents include cash, bank balances in current and deposit accounts as disclosed under note no. 3 of the Consolidated Financial Statements
2. The above Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS7 on "Statement of Cash Flows".

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Note No. 1 to 56.
This is the Consolidated Statement of Cash Flows referred to in our report of even date.

For **V. SINGHI & ASSOCIATES**
*Chartered Accountants*
Firm Registration No.: 311017E

**(V.K.SINGHI)**
*Partner*
Membership No. 050051

Place : Kolkata
Date: 30th June, 2021

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

Aditya Khaitan
(Chairman)
DIN :00023788

Arundhuti Dhar
(Director)
DIN :03197285

Aditi Daga
(Company Secretary)

Madan Lal Agarwal
(Manager & CFO)

# Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

## Note 1 Corporate Information

Williamson Magor & Co.Limited ("the Investment Company") was incorporated as Public Company in the year 1949. The Investment Company limited by shares is domiciled in India, having its registered office at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700001.

The Investment Company currently operates as an Investment Company registered with the Reserve Bank of India(RBI) w.e.f. 31st March, 2003. The Equity Shares of the Investment Company are listed on the Bombay Stock Exchange, The National Stock Exchange of India and the Calcutta Stock Exchange Limited.

Information on other related party relationship of the Investment Company is provided in Note 39.

## Note 2 Significant Accounting Policies

### 2.1 Basis of Preparation

The Consolidated Financial Statements of the Investment Company have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act and the Rules made thereunder (as amended from time to time) and applicable RBI directions.

These Consolidated Financial Statements have been approved for issue in accordance with a resolution of the Board of Directors passed in its meeting held on 30th June, 2021.

A summary of Significant Accounting Policies applied in the preparation of the Consolidated Financial Statements is as given below. These accounting policies have been applied consistently to all the periods presented in the Consolidated Financial Statements.

The Investment Company presents its Consolidated Financial Statements to comply with Division III of Schedule III to the Act which provides general instructions for the preparation of Financial Statements of a Non-Banking Financial Company (NBFC to comply with Ind AS) and the requirements of Ind AS. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 44.

Financial Assets and Financial Liabilities are generally reported gross in the Consolidated Balance Sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default

The Consolidated Financial Statements have been prepared and presented on the Going Concern basis and at Historical Cost, except for the following assets and liabilities, which have been subsequently measured at fair value:

- Certain Financial assets and liabilities at fair value (Refer Note 2.5)
- Employee's Defined Benefit Plan as per actuarial valuation (Refer Note 2.12)

### 2.2 Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of Williamson Magor & Co. Limited (the "Investment Company") together with the share of the total comprehensive income of its Associates and Joint Venture.

Associate is an entity over which the Investment Company has significant influence but no control or joint control. Investment in Associates are accounted for using the equity method of accounting, after initially being recognised at cost.

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

Joint Venture is a joint arrangement whereby the companies have joint control of the arrangement and have rights to the net assets of the arrangement. The companies having joint control of that joint venture are known as joint venturer. Investment in joint venture is accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Investor's share of the post-acquisition profit or loss of the investee in Profit and Loss, and the Investor's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. When the Investor's share of losses in an entity accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Investor does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

### 2.3 Functional and Presentation Currency

The Consolidated Financial Statements are presented in Indian Rupees, which is the functional currency of the Investment Company and the currency of the primary economic environment in which the Investment Company operates. All Financial information presented in INR has been rounded off to thousands, unless otherwise stated.

### 2.4 Use of Estimates and Judgements

The preparation of the Consolidated Financial Statements in conformity with Ind AS requires the management to make estimates, assumptions and judgements that affects the application of accounting policies and the reported amounts of revenue, expenses, assets and liabilities, the disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

This note provides an overview of the areas where there is a higher degree of judgement or complexity. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation.

The areas involving critical estimates or judgements are:

- Employee Benefits - Note 2.13
- Recognition of Revenue – Note 2.14
- Current Tax- Note 2.16
- Deferred Tax – Note 2.16
- Impairment of Financial Assets – Note 2.6

Estimates and assumptions are continuously evaluated based on most recent available information. Revisions to accounting estimates are recognised prospectively in the Consolidated Statement of Profit and Loss in the period in which the estimates are revised and future period affected.

Although these estimates are based on managements' best knowledge of current events and action, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

### 2.5 Fair Value Measurement

The Investment Company measures Financial instruments and other derivatives at fair values except Equity Investments in Joint Ventures and Associates 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

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

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, the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Investment Company.

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

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

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

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

Level 1 - Quoted (unadjusted) 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 recognised in the Consolidated Financial Statements on a recurring basis, the Investment Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted Financial Assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

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

### 2.6 Property, Plant and Equipment (PPE) and Depreciation

PPE are stated at Acquisition or Construction cost less Accumulated Depreciation and Impairment Loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning (if any).

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Investment Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repair and maintenance expenses are charged to the Consolidated Statement of Profit and Loss during the year in which they are incurred.

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

**Depreciation**

Depreciation is recognised so as to write-off the Cost of assets less their Residual values as per Written Down Value method, over the estimated Useful lives as prescribed in Schedule II to the Companies Act, 2013.

Residual value is estimated as 5% of the original cost of PPE.

In respect of the following assets, Useful lives as per Schedule II have been considered, as under:

| Assets | Years |
|---|---|
| Non- factory Building | 60 |
| Plant & Machinery | 15 |
| Furniture & Fixtures | 10 |
| Motor Vehicle | 8 |
| Office Equipment | 5 |
| Electric Installation | 10 |
| Water Supply | 30 |

The PPE's residual values and useful lives are reviewed, at each financial year end, and if expectations differ from previous estimates the same is accounted for as change in accounting estimates.

Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from the date of such addition or, as the case may be, up to the date on which such asset has been available for use/disposed of.

**Derecognition**

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

### 2.7 Financial Instruments

A Financial Instrument is any contract that gives rise to a Financial Asset of one entity and a Financial Liability or equity instrument of another entity.

**Financial Assets**

**Initial recognition and measurement**

All Financial assets are recognised initially at fair value. However, in the case of Financial Assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial Asset are included therein.

**Subsequent measurement**

For the purposes of subsequent measurement, Financial Assets are classified in four categories:

- Debt Instruments at Amortised cost
- Debt Instruments at Fair Value Through Other Comprehensive Income (FVTOCI)
- Debt Instruments, Derivatives and Equity Instruments, Mutual funds at Fair Value Through Profit or Loss (FVTPL)
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

# Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

**Debt Instruments at Amortised Cost**

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding

After initial measurement, such Financial Assets are subsequently measured at 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 Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss.

**Debt Instruments at FVTOCI**

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the Financial assets, and

b) The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Investment Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Consolidated Statement of Profit and Loss.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Consolidated Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt Instruments at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instruments, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

**Equity Instruments**

All equity investments (other than investments in associates and joint ventures) are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For equity instruments other than held for trading, the Investment Company has irrevocable option to present in OCI subsequent changes in the fair value. The Investment Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Where the Investment Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Consolidated Statement of Profit and Loss, even on sale of investments.

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

**Classification and Provisioning**

Loan asset classification of the Company is given in the table below:

| Particulars | Criteria | Provision |
|---|---|---|
| Standard Assets | The asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business. | 0.40% of the outstanding loan portfolio of standard assets. |
| Sub- Standard Assets | An asset for which, interest/principal payment has remained overdue for more than 3 months and less than 12 months | 100% of the outstanding loan portfolio of sub-standard assets. |
| Loss Assets | An asset for which, interest/principal payment has remained overdue for a period of 12 months or more | 100% of the outstanding loan portfolio of loss assets. |

**Impairment of Financial Assets**

The Investment Company applies the Expected Credit Loss model for recognising impairment loss on Financial Assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial assets, and financial guarantees not designated as at FVTPL.

The Investment Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**Write off**

Loans and debt securities are written off when the Investment Company has no reasonable expectations of recovering the Financial Assets (either in its entirety or a portion of it). This is the case when the Investment Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a de-recognition event.

**De-recognition of Financial Assets**

A FinancialAsset (or, where applicable, a part of a Financial Asset or part of a group of similar FinancialAssets) is primarily derecognised (i.e. removed from the Balance Sheet) when:

a) The rights to receive cash flows from the asset have expired, or

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

When the Investment 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 Investment 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 Investment Company has retained.

# Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

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 Investment Company could be required to repay.

**Investments in Associates and Joint Ventures**

Investments in Associates and Joint ventures are accounted for at cost in the Consolidated Financial Statements and the same are tested for impairment in case of any indication of impairment.

**Financial Liabilities and Equity Instruments**

**Classification as Debt or Equity**

Debt and equity instruments, issued by the Investment Company, are classified as either Financial Liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a Financial Liability and an equity instrument.

**Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Investment Company after deducting all of its liabilities. Equity instruments issued by the Investment Company are recognised at the proceeds received, net of direct issue costs.

**Financial Liabilities**

**Initial Recognition**

All Financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, are recognised net of directly attributable transaction costs.

The Investment Company's Financial Liabilities include trade and other payables, loans and borrowings including bank overdrafts, debt securities and other borrowings.

**Subsequent Measurement**

After initial recognition, all Financial Liabilities are subsequently measured at FVTPL except borrowings which are measured at amortised cost using the EIR method. Any gains or losses arising on de-recognition of liabilities are recognised in the Consolidated Statement of Profit and Loss.

**Derecognition of Financial Liabilities**

The Investment Company de-recognises Financial Liabilities when and only when, the Investment Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

**Finance costs**

Borrowing costs on Financial Liabilities are recognised using the EIR Method as explained above.

**Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**2.8 Expected Credit Loss**

Expected Credit Losses ('ECL') are recognised for FinancialAssets held under amortised cost, debt instruments measured at FVTOCI, and certain loan commitments as approved by the Board and internal policies for business model.

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL resulting from default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial Assets where 12 months ECL is recognised are considered to be in 'stage 1'; Financial Assets that are considered to have significant increase in credit risk are considered to be in 'stage 2'; and Financial Assets which are in default or Financial Assets for which there is objective evidence of impairment are considered to be in 'stage 3'.

The treatment of the different stages of Financial Assets and the methodology of determination of ECL is set out below:

**Unimpaired and without significant increase in credit risk (stage 1)**

ECL resulting from default events that are possible in the next 12 months are recognised for Financial instruments that remain in stage 1.

We have ascertained default events based on past behavioural trends witnessed for each homogenous portfolio. These trends are established based on customer centric scores, economic trends of industry segments in wholesale portfolios.

**Significant increase in credit risk (stage 2)**

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default occurring over the remaining life of the loan exposure. However, unless identified at an earlier stage, the Company have determined all assets deemed to have suffered a significant increase in credit risk when 30 days past due.

Based on other indications of borrower's delaying payments beyond due dates though not 30 days past due and other indications like non-cooperative borrowers, customer's overall indebtedness, death of customer, adverse impact on the business, serious erosion in the value of the underlying collateral, certain accounts are included in stage 2.

The measurement of risk of defaults under stage 2 are done by classifying them into homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles.

The default risk is assessed using probability of default (PD) derived from past behavioural trends of default across the identified homogenous portfolios.

For retail portfolios in stage 2, the PDs initially based on are average lifetime PDs experienced for stage 2 customers in each homogenous groups in the past. These past trends factor in the past customer centric behavioural trends, credit transition probabilities and macroeconomic conditions.The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

For wholesale loans, the default risk is established based on multiple factors like Nature of security, Customer industry segments external credit ratings, credit transition probabilities, current conditions and future macroeconomic conditions.

**Credit impaired (stage 3)**

The Companyhas determined that a Financial asset is credit impaired and in stage 3 by considering relevant objective evidence, primarily whether

- Contractual payments of either principal or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default

Interest income is recognised by applying the effective interest rate to the net amortised cost amount i.e. gross carrying amount less ECL allowance.

**Movement between stages**

Financial assets can be transferred between different categories depending on their relative increase in credit risk since initial

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

recognition. Financial assets are transferred out of stage 2 if their credit risk is no longer considered significantly increased since initial recognition based on assessments described above.

Except for restructured assets, Financial Assets are transferred out of stage 3 when they no longer exhibit any evidence of credit impairment as described above. Restructured loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period typically 12 months- post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

**Restructured Financial assets**

A loan where repayment terms are renegotiated on substantially different terms as compared to the original contracted terms due to significant credit distress of the borrower are classified as credit impaired. Such loans continued to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period typically 12 months- post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

**Measurement of ECL**

The assessment of credit risk and the estimation of ECL are unbiased and probability weighted and incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money, a Probability of Default (PD), a Loss Given Default (LGD) and the Exposure at Default (EAD).

ECL is calculated by multiplying the PD, LGD and EAD. For stage 1 assets, the 12 months ECL is calculated. For assets in stage 2 and 3, Lifetime ECL is calculated using the lifetime PD.

The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The ECL for stage 2 and stage 3 is determined based on the expected future cash flows based on the estimates supported by past trends. Collateral is taken into account if it is likely that the recovery of the outstanding amount will include realisation of collateral based on the estimated value of the collateral at the time of estimated realisation, less costs for obtaining and selling the collateral. The cash flows are discounted at a reasonable approximation of the original effective interest rate.

**2.9 Cash and Cash Equivalents**

Cash and Cash Equivalents comprise cash on hand and cash at bank including fixed deposits with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less which are subject to insignificant risk of changes in value.

**2.10 Earnings Per Share (EPS)**

The basic EPS is computed by dividing the profit/loss after tax for the year attributable to the equity shareholders by the weighted average number of Equity Shares outstanding during the year.

For the purpose of calculating diluted EPS, profit/loss after tax for the year attributable to the equity shareholders and the weighted average number of Equity Shares outstanding during the year is adjusted for the effects of all dilutive potential Equity Shares.

**2.11 Impairment of Non-financial Assets**

At the end of each reporting period, the Investment Company reviews the carrying amounts of Non-Financial Assets to

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Investment Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs of disposal and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

**2.12 Leases**

The Company assesses whether a contract contains a lease, at inception of a 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.

At the date of commencement of the lease, the Investment Company recognises a Right-of-Use asset ('ROU') and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Investment Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses (if any). Right-of-use assets are depreciated from the commencement date on a Straight-Line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate for the average lease period. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Investment Company changes its assessment if whether it will exercise an extension or a termination option.

**2.12 Employee Benefits**

**Short-Term Employee Benefits**

Liabilities for salaries and wages, including non-monetary benefits in respect of employees' services up to the end of the reporting period, are recognised as liabilities (and expensed) and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Consolidated Balance Sheet.

**Post-employment Benefits**

**Defined Contribution Plan**

Employee Benefits under defined contribution plans comprises of Contributory Provident Fund, Post Retirement Benefit Scheme, etc. are recognized based on the undiscounted amount of obligations of the Investment Company to contribute to the plan.

**Defined Benefits Plan**

Defined Benefits plan comprising of gratuity, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligations which are computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

employee cost or included in cost of assets as permitted.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the Consolidated Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of Changes in Equity and in the Consolidated Balance Sheet through Other Comprehensive Income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Other Long-Term Employee Benefits**

Other long-term employee benefits comprises of leave encashment towards unavailed leave and compensated absence, these are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Remeasurement of leave encashment towards unavailed leave and compensated absences are recognized in the Consolidated Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

### 2.13 Foreign Currency Transactions

Foreign currency transactions are translated into Indian Rupee (INR) which is the functional currency (i.e. the currency of the primary economic environment in which the entity operates) using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are recognised in the Consolidated Statement of Profit and Loss.

### 2.14 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Interest income is accounted for all Financial instruments measured at Amortised Cost or at Fair Value Through Other Comprehensive Income, interest income is recorded using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the Financial instruments to the gross carrying amount of the Financial asset. Interest income on all trading assets and FinancialAssets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

### 2.15 Borrowings Costs

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for its intended use.

Other borrowing costs are charged to the Consolidated Statement of Profit and Loss in the period in which they are incurred.

### 2.16 Income Tax

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

**Current Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 2 Significant Accounting Policies** *(Contd.)*

the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or 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 on temporary differences between the carrying amount of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred taxassets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**2.17 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Investment Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Investment Company.

Claims against the Investment Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the Consolidated Financial Statements since this may result in the recognition of income that may never be realised. A Contingent assets is disclosed where an inflow of economic benefits is probable.

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

### NOTE 3

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| **Cash & Cash Equivalents** | | |
| Cash in hand | 375 | 434 |
| Current Account balances with banks* | 17,455 | 5,580 |
| | **17,830** | **6,014** |

*Two Current Accounts have become inoperative, balances whereof amount to Rs. 48,06,211/-. These are subject to balance confirmation.

### NOTE 4

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| **Bank balances other than Cash and Cash equivalents** | | |
| Term Deposit | 7,225 | 6,864 |
| | **7,225** | **6,864** |

### NOTE 5

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| **Trade Receivables** | | |
| **(Unsecured)** | | |
| -- Considered good* | 9,938 | 11,263 |
| | **9,938** | **11,263** |

(*Refer Note No. 36 and 39)

### NOTE 6

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| **Other Receivables** | | |
| **(Unsecured)** | | |
| -- Considered good* | 26,79,720 | 12,38,857 |
| -- Considered doubtful | 31,383 | 30,965 |
| | 27,11,103 | 12,69,822 |
| Less: Provision for doubtful deposits | (31,383) | (30,965) |
| | **26,79,720** | **12,38,857** |

(*Refer Note No. 36 and 39)

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**NOTE 7**

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| **Loans** | | |
| **(Unsecured)** | | |
| **Inter Corporate Deposits** | | |
| To Associates | | |
| -- Considered good | - | 1,84,045 |
| -- Considered doubtful | 57,415 | 57,365 |
| | 57,415 | 2,41,410 |
| Less: Provision for Doubtful Loans | (57,415) | (57,365) |
| | **-** | **1,84,045** |
| To Others | | |
| -- Considered good | 14,91,757 | 12,69,365 |
| -- Considered substandard | 1,30,000 | 3,80,000 |
| -- Considered doubtful | 6,12,500 | 6,12,500 |
| | 22,34,257 | 22,61,865 |
| Less: Provision for sub-standard Loans | (1,30,000) | (38,000) |
| Less: Provision for doubtful deposits | (6,12,500) | (6,12,500) |
| | **14,91,757** | **16,11,365** |
| | **14,91,757** | **17,95,410** |
| Loans in India | 14,91,757 | 17,95,410 |
| Loans outside India | - | - |
| | **14,91,757** | **17,95,410** |

## NOTE 8

**Investments**

₹ '000

| Particulars | As at 31st March, 2021 | | | | As at 31st March, 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| | Fair Value | | Others | Total | Fair Value | | Others | Total |
| | Through Other Comprehensive Income | Through Profit or Loss | | | Through Other Comprehensive Income | Through Profit or Loss | | |
| **Investments in** | | | | | | | | |
| Debt Securities | - | - | - | - | - | - | - | - |
| Equity instruments | 2,23,399 | - | - | 2,23,399 | 6,83,242 | - | - | 6,83,242 |
| Associates | - | - | 4,71,906 | 4,71,906 | - | - | 4,71,669 | 4,71,669 |
| Joint Venture | - | | | - | - | | 356 | 356 |
| Compulsorily Convertible Preference Shares | - | | | | | | - | - |
| | | | | | | | | |
| **Total Gross (A)** | **2,23,399** | **-** | **4,71,906** | **6,95,305** | **6,83,242** | **-** | **4,72,025** | **11,55,267** |
| | | | | | | | | |
| Investments Outside India | - | - | - | - | - | - | - | - |
| Investments in India | 2,23,399 | - | 4,71,906 | 6,95,305 | 6,83,242 | - | 4,72,025 | 11,55,268 |
| | | | | | | | | |
| **Total (B)** | **2,23,399** | **-** | **4,71,906** | **6,95,305** | **6,83,242** | **-** | **4,72,025** | **11,55,268** |
| | | | | | | | | |
| Less: Impairment Loss Allowance (C) | - | - | - | - | - | - | - | - |
| | | | | | | | | |
| **Total Net D= A-C** | **2,23,399** | **-** | **4,71,906** | **6,95,305** | **6,83,242** | **-** | **4,72,025** | **11,55,267** |

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 8**

**Investments** (Continued)

| Particulars | Face Value (₹) | 31st March, 2021 No. of Shares/ Debentures/ Units | 31st March, 2021 Amount ₹ '000 | 31st March, 2020 No. of Shares/ Debentures/ Units | 31st March, 2020 Amount ₹ '000 |
|---|---|---|---|---|---|
| **Investments measured at Cost** | | | | | |
| **In Equity Shares** | | | | | |
| **Unquoted, Fully paid up** | | | | | |
| **- of Associates Company** | | | | | |
| Majerhat Estates & Developers Limited | 10 | 14,70,000 | 10,190 | 14,70,000 | 10,219 |
| **- of Joint Venture** | | | | | |
| D1 Williamson Magor Bio Fuel Limited | 10 | 33,33,273 | 261 | 33,33,273 | 356 |
| **In Equity Shares** | | | | | |
| **Quoted, Fully Paid Up** | | | | | |
| **- of Associates Company** | | | | | |
| Kilburn Engineering Limited | 10 | - | - | 43,19,043 | 4,61,450 |
| Williamson Financial Services Limited | 10 | 25,87,750 | - | 25,87,750 | - |
| **Total of Investment measured at Cost** | | | | | |
| **Investments measured at Fair Value through Profit or Loss** | | | 10,451 | | 4,72,025 |
| **In Debentures of Others** | | | | | |
| Bengal Chambers of Commerce and Industries 6 1/2% Non redeemable debentures | 1000 | 24 | - | 24 | - |
| **In Equity Shares of Others** | | | | | |
| Dewrance Macneill & Company Limited (In liquidation) | 10 | 12,00,000 | - | 12,00,000 | - |
| Seema Apartments Co-operative Housing Society Limited | 10 | 80 | 4 | 80 | - |
| **Total of Investments measured at Fair Value through Profit & Loss** | | | **4** | | **0** |
| **Investments measured at Fair Value through Other Comprehensive Income** | | | | | |
| **Unquoted, Fully paid up** | | | | | |
| **In Equity Shares** | | | | | |
| McNally Bharat Engineering Company Limited | 10 | | - | 1,51,51,515 | 34,091 |
| Babcock Borsig Limited | 10 | 66,99,586 | 0 | 66,99,586 | 0 |
| Woodside Parks Limited | 10 | 51,74,000 | 0 | 51,74,000 | 0 |
| Bishnauth Investment Limited | 10 | 35,000 | 0 | 35,000 | 0 |
| **Quoted, Fully Paid Up** | | | | | |
| **In Equity Shares** | | | | | |
| Kilburn Engineering Limited | 10 | 43,19,043 | 4,61,450 | - | - |
| McNally Sayaji Engineering Limited | 10 | 36,013 | - | 36,013 | - |
| McNally Bharat Engineering Company Limited | 10 | 2,53,18,952 | 1,98,754 | 1,64,67,437 | 37,052 |
| The Standard Batteries Limited | 1 | 2,88,625 | 13,609 | 2,88,625 | 1,201 |
| Eveready Industries India Limited | 5 | 7,191 | 1,942 | 1,17,53,501 | 5,92,964 |
| Mcleod Russel India Ltd. | 5 | 4,76,315 | 9,095 | 89,67,253 | 17,935 |
| **In Compulsorily Convertible Preference Shares** | | | | | |
| McNally Bharat Engineering Company Limited issued at a premium of Rs. 52 each | 10 | | - | - | - |
| **Total of Investments measured at Fair Value Through Other Comprehensive Income** | | | **6,84,850** | | **6,83,243** |
| **Total Investments** | | | **6,95,305** | | **11,55,268** |
| Aggregate amount of quoted Investments | | | 6,84,850 | | 11,10,602 |
| Market Value of quoted Investments | | | 6,84,850 | | 6,49,151 |
| Aggregate amount of unquoted Investments | | | 10,455 | | 44,666 |
| Market Value of unquoted Investments | | | 0 | | 34,091 |

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 8**

**Investments (Continued)**

1 Kilburn Engineering Limited has ceased to be an associate during the year ended 31st March, 2021.

2 During the year, the Joint Lenders of the Group Companies have invoked securities given by the Company for and on behalf of its Associate Company, namely Williamson Financial Services Limited and sold 63,00,000 Equity Shares of McNally Bharat Engineering Company Limited pledged with them. The company has recognised Rs. 34,650 thousands against such invocation as receivable from the said Associate Company.

3 Securities given by the Company on behalf of group companies to Housing Development Finance Corporation Limited by way of pledge of 32,00,000 Equity Shares of Eveready Industries India Limited (EIIL) were invoked and out of these pledged shares, 9,55,337 Equity shares were sold buy the said institution in earlier year and the sale proceeds adjusted against the dues owed by the company and other group companies. 22,44,663 Equity Shares of EIIL which were invoked in earlier years, the sale proceeds have been adjusted against the dues owned by the Company and other group companies during the year.

4 During the year, Securities given by the Company on behalf of the group companies to ILFS by way of pledge of 78,32,253 Equity shares of McLeod Russel India Limited and 57,90,715 Equity shares of Eveready Industries India Limited were invoked and the sale proceeds for the shares have been shown as other receivable by the Company. In absence of adequate information from the lenders necessary adjustment with borrowings could not be made.

5 During the year, Securities given by the Company on behalf of the group companies to IL&FS by way of pledge of 37,10,932 Equity shares of Eveready Industries India Limited have been invoked and the sale proceeds is shown as Other Receivables. In absence of adequate information from the lenders necessary adjustment with borrowings could not be made.

6 During the year, Securities given by the Company on behalf of the group companies to Indusind Bank by way of pledge of 5,23,685 Equity shares of McLeod Russel India Limited for credit facility availed by group companies have been invoked. The company has sent written communication to the lender for detail statement. Necessary adjustment will be made upon receipt of information from the lender.

**Note 9**

**Other Financial Asset**

**Unsecured**

**(Refer Note No. 50)**

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---:|---:|
| **Security Deposits** | | |
| - with Government Authorities | | |
| Considered Good | 1,132 | 1,547 |
| Considered Doubtful | - | - |
| | **1,132** | **1,547** |
| Less: Provision for Doubtful Deposits | - | - |
| - with Others | | |
| Considered Good | 4,784 | 1,91,556 |
| Considered Doubtful | 10 | 10 |
| | 4,794 | 1,91,566 |
| Less: Provision for Doubtful Deposits | (10) | (10) |
| | **4,784** | **1,91,556** |

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 9** *(Contd.)*

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| Accrued Interest | | |
| From Associates | | |
| Considered Good | - | 1,05,311 |
| Considered Doubtful | 32,927 | 32,927 |
| | 32,927 | 1,38,238 |
| Less: Provision for Doubtful Accrued Interest | (32,927) | (32,927) |
| | - | **1,05,311** |
| From Others | | |
| Considered Good | 1,43,834 | 2,27,081 |
| Considered Sub-standard | 2,36,329 | 2,35,457 |
| Considered Doubtful | 2,00,230 | 2,00,230 |
| | 5,80,393 | 6,62,767 |
| Less: Provision for Sub-standard Accrued Interest | (2,36,329) | (23,546) |
| Less: Provision for Doubtful Accrued Interest | (2,00,230) | (2,00,230) |
| | **1,43,834** | **4,38,991** |
| Advances to Others* (Refer Note No. 39) | | |
| Considered Good | 5,08,533 | 5,05,362 |
| Considered Doubtful | 78,825 | 80,022 |
| | 5,87,358 | 5,85,384 |
| Less: Provision for Doubtful Advances | (78,825) | (80,022) |
| | 5,08,533 | 5,05,362 |
| | **6,58,283** | **12,42,767** |

*Includes advance given to group company of ₹ 135 thousand

**Note 10**

**Deferred Tax Asset (Net)***

*Refer Note No. 33

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| **Deferred Tax Liabilities** | | |
| Accumulated Depreciation | 613 | 856 |
| | **613** | **856** |
| **Deferred Tax Assets** | | |
| Unabsorbed Business Losses and Expense | 3,51,303 | 3,07,824 |
| Unabsorbed Depreciation Losses | 973 | 816 |
| Unabsorbed Capital Losses | 138,841 | 27,382 |
| Provision for Impairment/Diminution in value of Investments and Doubtful Advances | 5,06,266 | 5,94,340 |
| | **9,97,383** | **9,30,362** |
| | **9,96,770** | **9,29,506** |

## Note 11

## PROPERTY, PLANT AND EQUIPMENT

₹ '000

| Description | Gross Block | | | | Accumulated Depreciation | | | | Net Carrying Amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Deemed Cost As at 1st April, 2020 | Additions during the year | Disposals during the year | As at 31st March, 2021 | As at 31st March, 2020 | Depreciation for the year | Disposal during the year | As at 31st March, 2021 | As at 31st March, 2021 | As at 31st March, 2020 |
| **Tangible Assets** | | | | | | | | | | |
| **Own Assets:** | | | | | | | | | | |
| Land | 4,988 | - | 4,988 | - | - | - | - | - | - | 4,988 |
| Buildings | 5,631 | - | 1,206 | 4,425 | 488 | 229 | 154 | 563 | 3,862 | 5,143 |
| Plant & Machinery | 11 | - | - | 11 | 6 | 0 | - | 6 | 5 | 5 |
| Motor Vehicles | 8 | - | - | 8 | 3 | 2 | - | 5 | 3 | 5 |
| Furnitures & Fittings | 90 | - | - | 90 | 8 | 21 | - | 29 | 61 | 82 |
| Office Equipment | 95 | - | - | 95 | 61 | 14 | - | 75 | 20 | 34 |
| Electrical Installation | 725 | - | - | 725 | 376 | 78 | - | 454 | 271 | 349 |
| Water Supply | 112 | - | - | 112 | 37 | 14 | - | 51 | 61 | 75 |
| Assets given on | | | | | | | | | | |
| **Total** | **11,660** | **-** | **6,194** | **5,466** | **979** | **358** | **154** | **1,183** | **4,283** | **10,681** |

| Description | Gross Block | | | | Accumulated Depreciation | | | | Net Carrying Amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Deemed Cost As at 1st April, 2019 | Additions during the year | Disposals during the year | As at 31st March, 2020 | As at 31st March, 2019 | Depreciation for the year | Disposal during the year | As at 31st March, 2020 | As at 31st March, 2020 | As at 31st March, 2019 |
| Tangible Assets | | | | | | | | | | |
| Own Assets: | | | | | | | | | | |
| Land | 8,737 | - | 3,749 | 4,988 | - | - | - | - | 4,988 | 8,737 |
| Buildings | 7,522 | - | 1,891 | 5,631 | 323 | 264 | 99 | 488 | 5,143 | 7,198 |
| Plant & Machinery | 11 | - | - | 11 | 3 | 3 | - | 6 | 5 | 8 |
| Motor Vehicles | 8 | - | - | 8 | 2 | 1 | - | 3 | 5 | 6 |
| Furnitures & Fittings | 152 | - | 62 | 90 | 6 | 4 | 2 | 8 | 82 | 146 |
| Office Equipment | 127 | 11 | 43 | 95 | 53 | 28 | 20 | 61 | 34 | 73 |
| Electrical Installation | 725 | - | - | 725 | 222 | 154 | - | 376 | 349 | 503 |
| Water Supply | 112 | - | - | 112 | 20 | 17 | - | 37 | 75 | 92 |
| Assets given on | | | | | | | | | | |
| **Total** | **17,394** | **11** | **5,745** | **11,660** | **629** | **471** | **121** | **979** | **10,681** | **16,763** |

Buildings include one property (Gross Block and Net Block amounting to Rs. 236 Thousand and Rs. 205 Thousand respectively) as at March 31, 2021 (March 31, 2020: Rs. 912 Thousand and Rs. 236 Thousand respectively) located at Mumbai, the title deeds of which is not readily traceable. Necessary steps are being taken to obtain certified copy of the title deed from the appropriate authorities in respect of the said property. However, the property is in the possession of the Company.

*Amount is below the rounding off norm adapted by the Company.

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

### Note 12

### Other Non-Financial Assets

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| Balances with Government Authorities | 4,481 | 1,196 |
| Lease equalisation account | - | 7,352 |
| Prepaid Expense | 24 | 581 |
| | **4,505** | **9,129** |

### Note 13

### Trade Payables

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| (A) total outstanding dues of micro enterprises and small enterprises | - | - |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises* | 8,727 | 3,692 |
| | **8,727** | **3,692** |

(*Refer Note No. 36)

### Note 14

### Other Payables

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| (A) total outstanding dues of micro enterprises and small enterprises | - | - |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises* | 2,421 | 4,226 |
| | **2,421** | **4,226** |

(*Refer Note No. 36)

### Note 15

### Debt Securities

Secured

(Refer Note No. 50)

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| Debt securities measured at Amortised Cost | | |
| Others | | |
| Non-Convertible Debentures *(Refer Notes 15A and 15B) | 7,74,192 | 9,93,666 |
| | **7,74,192** | **9,93,666** |
| Debt Securities in India | 7,74,192 | 9,93,666 |
| Debt Securities outside India | - | - |
| | **7,74,192** | **9,93,666** |

*Interest on debt securities due from 1st August, 2019, has not been provided. The matter is under dispute/litigation.

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 15A: Debt Securities** *(Continued)*

| | As on 31st March, 2021 Principal ₹ '000 | As on 31st March, 2021 Interest** ₹ '000 | Period in default / Remarks |
|---|---|---|---|
| **Default of Loan during the reporting period** | | | |
| **Default remedied during the year** | | | |
| Non-convertible Debentures | 2,19,474 | - | Default remedied before 31st March, 2021 |
| | **2,19,474** | **-** | |
| **Default not remedied during the year** | | | |
| Non-convertible Debentures | 7,74,192 | - | From April, 2020 to March, 2021 |
| | **7,74,192** | **-** | |

**To the extent interest recognised in the books.

**Note 15B**

Pursuant to the terms and conditions of the assignment agreement dated 10th September, 2018, IL&FS Financial Services Limited had assigned a sum of ₹ 9,95,000 thousands out of the outstanding facility of ₹ 10,00,000 thousand to IL&FS Infrastructure Debt Fund and have excerised their option to convert their entire outstanding facility amount into non-convertible debentures pursuant to a second amendment to the Loan Agreement dated 29th March, 2017. Accordingly, the Company has issued 1,000 secured, redeemable, freely transferable, non-convertible debentures, with a face value of ₹ 1,000 Thousand each on a private placement basis in earlier years. All other terms and conditions, repayment schedule, interest rate and security extended remains unchanged following such conversion which have been disclosed in Note No. 16B. During the year, the lender recalled the debt advanced to the Company, against the non-convertible debentures on account of default in repayment of principal and interest (Also Refer Note No. 50). The matter is under litigation. Accordingly the repayment Schedule has not been provided in the Consolidated Financial Statements.

**Note 16**

**Borrowings (Other than Debt Securities)**

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| **(a) Secured** | | |
| **Borrowings measured at Amortised Cost** | | |
| Term Loans* (Refer Notes 16A and 16B) | | |
| From Finacial Institutions | | |
| HDFC(Refer Note No 52) | | |
| HDFC Loan 1 | 1,98,550 | 4,82,675 |
| HDFC Loan 2 | - | - |
| HDFC Loan 3 | - | - |
| HDFC Loan 4 | 3,00,964 | 5,76,007 |
| HDFC Loan 5 | 1,49,523 | 2,37,817 |
| IL & FS Financial Services Limited | - | - |
| KKR India Financial Services Private Limited** | 10,00,000 | 10,00,000 |
| Srei Infrastructure Private Limited (Refer Note No. 52) | - | 5,99,670 |
| | **16,49,037** | **28,96,169** |

*The above outstanding amount includes current maturities of long-term debt.

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 16 : Borrowings** *(Contd.)*

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| **(b) Un-secured** | | |
| From Associates: | | |
| Inter Corporate Loans | - | 40,000 |
| | - | 40,000 |
| From Others: | | |
| Inter Corporate Loans | 36,20,385 | 36,26,580 |
| | 36,20,385 | 36,26,580 |
| | **52,69,422** | **65,62,749** |
| Borrowings (Other than Debt Securities) in India | 52,69,422 | 65,62,749 |
| Borrowings (Other than Debt Securities) outside India | - | - |
| | **52,69,422** | **65,62,749** |

**The Company has not recognised interest due to the Financial Institution from 1st August, 2019. The Company has disputed higher rate of interest/principal amount of loan. The matter is under litigation.(Refer Note No 49 & 53)

| | As on 31st March, 2021 Principal ₹ '000 | As on 31st March, 2021 Interest* ₹ '000 | Period in default / Remarks |
|---|---|---|---|
| **Default of Loan during the reporting period** | | | |
| **Default remedied during the year** | | | |
| HDFC 1 | 2,84,125 | - | Default remedied before 31st March, 2021 |
| HDFC 4 | 2,75,043 | - | |
| HDFC 5 | 88,294 | - | |
| Srei Infrastructure Private Limited | 5,99,670 | - | |
| | **12,47,132** | - | |
| **Default not remedied during the year** | | | |
| HDFC 1 | 1,98,550 | 32,658 | From September, 2020 upto March, 2021 |
| HDFC 4 | 3,00,964 | 47,409 | |
| HDFC 5 | 1,49,523 | 16,166 | |
| KKR India Financial Services Private Limited | 10,00,000 | - | From April, 2020 upto March, 2021 |
| | **16,49,037** | **96,233** | |

*To the extent interest recognised in the books.

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 16B: Borrowings** *(Continued)*

<table>
<tr><th>Particulars</th><th>Coupon Rate</th><th colspan="2">Repayment Schedule</th><th>Security Details**</th></tr>
<tr><td>HDFC Loan 1 (Refer Note 16B(2)</td><td>@13.35%. p.a.</td><td colspan="2">To be repaid in 56 Equated Monthly Instalments (EMIS) of ₹23,932 thousand each commenced from April, 2017 along with interest payable.</td><td rowspan="2">1)Mortgage of property at Four Mangoe Lane, Kolkata, mortgaged against existing loans of the Company.<br>2) Pledge of 32,00,000 Equity shares of Eveready Industries India Limited and 1,35,000 Equity shares of McLeod Russel India Limited.</td></tr>
<tr><td>HDFC Loan 4 (Refer Note 16B(2)</td><td>@12.45% p.a.</td><td colspan="2">To be repaid in 56 equated monthly instalments begins from September, 2018 amounting to ₹17,931 thousand each along with interest payable.</td></tr>
<tr><td>HDFC Loan 5 (Refer Note 16B(2)</td><td>HDFC Lease Rental Discounting Prime Lending rate + 0.10%bps spread which is effectively 10% p.a.</td><td colspan="2">The Facility shall be repaid in 140 months by way of monthly installments or Equated Monthly Installments of ₹3,048 Thousand each, comprising of principal repayment and interest payment commenced from June, 2019.</td><td>1) Mortgage of property at Four Mangoe Lane, Kolkata, mortgaged against existing loans of the Company<br>2) Pledge of 32,00,000 shares of Eveready Industries India Limited and 1,35,000 shares of McLeod Russel India Limited.<br>3) Personal Guarantee of Mr. Aditya Khaitan (Director).</td></tr>
<tr><td rowspan="2">IL & FS Financial Services Limited (Refer Note 16B(2)</td><td rowspan="2">@13.50%p.a.</td><td>Instalment Date</td><td>Instalment Amount</td><td rowspan="2">1) Pledge of 18,05,570 Equity shares of McLeod Russel India Limited and 25,00,000 Equity shares of Eveready Industries India Limited at a cover of 0.5x of the facility amount, with topup in case of shortfall in margin.<br>2) Mortgage of Land at Neemrana , Rajasthan, admeasuring approx. 156 acres. Pledge of 100% of fully paid-up Equity shares of Vedica Sanjeevani Projects Private Limited and Christopher Estates Private Limited owned by other companies along with the Company.<br>3) Mortgage of other Immovable Properties:<br>a)Residential property in Dover Park, Kolkata admeasuring 1 Bigha, 3 Cottahs valued at Rs.540,000 thousand owned by other group companies<br>b)Bunglow at Sedgemoor in Ootacamund admeasuring 103.25 cents land valued at Rs. 180,000 thousand owned by other group companies.</td></tr>
<tr><td>31-12-2020<br>31-03-2021<br>30-06-2021<br>30-09-2021<br>31-12-2021<br>31-03-2022<br>30-06-2022<br>30-09-2022<br>31-12-2022<br>31-03-2023</td><td>1,56,25,000<br>10,93,75,000<br>10,93,75,000<br>10,93,75,000<br>10,93,75,000<br>10,93,75,000<br>10,93,75,000<br>10,93,75,000<br>10,93,75,000<br>10,93,75,000</td></tr>
</table>

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 16B: Borrowings** *(Contd.)*

| | | | | |
|---|---|---|---|---|
| KKR India Financial Services Private Limited (Refer Note 16B(2) | @16%p.a. | Bullet repayment at the end of 3rd year that is 30th September, 2019 | | 1) Collateral cover to be in the form of Acceptable Real Estate, Equity shares of McLeod Russel India Limited and Eveready Industries India Limited.<br>2) Charge over 4,16,66,666 Equity Shares of McNally Bharat Engineering Company Limited held by various group companies.<br>3)Personal guarantee of Mr. Aditya Khaitan (Director) and Mr. Amritanshu Khaitan (Director).<br>4) Letter of comfort from McLeod Russel India Limited. |
| Srei Infrastructure Private Limited | Srei Prime Lending Rate + 0.50% bps spread which is effectively 15% p.a. | Instalment Date | Instalment Amount | 1) Comfort Letter for Rs. 50 crore from Eveready Industries India Limited backed by Board Resolution.<br>2) Personal Guarantee of Mr. Aditya Khaitan (Director)<br>3) Cross Security: All securities, provided by the Company or any of its other group company or associate company to SREI or any of SREI's group entities under any facility shall also secure this Loan and vice versa. |
| | | 30-11-2019 | 11,80,00,000 | |
| | | 31-12-2019 | 11,80,00,000 | |
| | | 31-01-2020 | 11,80,00,000 | |
| | | 29-02-2020 | 11,80,00,000 | |
| | | 31-03-2020 | 11,80,00,000 | |
| | | 31-07-2020 | 1,00,00,000 | |

** Updation of modified charges with MCA is pending.

1 The Company and its Group Company, namely McLeod Russel India Limited defaulted in repayment of its dues against credit facility availed by them from HDFC Limited, which has taken legal action against the Company, for recovering its dues and the matter is pending bfore the Calcutta Jurisdiction Court.

During the year, the lenders of the Investment Company have recalled the loans advanced to the Company on default in repayment of principal and interest. The matter is subjudice. (Refer Note No. 51).

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

### Note 17

### Other Financial Liabilities

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| **Deposits** | | |
| Security Deposits | 4,676 | 4,676 |
| Current Maturities of Long Term Debt | | |
| Interest Accrued but not due | 5,06,885 | 5,87,119 |
| Book Overdraft | - | 1,473 |
| | **5,11,561** | **5,93,268** |

### Note 18

### Provisions

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| **For employee Benefits** | | |
| For Gratuity | 149 | 115 |
| For Pension | 381 | 381 |
| Other | | |
| Provision for Standard Asset (Refer Note No. 47) | 19,335 | 14,197 |
| Provision for Probable Contingencies (Refer Note No. 54) | 11,44,798 | 9,99,998 |
| | **11,64,663** | **10,14,691** |

### Note 19

### Other Non-Financial Liabilities

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| Advances | 150 | 150 |
| Statutory Dues | 18,187 | 54,351 |
| | **18,337** | **54,501** |

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 20**

**Equity Share Capital**

| Particulars | 31st March, 2021 | | 31st March, 2020 | |
|---|---|---|---|---|
| | Number | ₹ '000 | Number | ₹ '000 |
| **Authorised :** | | | | |
| Equity Shares of ₹ 10/- each | 2,37,50,000 | 2,37,500 | 2,37,50,000 | 2,37,500 |
| Preference Shares of ₹ 100/- each | 1,25,000 | 12,500 | 1,25,000 | 12,500 |
| | | **2,50,000** | | **2,50,000** |
| **Issued, Subscribed & Paid up :** | | | | |
| Equity Shares of ₹ 10 each fully paid up | 1,09,56,360 | 1,09,564 | 1,09,56,360 | 1,09,564 |
| | | **1,09,564** | | **1,09,564** |

Reconciliation of number of Equity Shares Outstanding:

| Particulars | 31st March, 2021 | | 31st March, 2020 | |
|---|---|---|---|---|
| | Number | ₹ '000 | Number | ₹ '000 |
| Number of Shares outstanding at the beginning of the year | 1,09,56,360 | 1,09,564 | 1,09,56,360 | 1,09,564 |
| **Number of Shares outstanding at the end of the year** | **1,09,56,360** | **1,09,564** | **1,09,56,360** | **1,09,564** |

**Rights, preferences and restrictions attached to Equity Shares**

The Investment Company has one class of Equity Shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**Details of shareholders holding more than 5% of the shares in the Company :**

| Particulars | 31st March, 2021 | | 31st March, 2020 | |
|---|---|---|---|---|
| | Number | ₹ '000 | Number | ₹ '000 |
| Bishnauth Investments Limited | 50,36,629 | 45.97 | 50,36,629 | 45.97 |
| United Machine Co. Limited | 9,07,210 | 8.28 | 9,07,210 | 8.28 |
| Ichamati Investments Private Limited | 8,35,364 | 7.62 | 8,35,364 | 7.62 |

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 21**

**Other Equity**

| | | | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|---|---|
| **A.** | **Retained Earnings** | | | |
| | Surplus (Balance in Statement of Profit and Loss) | | | |
| | As per last Financial Statement | | (15,64,336) | (2,15,360) |
| | Add/(Less): Remeasurement of Defined Benefit Plans | | - | - |
| | Add: Profit/(Loss) for the year | | 5,05,216 | (13,48,959) |
| | Add/(Less): Transfer from-Other Comphrensive Income | | 6,08,709 | (16) |
| | Less : Transfer to Statutory Reserve | | (1,01,044) | |
| | | **(a)** | **(5,51,455)** | **(15,64,335)** |
| | General Reserve | | | |
| | As per last Financial Statement | | 11,75,150 | 11,75,150 |
| | | **(b)** | **11,75,150** | **11,75,150** |
| **B.** | **Capital Reserve** | | | |
| | As per last Financial Statement | | 6,518 | 6,518 |
| | | **(c)** | **6,518** | **6,518** |
| **C.** | **Other Reserves** | | | |
| | **Statutory Reserve** | | | |
| | As per last Financial Statement | | 2,57,389 | 2,57,388 |
| | Add : Tranfer from Retained Earnings | | 1,01,044 | - |
| | | **(d)** | **3,58,433** | **2,57,388** |
| **D.** | **Fair value of Equity Instruments through Other Compehensive Income** | | | |
| | As per last Financial Statement | | (26,65,510) | (16,74,381) |
| | Add: Movement in OCI (Net) during the year | | 10,50,998 | (9,91,145) |
| | | | (16,14,512) | (26,65,526) |
| | Less: Transfer to Retained Earnings | | (6,08,709) | (16) |
| | | **(e)** | **(22,23,221)** | **(26,65,510)** |
| | | **(a+b+c+d+e)** | **(12,34,575)** | **(27,90,789)** |

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Nature and Purpose of Reserves:**

**Retained Earnings:**

The Retained earnings comprises of General Reserve and Surplus which is used from time to time to transfer profits by appropriations. It is a free reserve of the Company and can be utilised in accordance with the provisions of the Companies Act, 2013 and as per the approval of the Board. It includes the remeasurement of defined benefit plans as per actuarial valuations which will not be reclassified to the Consolidated Statement of Profit and Loss in subsequent periods.

**Statutory Reserve:**

Statutory Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 ("the RBI Act"). In terms of section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

**Capital Reserve:**

Capital Reserve was created through business combinations and shall be utilised as per the provisions of the Companies Act, 2013.

**Fair value of Equity Instruments through Other Compehensive Income:**

This reserve represents the cumulative effect of fair value fluctuations of Investments made by the Company in equity instruments of other entities. The cumulative gain or loss arising on such changes are recognised through Other Comprehensive Income (OCI) and is accumulated under this reserve. The amount from this reserve will not be reclassified to the Consolidated Statement of Profit and Loss in subsequent periods.

**Note 22**

**Revenue from Operations**

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| **Equity Share Capital** | | |
| On Inter Corporate Deposits | 1,36,898 | 2,32,877 |
| Other Interest | 7,859 | 13,467 |
| | **1,44,757** | **2,46,344** |

**Note 23**

**Dividend Income**

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| On Financial Assets measured at Amortised Cost or Through Other Comprehensive Income | | |
| From Associates | - | - |
| From Others | - | - |
| | - | - |

**Note 24**

**Net gain on derecognition of financial instruments under amortised cost category**

| | 31st March, 2021<br>₹ '000 | 31st March, 2020<br>₹ '000 |
|---|---|---|
| Net gain on derecognition of financial instruments under amortised cost category | - | - |
| | - | - |

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

### Note 25
### Rental Income

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| From Rental Properties | 21,224 | 23,116 |
| | **21,224** | **23,116** |

### Note 26
### Sale of Service

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| Maintenance Services | 15,004 | 17,455 |
| Other Consultancy Services | 20,948 | 20,400 |
| | **35,952** | **37,855** |

### Note 27
### Other Income

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| Profit on sale of Property, Plant and Equipment | 6,66,609 | 5,60,388 |
| Miscellaneous Income | 10 | 45 |
| Provision for Employee Benefits written back | - | 3,038 |
| Provision for doubtful debts/ advances written back | - | 2,794 |
| Contingent Provision for Standard Assets written back | - | 2,942 |
| Liabilities no longer required written back | 1,20,612 | 4,888 |
| | **7,87,231** | **5,74,095** |

### Note 28
### Finance Costs

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| Interest Expense | | |
| - On Fixed Loans* | 96,233 | 2,75,471 |
| - On Intercorporate Borrowings | 6,587 | 2,28,582 |
| - On Debentures* | - | 47,772 |
| - Other interest | 1,932 | 554 |
| Other Borrowing Cost | 1,109 | 34,255 |
| | **1,05,861** | **5,86,634** |

*Refer Note No. 49

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 29**

**Impairment on Financial Instruments***

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| For Diminution in carrying amount of Long-term Investments | | |
| For Doubtful Trade Receivables | - | 937 |
| For Doubtful Loans and advances | - | 8,20,400 |
| | **-** | **8,21,337** |

* *The impairment has been provided in accordance with the Prudential norms issued by the Reserve Bank of India, which is applicable to the Investment Company and in compliance with Ind AS 109 "Financial Instruments".

**Note 30**

**Employees Benefits Expense**

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| Salaries, Wages and Bonus | 1,296 | 2,582 |
| Contribuition to Provident and other funds | 200 | 282 |
| Pension and Gratuity | 72 | 423 |
| Workmen and Staff welfare expenses | 408 | 722 |
| | **1,976** | **4,009** |

**Note 31**

**Other Expence**

| | 31st March, 2021 ₹ '000 | 31st March, 2020 ₹ '000 |
|---|---|---|
| Power and fuel | 223 | 1,939 |
| Rent | 14,499 | 8,690 |
| Repairs and Maintenace | 2,041 | 5,510 |
| Insurance | 454 | 684 |
| Rates and Taxes | 2,700 | 8,880 |
| Legal and Professional charges | 6,367 | 5,220 |
| Establishment and General Expenses (Refer Note No. 45) | 1,670 | 6,973 |
| Travelling and conveyance | 532 | 1,938 |
| Provision for Sub Standard Assets | 3,04,053 | 61,546 |
| Interest and Advances written off | 1,05,311 | 237 |
| Contingent Provision for Standard Assets | 5,138 | - |
| Loss on Disposal of Associates | - | 4,60,883 |
| | **4,42,988** | **5,62,500** |

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 32**

**Contingent Liabilities and Commitments**

**A) Contingent Liabilities** **(₹ '000)**

| | Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| a) | Claims against the Company not acknowledged as debts: | | |
| | Excise matters under dispute ( Note i ) | 711 | 711 |
| | Service Tax Matters under dispute(Note ii) | 26,583 | 26,583 |
| | Others | 9,089 | 10,544 |
| b) | Guarantees given for loans granted to companies within the group | 3,16,350 | 3,16,350 |
| c) | Corporate Guarantees given, in respect of loans borrowed by others (Note iii) | | |
| | Guarantee Amount | **21,92,500** | **21,92,500** |
| | Balance outstanding | **21,92,500** | **21,92,500** |

The probable cash outflow in respect of the above is not determinable at this stage.

**Notes:**

i. Representing claim in respect of Interest on Excise Duty pending before the Hon'ble High Court at Chennai.

ii. Representing demand as per Order issued by the Commissioner of Service Tax, Kolkata in respect of various service tax matters. The above includes penalty and interest for delayed payment of the taxes which have not been quantified in the Order.

iii. The details of corporate guarantees are given below:

**(₹ '000)**

| Given on behalf of | Given to | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|---|
| 1. Woodside Parks Limited | RBL Bank | - | 11,50,000 |
| 2. Seajuli Developers & Finance Limited | IndusInd Bank | - | 2,98,090 |
| 3. Williamson Financial Services Limited | DMI Finance Private Limited | 20,925 | 20,925 |

**B) Other commitments**

The Investment Company has given an undertaking to ICICI Bank Limited (the Bank) not to transfer, assign, dispose of, pledge, charge or create any lien or in any way dispose of the existing Equity Shares to the extent of 13,04,748 shares(31st March, 2020: 13,04,748 shares) or future shareholdings in McNally Bharat Engineering Company Limited without prior approval of the bank.

# Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 33**

**Income Tax Disclosure**

The Major Components of Income Tax Expense for the year ended 31st March, 2021 and 31st March, 2020 are as follow:

**a) Income Tax Recognised in Profit or Loss** **(₹'000)**

| Particulars | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| **Current Income Tax** | **-** | **-** |
| Adjustment in respect of current income tax of previous year | - | - |
| Total Current Tax Expense | - | - |
| **Deferred Tax** | | |
| (Decrease)/Increase in Deferred Tax Assets | 67,075 | (2,21,918) |
| Decrease/(Increase) in Deferred Tax Liabilities | 189 | 3,641 |
| Deferred Tax | **67,264** | **(2,18,277)** |
| **Tax Expense** | **67,264** | **(2,18,277)** |

**b) Deferred Tax related to items recognized in OCI during the year** **(₹'000)**

| Particulars | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| Tax on Gain/(Loss) on FVTPL financial assets | - | 2,76,804 |
| **Income Tax charged to OCI** | **-** | **2,76,804** |

**c) Component of Deferred Tax** **(₹'000)**

| Particulars | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| **Deferred Tax Liabilities** | | |
| Depreciation | (613) | (856) |
| **Deferred Tax Assets** | | |
| Unabsorbed Business Loss & Other Provisions | 3,51,303 | 3,07,824 |
| Unabsorbed Depreciation | 973 | 816 |
| Unabsorbed Capital Losses | 1,38,841 | 27,382 |
| Provision for investment & doubtful advances | 5,06,266 | 5,94,340 |
| **Total Deferred Tax Assets** | **9,96,770** | **9,29,506** |

The management has considered recognition of deferred tax assets during the current and previous financial year based on virtual certainty supported by convincing evidence that sufficient future taxable income would be available against which such deferred tax assets can be realised.

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 33 Income Tax Disclosure** *(Contd.)*

**d) Reconciliation of Tax Expense** **(₹'000)**

| Particulars | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|---|---|---|
| Profit / (Loss) before Tax | 4,37,981 | (5,45,008) |
| Tax on accounting profit | 1,10,240 | (1,24,698) |
| Effect of income which is not taxable | (1,99,187) | (2,301) |
| Effect of expenses which are not deductible | 77,840 | 2,02,066 |
| Effect on recognition of previously unrecognised allowances/ disallowances | (2,11,257) | 1,34,704 |
| Difference in tax due to income chargeable at Special Rates | 6,31,226 | (17,780) |
| Effect of Rate change | (4,76,126) | (2,50,519) |
| **Tax expense recognised in profit or loss** | **(67,264)** | **(58,528)** |

**Note 34**

**Leases**

**As a Lessor**

The Investment Company had given its premises on operating lease. However, such immovable property, being pledged as security against loan taken by the Company and its Group Company, has been sold during the year (Refer Note 51) and accordingly the lease agreements stand cancelled. Thus, the Company has recognised its lease rentals upto the date of disposal of the aforementioned premises which is reflected in the Consolidated Statement of Profit and Loss as rental income under Note 25. Accordingly the lease liability and Right of Use asset presented in the Consolidated Statement of Asset and Liabilities stand at Nil.

**(₹ '000)**

| Particulars | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|---|---|
| Lease rentals recognised as income during the year | 21,224 | 23,116 |
| Value of assets given on lease included in tangible assets | | |
| - Gross carrying amount | - | 2,449 |
| - Depreciation for the year | - | 60 |
| - Accumulated Depreciation | - | 148 |

**Note 35**

**Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006**

Based on the information received by the Investment Company from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to any suppliers covered under this Act as at the Balance Sheet date and hence, disclosures relating to amounts unpaid as at the year-end together with interest paid / payable as required under the said Act have not been given. Auditors have relied on this.

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 36**

**Balance Confirmation**

Outstanding balances of Trade Receivables, Trade Payables, Loans and Advances are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation if any. Although the management is of the view that there will be no material discrepancies in this regard, with respect to certain balances, including non-reconciliation of balances with secured loan creditor and balance confirmation thereof, adjustments/impacts are currently not ascertainable and may affect the financial statements materially.

**Note 37**

**EarningsPer Share (EPS)**

Net Profit for the year has been used as the numerator and numbers of shares have been used as denominator for calculating the basic and diluted earnings per share.

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **A. BASIC** | | |
| i) Number of Equity Shares at the beginning of the year | 1,09,56,360 | 1,09,56,360 |
| ii) Number of Equity Shares at the end of the year | 1,09,56,360 | 1,09,56,360 |
| iii) Weighted average number of Equity Shares outstanding during the year | 1,09,56,360 | 1,09,56,360 |
| iv) Face Value of each Equity Share (₹) | 10 | 10 |
| v) Profit / (Loss) after Tax for Equity Shareholders (₹ '000) | 5,05,216 | (13,48,959) |
| vi) Basic Earnings / (Loss) Per share ( v / iii ) (₹) | 46.11 | (123.12) |
| **B. DILUTED** | | |
| i) Number of Dilutive potential Equity Shares | - | - |
| ii) Diluted Earnings / (Loss) per Share [Same as A (vi) above] (₹) | 46.11 | (123.12) |

Note 38

**Retirement Benefits**

Disclosure in respect of Employee Benefits pursuant to Ind AS -19

**A. Defined Benefit Plans:**

| Particulars | Gratuity (unfunded) | | Medical Insurance (unfunded) | | Leave Encashment (unfunded) | | Pension (unfunded) | |
|---|---|---|---|---|---|---|---|---|
| | As at/year ended 31st March, 2021 | As at/year ended 31st March, 2020 | As at/year ended 31st March, 2021 | As at/year ended 31st March, 2020 | As at/year ended 31st March, 2021 | As at/year ended 31st March, 2020 | As at/year ended 31st March, 2021 | As at/year ended 31st March, 2020 |
| **i) Amounts recognised in the Balance Sheet** | | | | | | | | |
| Present Value of the unfunded Defined Benefit Obligations at the end of the year | 149 | 115 | - | - | - | - | 381 | 381 |
| Fair Value of Plan Assets | - | - | - | - | - | - | - | - |
| **Net (Asset)/Liability** | **149** | **115** | **-** | **-** | **-** | **-** | **381** | **381** |
| **Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss** | | | | | | | | |
| Current Service cost | 30 | 28 | - | - | - | - | 35 | - |
| Interest on Net Defined Benefit Liability/(Assets) | 7 | 35 | - | - | - | - | - | - |
| **Net Cost** | **37** | **63** | **-** | **-** | **-** | **-** | **35** | **-** |
| **Amount recognised in Other Comprehensive Income (OCI) for the year** | | | | | | | | |

**Note 38 Retirement Benefits (Contd.)**

| Particulars | Gratuity (unfunded) | | Medical Insurance (unfunded) | | Leave Encashment (unfunded) | | Pension (unfunded) | |
|---|---|---|---|---|---|---|---|---|
| | As at/year ended 31st March, 2021 | As at/year ended 31st March, 2020 | As at/year ended 31st March, 2021 | As at/year ended 31st March, 2020 | As at/year ended 31st March, 2021 | As at/year ended 31st March, 2020 | As at/year ended 31st March, 2021 | As at/year ended 31st March, 2020 |
| Actuarial Changes Arising from Changes in Financial Assumptions | 1 | 3 | - | - | - | - | - | - |
| Actuarial gain/loss on obligations due to Unexpected Experience | (5) | 13 | - | - | - | - | - | - |
| **Closing amount recognised in OCI outside Profit and Loss Account** | **(4)** | **16** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Change in Net Liabilities/(Assets)** | | | | | | | | |
| Opening Defined Benefit Obligations | 115 | 1,041 | - | 1,794 | - | 639 | 381 | 276 |
| Current Service Cost | 30 | 28 | - | - | - | - | 35 | 105 |
| Interest Cost | 7 | 35 | - | - | - | - | - | - |
| Actuarial Changes Arising from Changes in Financial Assumptions | 1 | 3 | - | - | - | - | - | - |
| Actuarial Changes Arising from Changes in Unexpected Experience | (4) | 13 | - | - | - | - | - | - |
| Benefits Paid | - | 1,005 | - | 1,794 | - | 639 | 35 | - |
| **Closing Defined Benefit Obligations** | **149** | **115** | **-** | **-** | **-** | **-** | **381** | **381** |

**Note:** For the year ended 31st March, 2021, no actuarial valuation has been conducted in respect of Medical Insurance, Leave Encashment and Pension. As per the management, leaves for the FY 2020-21 lapses and the yearly post-retirement medical amount are insignificant. As for pension no new employees are provided for such benefits and the accrual leave liability (including foreign pension) is insignificant, hence, the Investment Company has not conducted Actuarial Valuation.

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 38 Retirement Benefits (Contd.)**

### iii. Quantitative Sensitivity Analysis for Significant Assumption is as below:

**Increase / Decrease in Present Value of Defined Benefits Obligation at the end of the year** (₹'000)

| Particulars | 31st March, 2021 | | 31st March, 2020 | |
|---|---|---|---|---|
| | Amount | (%) | Amount | (%) |
| 50 Bps Increase in Discount Rate | 145440 | -2.121% | 1,13,600 | -1.516% |
| 50 Bps Decrease in Discount Rate | 152172 | 2.409% | 1,17,343 | 1.729% |
| 50 Bps Increase in Rate of Salary Increase | 152186 | 2.419% | 1,17,355 | 1.739% |
| 50 Bps Decrease in Rate of Salary Increase | 145402 | -2.147% | 1,13,576 | -1.537% |
| 50 % Increase in Employee Turnover Rate | 148472 | -0.081% | 1,15,282 | -0.058% |
| 50 % Decrease in Employee Turnover Rate | 148712 | 0.081% | 1,15,416 | 0.058% |
| 50 % Increase in Employee Mortality Rate | 148617 | 0.017% | 1,15,365 | 0.014% |
| 50 % Decrease in Employee Mortality Rate | 148567 | -0.017% | 1,15,333 | -0.014% |

### iv. Sensitivity Analysis Method

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **Principal Actuarial Assumptions atthe Balance Sheet Date** | | |
| **Discount Rate** | 6.29% | 6.44% |
| **Salary Escalation – Staff** | 5.00% | 5.00% |
| **Annual Expected Future Service** | 1.00% | 1.00% |
| **Mortality Rate during Employment** | IALM 2006-2008 Ultimate | IALM 2006-2008 Ultimate |
| **Early Retirement& Disablement (All causes combined)** | 1.00% | 1.00% |
| **Rate of Employee Turnover** | | |
| Age - Up to 28 Years | 0.01% | 0.01% |
| Age - 29 to 45 Years | 0.03% | 0.03% |
| Age - 46 and above | 0.06% | 0.06% |

Disability: Voluntary Retirement has been ignored.

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 38 Retirement Benefits (Contd.)**

**B. Defined Contribution Plans** (₹' 000)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|---|---|
| Contribution to Employee's Provident Fund | 65 | 99 |
| Contribution to Employee's Family Pension Fund | 24 | 27 |
| Contribution to Superannuation Fund | 111 | 156 |
| **Total** | **200** | **282** |

**Note 39**

**Related Party Disclosures**

A. Names of related parties where control exists:

**Associate Companies:**

a) Majerhat Estates & Developers Limited (MEDL)

b) Kilburn Engineering Limited (KEL) (ceased to be an Associate during the year ended 31st March, 2021)

c) Williamson Financial Services Limited (WFSL)

**Joint Venture Company**

D1 Williamson Magor Bio Fuel Limited (D1WM)

**Key Managerial Personnel**

a) Mrs. Aditi Daga (Company Secretary)

b) Mr. Madanlal Agarwal (Chief Financial Officer)

**B. Statement of Related Party Transaction and Balances**

**Inter- Corporate Transactions** **(₹' 000)**

| Particulars | 2020-21 | 2019-20 |
|---|---|---|
| **WFSL** | | |
| Sale of Security of Assets | 31,059 | - |
| Interest Income | - | 60,443 |
| Trade Receivables received | - | 29 |
| Inter- Corporate Loan Given | 4,23,817 | 6,93,045 |
| Inter- Corporate Loan Refunded | 6,07,862 | 11,27,100 |
| **MEDL** | | |
| Advances Given | - | 50 |

# Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 39 Related Party Disclosures (Contd.)**

**Transaction with Key Managerial Personnel** (₹' 000)

| **Particulars** | **2020-21** | **2019-20** |
|---|---|---|
| Remuneration | | |
| Mrs. Aditi Daga | 665 | 944 |
| Mr. Madanlal Agarwal | 534 | - |

**Balances as at year end** (₹' 000)

| **Particulars** | **2020-21** | **2019-20** |
|---|---|---|
| **WFSL** | | |
| Investments | 53,930 | 53,930 |
| Inter- Corporate Loan Given | - | 1,84,045 |
| Interest on Inter- Corporate Loan Given | - | 1,05,311 |
| Trade Receivables | 31,059 | - |
| **MEDL** | | |
| Investments | 10,190 | 10,219 |
| Inter- Corporate Loan Given | 57,415 | 57,365 |
| Interest on Inter- Corporate Loan Given | 32,927 | 32,927 |
| Advances | 135 | 135 |
| Provision for Doubtful Advances | 57,415 | 57,540 |
| Provision for Other Financial Assets | 33,062 | 32,927 |
| **D1 WM:** | | |
| Investments | 261 | 356 |

**Note 40**

**Capital Management**

The primary objective of the Investment Company's capital management policy is to ensure that the Investment Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder's value.

The Investment Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and requirements of the financial covenants. In order to maintain or adjust the capital structure, the Investment Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board. (₹' 000)

| **Regulatory capital** | **31st March, 2021** | **31st March, 2020** |
|---|---|---|
| Common Equity Tier1 capital (CET1) | (24,76,792) | (39,65,800) |
| Other Tier 2 capital instruments (CET2) | - | - |
| **Total capital** | **(24,76,792)** | **(39,65,800)** |
| **Risk weighted assets** | **52,42,059** | **5,16,19,426** |
| CET1 capital ratio | (0.47) | (0.77) |
| CET2 capital ratio | - | - |
| **Total capital ratio** | **(0.47)** | **(0.77)** |

Regulatory capital consists of CET1 capital, which comprises share capital, share premium, retained earnings including current year losses. Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments.

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 41**

**Financial Instruments- Fair Value Measurement**

**A. Accounting classification for Fair Values**

**(i) Following table shows carrying amount and Fair Values of Financial Assets:** (₹' 000)

| Financial Assets | As at 31st March, 2021 | | | As at 31st March, 2020 | | |
|---|---|---|---|---|---|---|
| | Carrying Value | FVTOCI | FVTPL | Carrying Value | FVTOCI | FVTPL |
| **Investments in Associates** | | | | | | |
| Quoted Instruments | - | - | - | 461,451 | - | - |
| Unquoted Instruments | 10,190 | - | - | 10,219 | - | - |
| **Investments in Joint Venture** | | | | | | |
| Unquoted Equity Instruments | 261 | - | | 356 | - | - |
| **Investments in Equity Instruments** | | | | | | |
| Quoted Equity Instruments | 223,399 | | | - | 6,49,151 | |
| Unquoted Equity Instruments | | | 4 | - | 34,091 | |
| **Trade Receivables** | 9,938 | - | - | 11,263 | - | - |
| **Other Receivables** | 26,79,720 | - | - | 12,38,857 | - | - |
| **Cash on Hand** | 374 | - | - | 434 | - | - |
| **Balances with Bank** | 17,455 | - | - | 5,581 | - | - |
| **Balances with Bank other than Cash & cash Equivalents** | 7,224 | - | - | 6,864 | - | - |
| **Loans** | 14,91,757 | - | - | 17,95,410 | - | - |
| **Other Financial Assets** | 6,58,282 | - | - | 12,42,768 | - | - |

**Note 41- Financial Instruments- Fair Value Measurement**

**(ii) Following table shows carrying amount and Fair Values of Financial Liabilities:** (₹' 000)

| Financial Liabilities | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | Carrying Value | Amortized Cost | Carrying Value | Amortized Cost |
| **Borrowings** | | | | |
| Long Term Borrowings | - | 16,49,036 | - | 28,96,169 |
| Debentures | - | 7,74,191 | - | 9,93,666 |
| Inter Corporate Deposits | 36,20,385 | - | 36,66,580 | - |
| **Trade Payables*** | 8,727 | - | 3,692 | - |
| **Other payables*** | 2,420 | - | 10,04,222 | - |
| **Other Financial Liabilities*** | 5,11,561 | - | 5,93,268 | - |

*Fair Values for these Financial Instruments have not been disclosed because their carrying amounts are reasonable approximation of their fair values.

# Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 41 Financial Instruments- Fair Value Measurement (Contd.)**

**(iii) Finance Income and Finance Cost instrument category wise classification** (₹' 000)

| Financial Income and Financial Cost | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | Carrying Value | Amortized Cost | Carrying Value | Amortized Cost |
| **Income** | | | | |
| Interest income | 1,44,756 | - | 2,46,344 | - |
| Dividend Income | - | - | 4,319 | - |
| **Expenses** | | | | |
| Interest Expense | 8,518 | 96,233 | 2,29,135 | 3,23,244 |

**B. Fair Value Hierarchy**

The following table shows the details of financial assets and financial liabilities including their levels in the fair value hierarchy

**i. Financial assets and financial liabilities measured at fair value – recurring fair value measurements** (₹' 000)

| Financial Assets | As at 31st March, 2021 | | | As at 31st March, 2020 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Investments in Associates** | | | | | | |
| Quoted Instruments | - | - | - | - | 4,61,451 | - |
| Unquoted Instruments | - | 10,190 | - | - | 10,219 | - |
| Investments in Joint Associates | | | | | | |
| Unquoted Instruments | - | 261 | | | 356 | |
| **Investments in Equity Instruments** | | | | | | |
| Quoted Equity Instruments | 223,399 | - | - | 6,49,151 | - | - |
| Unquoted Equity Instruments | - | 4 | - | 34,091 | - | - |

**ii. Fair value disclosure of financial assets and financial liabilities measured at carrying value** (₹' 000)

| Financial Liabilities | As at 31st March, 2021 | | | As at 31st March, 2020 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Borrowings** | | | | | | |
| - Long Term Borrowings | - | 16,49,036 | - | - | 28,96,169 | - |
| - Debentures | - | 7,74,191 | - | - | 9,93,666 | - |
| - Inter Corporate Deposits | - | 36,20,385 | - | - | 36,66,580 | - |

**Level 1** hierarchy includes financial instruments valued using quoted market prices. Listed equity instruments and traded debt instruments which are traded in the stock exchanges are valued using the closing price at the reporting date.

**Level 2** hierarchy includes financial instruments that are not traded in active market. This includes OTC derivatives and debt instruments valued using observable market data such as yield etc. of similar instruments traded in active market. All derivatives are reported at discounted values hence are included in level 2. Borrowings have been fair valued using market rate prevailing as on the reporting date.

**Level 3** if one or more significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments and certain debt instruments which are valued using assumptions from market participants.

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

### Note 41 Financial Instruments- Fair Value Measurement (Contd.)

**iii. Valuation techniques used for valuation of instruments categorised as level 3.**

For valuation of investments in equity shares and associates which are unquoted, peer comparison has been performed wherever available. Valuation has been primarily done based on the cost approach where in the net worth of the Investment Company is considered and price to book multiple is used to arrive at the fair value. In cases where income approach was feasible valuation has been arrived using the earnings capitalisation method. For inputs that are not observable for these instruments, certain assumptions are made based on available information. The most significant of these assumptions are the discount rate and credit spreads used in the valuation process. For valuation of investments in debt securities categorised as level 3, market polls which represent indicative yields are used as assumptions by market participants when pricing the asset.

### Note 42

The Investment Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Investment Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses need to be provided as required under any law / Indian Accounting Standards.

### Note 43

**Financial Risk Management**

The Investment Company has operations in India. Whilst risk is inherent in the Investment Company's activities, it is managed through a risk management framework, including on-going identification, measurement and monitoring subject to risk limits and other controls. The Investment Company's activities expose it to credit risk, liquidity risk and market risk.

This note explains the sources of risk which the Investment Company is exposed to and how the entity manages the risk

| Risk | Arising from | Executive governance structure | Management |
|---|---|---|---|
| Credit Risk | Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations | Board appointed Risk Management Committee | Credit risk is<br>• measured as the amount at risk due to repayment default of a customer or counterparty to the Company. Various matrics such as installment default rate, overdue position, collection efficiency, customersnon performing loans etc. are used as leading indicators to assess credit risk.<br>• monitored by Risk Management Committee using level of credit exposures, portfolio monitoring, repurchase rate, bureau data of portfolio performance and industry, geographic, customer, portfolio concentration risks; and assessment of any major change in the business environment including economic, political as well as natural calamity/ pandemic. |

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

### Note 43 Financial Risk Management (Contd.)

| Risk | Arising from | Executive governance structure | Management |
|---|---|---|---|
| | | | • managed by a robust control framework by the risk and collection department which continuously align credit and collection policies and resourcing, obtaining external data from credit bureaus and reviews of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, collection and fraud containment along with business. The same is periodically reviewed by the Board appointed Risk Management Committee. |
| Liquidity and funding risk | Liquidity risk arises from mismatches in the timing of cash flows.<br>Funding risk arises from<br>• inability to raise incremental borrowings and deposits to fund business requirement or repayment obligations<br>• when long term assets cannot be funded at the expected term resulting in cashflow mismatches<br>• Amidst volatile market conditions impacting sourcing of funds from banks | Board appointed Asset Liability Committee (ALCO) | Liquidity and funding risk is<br>• measured by<br>– identification of gaps in the structural and dynamic liquidity statements.<br>– assessment of incremental borrowings required for meeting the repayment obligation as well as Company's business plan in line with prevailing market conditions.<br>• monitored by<br>– assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory directions for NBFCs.<br>– a constant calibration of sources of funds in line with emerging market conditions in banking<br>– periodic reviews by ALCO relating to the liquidity position and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company.<br>• managed by Company's treasury team under the guidance of ALCO through various means like liquidity buffers, sourcing of long-term funds, positive asset liability mismatch, keeping strong pipeline of sanctions and approvals from banks and assignment of loans |

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

### Note 43 Financial Risk Management (Contd.)

| Risk | Arising from | Executive governance structure | Management |
|---|---|---|---|
| Market Risk | Market risk arises from fluctuation in the fair value of future cash flow of financial instruments due to changes in the market variables such as interest rates and equity prices. | Board appointed Asset Liability Committee/ Senior Management | Market risk is<br>• measurement of market risks encompasses exposure to equity investments, foreign exchange rates which would impact our external commercial borrowings and interest rate risks on investment portfolios as well as the floating rate assets and liabilities with differing maturities is measured using changes in equity prices, and sensitivities movements;<br>• monitored by assessments of fluctuation in the equity price, movements of interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movements on both fixed and floating assets and liabilities; and<br>• managed by Investment Company's treasury team under the guidance of ALCO and Investment Committee. |

The Board of Directors provide guiding principles for overall risk management, as well as policies covering specific areas, such as, credit risk, liquidity risk, and investment of available funds. The Investment Company's risk management is carried out by its Risk Management Committee as per such policies approved by the Board of Directors. Accordingly, the Investment Company's Risk Management Committee identifies, evaluates and manages financial risks.

**a) Liquidity and funding risk**

ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Consolidated Balance Sheet.

The table below summarises the maturity profile of the undiscounted contractual cashflow of financial liabilities

| Particulars | 31st March, 2021 | | | 31st March, 2020 | | |
|---|---|---|---|---|---|---|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| Trade Payables | 8,727 | - | 8,727 | 3,692 | - | 3,692 |
| Other Payables | 2,421 | - | 2,421 | 10,04,222 | - | 10,04,222 |
| Debt Securities | 7,74,191 | | 7,74,191 | 9,93,666 | - | 9,93,666 |
| Borrowings (Other than Debt Securities) | 48,84,644 | 3,84,778 | 52,69,421 | 57,64,392 | 7,98,357 | 65,62,749 |
| Other Financial Liabilities | 5,11,561 | - | 5,11,561 | 5,93,268 | - | 5,93,268 |
| **Total** | **61,81,544** | **3,84,778** | **65,66,321** | **83,59,240** | **7,98,357** | **91,57,597** |

Disputed and defaulted liability have been considered as due within 12 months in compliance with Ind AS 1: Presentation of Financial Statements

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

### Note 43 Financial Risk Management (Contd.)

**b) Interest rate risk**

The Investment Company holds shorter duration investment portfolio and thus it has a minimum fair value change impact on its investment portfolio. The interest rate risk on the investment portfolio and corresponding fair value change impact is monitored.

**On assets and liabilities**

Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis. The same is computed monthly and sensitivity of the market value of equity assuming varied changes in interest rates are presented and monitored by ALCO.

**c) Price risk**

The Investment Company's equity investments carry a risk of change in prices. To manage its price risk arising from investments in equity securities, Company periodically monitors the sectors it has invested in, performance of the investee companies, measures mark-to-market gains/losses and reviews the same.

**d) Credit Risk**

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Investment Company. It has a diversified lending model and focuses on commercial lending.

**Classification of financial assets under various stages**

The Investment Company classifies its financial assets in three stages having the following characteristics

Stage 1: unimpaired and without significant increase in credit risk since initial recognition on which a 12-months allowance for ECL is recognised;

Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised; and

Stage 3: objective evidence of impairment and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due (DPD) or one installment overdue on the reporting date and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12-months Point in Time (PIT) probability weighted probability of default (PD). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime PD.

The Investment Company has calculated ECL using three main components: PD, LGD (loss given default) and EAD (exposure at default) along with an adjustment considering forward macro-economic conditions.

| Particulars | Nature of businesses | PD | | | EAD | LGD |
|---|---|---|---|---|---|---|
| | | Stage 1 | Stage 2 | Stage 3 | | |
| Loans | Working capital and term loans to small and mid-sized corporates | External ratings or internal evaluation with a management overlay for each customer or customer industry segment. | 100% | EAD is computed taking into consideration the time to default based on historic trends across rating profile | Based on estimates of cash flows | |

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

### Note 43 Financial Risk Management *(Contd.)*

Financial instruments other than Loans were subjected to simplified ECL approach under Ind AS 109 - 'Financial Instruments'.

**(₹' 000)**

| Asset Classificationas per RBI Norms | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS109 provisions and IRACP norms |
|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5)=(3)-(4) | (6) | (7) = (4)-(6) |
| **Performing Assets** | | | | | | |
| Standard | Stage 1 | 48,39,697 | 19,335 | 48,20,362 | 19,385 | (23) |
| Subtotal for Performing Assets | | 48,39,697 | 19,335 | 48,20,362 | 19,385 | (23) |
| **Non-Performing Assets (NPA)** | | | | | | |
| Substandard | Stage 3 | 3,66,329 | 3,66,329 | - | 91,582 | 2,74,747 |
| Doubtful - up to 1 year | Stage 3 | - | - | - | - | - |
| 1 to 3 years | Stage 3 | - | - | - | - | - |
| More than 3 years | Stage 3 | 10,13,290 | 10,13,290 | - | 10,13,290 | - |
| Subtotal for doubtful | | 10,13,290 | 10,13,290 | - | 10,13,290 | - |
| Loss | Stage 3 | - | - | - | - | - |
| Subtotal for NPA | | 13,79,619 | 13,79,619 | - | 11,04,872 | 2,74,747 |
| Other items such as guarantees, loancommitments,etc. | Stage 1 | 21,92,500 | - | 21,92,500. | - | - |
| **Total** | **Stage 1** | **70,32,197** | **19,335** | **70,12,862** | **19,385** | **(23)** |
| | **Stage 2** | **-** | **-** | **-** | **-** | **-** |
| | **Stage 3** | **13,79,619** | **13,79,619** | **.** | **11,04,872** | **2,74,747** |
| | **Total** | **84,11,816** | **(13,98,954)** | **70,12,862** | **11,24,257** | **2,74,724** |

# Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 44**

**Maturity analysis of assets and liabilities** **(₹' 000)**

| Particulars | 31st March, 2021 | | | 31st March, 2020 | | |
|---|---|---|---|---|---|---|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| **Financial Assets** | | | | | | |
| Cash and Cash Equivalents | 17,830 | - | 17,830 | 6,015 | - | 6,015 |
| Bank Balance other than above | - | 7,225 | 7,225 | - | 6,864 | 6,864 |
| Trade Receivables | 9,938 | - | 9,938 | 11,263 | - | 11,263 |
| Other Receivables | 26,79,720 | - | 26,79,720 | 12,38,857 | - | 12,38,857 |
| Loans | 14,91,757 | - | 14,91,757 | 17,95,410 | - | 17,95,410 |
| Investments | - | 6,95,305 | 6,95,305 | - | 11,55,268 | 11,55,268 |
| Other Financial Assets | 6,52,366 | 5,916 | 6,58,282 | 10,49,665 | 1,93,103 | 12,42,768 |
| **Non-Financial Assets** | | | | | | |
| Current Tax Assets (Net) | 58,697 | - | 58,697 | 1,39,807 | - | 1,39,807 |
| Deferred Tax Assets (Net) | 9,96,770 | - | 9,96,770 | 9,29,506 | - | 9,29,506 |
| Property, Plant and Equipment | - | 4,283 | 4,283 | - | 10,681 | 10,681 |
| Other Non- Financial Assets | 24 | 4,481 | 4,505 | 581 | 8,548 | 9,129 |
| **Total** | **59,07,102** | **7,17,210** | **66,24,312** | **51,71,104** | **13,74,464** | **65,45,568** |
| | | | | | | |
| **Financial Liabilities** | | | | | | |
| Trade Payables | 8,727 | - | 8,727 | 3,692 | - | 3,691 |
| Other Payables | 2,421 | - | 2,421 | 10,04,222 | - | 10,04,222 |
| Debt Securities | 7,74,192 | | 7,74,192 | 9,93,666 | - | 9,93,666 |
| Borrowings (Other than Debt Securities) | 48,84,644 | 3,84,778 | 52,69,422 | 57,64,392 | 7,98,357 | 65,62,749 |
| Other Financial Liabilities | 5,11,561 | - | 5,11,561 | 5,93,268 | - | 5,93,268 |
| **Non-Financial Liabilities** | | | | | | |
| Provisions | 19,865 | - | 19,865 | 14,694 | - | 14,694 |
| Other Non-Financial Liabilities | 18,187 | 150 | 18,337 | 54,352 | 150 | 54,502 |
| **Total** | **62,19,597** | **3,84,928** | **66,04,525** | **84,28,286** | **7,98,507** | **92,26,792** |
| **Net** | **(3,12,495)** | **3,32,282** | **19,787** | **(32,57,182)** | **5,75,957** | **(26,81,224)** |

**Note 45**

**Payment to Statutory Auditors**

During the year, the Investment Company made following payments to Statutory Auditors: **(₹' 000)**

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---|---|
| **As Auditors** | | |
| Audit Fees | 800 | 800 |
| **For Other Services** | | |
| Tax Audit Fees | 200 | 200 |
| Certifications | 1656 | 67 |
| Other Professional Charges | - | 630 |
| **Total** | **2656** | **1,697** |

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**Note 46**

**Segment Reporting**

The main business of the Investment Company is Investment activity; hence, there are no separate reportable segments as per Ind AS 108 on 'Operating Segment'.

**Note 47**

Based on Notification no. DNBR.009/CGM(CDS)-2015 dated 27th March, 2015, provision has been made for standard assets at 0.40 percent of the balance of such assets as at 31st March, 2021 which has been disclosed separately as Provision for Standard Assets' in Note 18.

**Note 48**

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Consequent to the declaration of COVID-19 as a global pandemic, the Government of India had declared a nationwide lockdown on 24th March, 2020 which got extended from time to time in order to prevent community spread of the virus resulting in significant reduction in economic activities. Consequently, the Company was forced to restrict or close the operations in the short term. The Investment Company is closely monitoring the situation and the operations are being resumed in a phased manner after considering the directives as issued by the Government of India. The Investment Company has evaluated its liquidity position, recoverability and carrying value of its assets and has concluded that no material adjustments are required at this stage.

**Note 49**

During the year, the Investment Company's financial performance has been adversely affected due to external factors beyond the control of the Company and negative net worth due to the classification of loans and advances as Non-Performing Assets and diminution in the value of Investments. The Investment Company has defaulted in repayment to the lenders and others and the liquidity issues faced by the Company are being discussed with them. The Management is confident that with the Lender's support and various other measures taken by it, the Company will be able to generate sufficient cash inflows through profitable operations improving its net working capital position to discharge its current and non-current financial obligations. Accordingly, the Board of Directors have decided to prepare the Consolidated Financial Statements on a going concern basis.

The Company has requested the financial institutions and other lenders to reconsider the rate of interest charged and decided not to recognise interest expense on their term loans, debts securities and inter corporate depositsfrom 1st August, 2019.

Accordingly, interest of ₹ 4,50,431 Thousands on inter - corporate borrowings for the year for the 31st March, 2021 (₹3,97,050 Thousand for the quarter ended 31st March, 2021) has not been recognised and Interest of ₹ 2,95,000 Thousands on borrowings from financial institution for the year ended 31st March, 2021 (₹ 73,750 Thousand for the quarter ended 31st March, 2021 and ₹ 1,96,986 Thousands for the year ended 31st March, 2020), is not recognised in this Standalone Financial Statements.

**Note 50**

a) In respect of the debentures issued to IL&FS in earlier year, the first instalment of redemption thereof of ₹ 15,625 thousands was due on 31st December, 2020 and the second instalment of ₹ 1,09,375 thousands on 31st March, 2021. However, IL&FS had unilaterally called for premature redemption on 10th June, 2019. Aggrieved by this the Company has stopped recognising the interest expense from August 2019 onwards. The Company has also disputed their arbitrary action and is negotiating with them for proper resolution. In the meantime the shares, fixed deposits and immovable property pledged/ mortgaged by the Company including that of its group companies were invoked by IL&FS from time to time, details whereof are as under:-

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

**A ) Securities invoked**

| Shares Held by | Scrip name | Invoked by | Date of Invocation | Amount Repaid (₹' 000) |
|---|---|---|---|---|
| Babcock Borsig Limited | Eveready Industries India Limited | IL & FS Financial Services Limited | 07-10-2020 | 1,41,120 |
| Williamson Financial Services Limited | Eveready Industries India Limited | IL & FS Financial Services Limited | 07-10-2020 | 1,03,680 |
| Bishnauth Investments Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 10-06-2019 | 47,345 |
| Bishnauth Investments Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 10-06-2019 | 5,570 |
| Williamson Magor& Co. Ltd. | Eveready Industries India Limited | Vistra ITCL (India) Ltd | 11-06-2019 | 1,26,000 |
| Babcock Borsig Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 11-06-2019 | 13,200 |
| Bishnauth Investments Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 11-06-2019 | 34,489 |
| Williamson Magor& Co. Ltd. | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 21-06-2019 | 13,775 |
| Babcock Borsig Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 21-06-2019 | 6,397 |
| Williamson Financial Services Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 21-06-2019 | 4,622 |
| Williamson Financial Services Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 21-06-2019 | 7,695 |
| Williamson Financial Services Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 27-06-2019 | 30,020 |
| Williamson Magor& Co. Ltd. | Eveready Industries India Limited | Vistra ITCL (India) Ltd | 08-07-2019 | 55,320 |
| Williamson Financial Services Limited | Eveready Industries India Limited | Vistra ITCL (India) Ltd | 08-07-2019 | 34,575 |
| Williamson Financial Services Limited | McLeod Russel India Limited | Vistra ITCL (India) Ltd | 08-07-2019 | 25,762 |
| Bishnauth Investments Limited | Eveready Industries India Limited | IL & FS Financial Services Limited | 14-07-2020 | 71,120 |
| Williamson Financial Services Limited | Eveready Industries India Limited | Vistra ITCL (India) Ltd | 14-07-2020 | 56,680 |
| Williamson Magor& Co. Ltd. | Eveready Industries India Limited | IL&FS Infra Asset Management Ltd | 14-07-2020 | 16,716 |
| Bishnauth Investments Limited | McLeod Russel India Limited | IL & FS Financial Services Limited | 21-12-2020 | 4,542 |

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

| Shares Held by | Scrip name | Invoked by | Date of Invocation | Amount Repaid (₹' 000) |
|---|---|---|---|---|
| Williamson Magor& Co. Ltd. | McLeod Russel India Limited | IL & FS Financial Services Limited | 21-12-2020 | 10,945 |
| Williamson Magor& Co. Ltd. | Eveready Industries India Limited | IL & FS Financial Services Limited | 22-03-2021 | 30,033 |
| Williamson Magor& Co. Ltd. | McLeod Russel India Limited | IL & FS Financial Services Limited | 28-05-2021 | 14,603 |
| Bishnauth Investments Limited | McLeod Russel India Limited | IL & FS Financial Services Limited | 26-05-2021 | 2,830 |
| Bishnauth Investments Limited | McLeod Russel India Limited | IL & FS Financial Services Limited | 27-05-2021 | 2,900 |
| Williamson Magor& Co. Ltd. | Eveready Industries India Limited | IL&FS Infra Asset Management Ltd | 11-03-2019 | 36,612 |
| Williamson Magor& Co. Ltd. | Eveready Industries India Limited | IL&FS Infra Asset Management Ltd | 14-07-2020 | 1,07,651 |
| Bishnauth Investments Limited | Eveready Industries India Limited | Vistra ITCL (India) Ltd | 30-10-2019 | 1,48,900 |
| **Total** | | | | **11,53,102** |

**B) Fixed Deposit**

| Fixed Deposit held by | Invoked By | Date of adjustments | Amount Repaid/ adjusted (₹' 000) |
|---|---|---|---|
| Williamson Magor& Co. Ltd | IL & FS Financial Services Limited | Not – Known | 1,90,488 (including interest thereon upto June, 19 ) |

**C) Real Estate Property**

| Property held by | Description of the Property | Invoked By | Date of Invocation | Amount Repaid (₹' 000) |
|---|---|---|---|---|
| Williamson Financials Services Ltd | Flat of 5 Rowland Road Kolkata | IL & FS Financial Services Limited | 27-09-2019 | 54,017 |

b) In earlier year IL & FS Financial Services Limited ("the Investor") had invested in one of the promoter group company namely McNally Bharat Engineering Company Limited by subscribing to 1,61,29,000 Compulsorily Convertible Preference Shares (CCPSs) @ ₹ 62/- per share aggregating to ₹ 9,99,998 thousands. The said Investor had exercised put option to sell the said CCPSs to the Company. Without prejudice to Company's right to oppose the investor's action the Company as a prudential measure had recognised the said sum as Contingencies for Probable Obligations and a corresponding Financial Asset recognised in the Standalone Financial Statements

As the shares pledged belonged to the Company and its Group Companies against the borrowings of the company and other group companies and no confirmations/intimation have been received from IL & FS as to how the adjustments have been made by them against the Company's and the group companies' borrowings with the sale proceeds of the shares and property pledged with them in a common pool.

In the absence of segregation of the invoked securities held by Vistra ITCL (India) Ltd and ILFS it is not clear as

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

to how much value is ascribed to the Non-Convertible Debentures issued by the company to ILFS-IDF. On the basis of pro-rata loan principal outstanding as on date, the value of invoked common securities is more than that of repayment obligation of 31st Dec 2020 and 31st March 2021. The Company has obtained legal opinion in this matter and accordingly the management is of the opinion that there has been no default on the company's part as to its redemption obligation of the Non-Convertible Debentures. Hence, none of the Directors are disqualified Under Section 164(2) of the Companies Act, 2013.

**Note 51**

During the year HDFC Ltd. the lender of the Investment Company sold the pledged security of immovable property (building) for a consideration of ₹ 6,80,000 thousands and adjusted the same against the outstanding dues of the Company and a Group Company. Accordingly, Profit on sale of such assets amounting to ₹ 6,66,609 thousands has been recognised and credited to Statement of Profit and Loss for the year ended 31st March, 2021.

**Note 52**

During the year the Lender Company SREI Equipment Finance Limited (Formerly known as SREI Infrastructure Finance Ltd) has invoked the Letter of Comfort given by Eveready Industries India Limited for the settlement of total outstanding amount of ₹ 6,00,000 thousands. As per Memorandum of Understanding (MOU) entered between the Borrower, Lender and Guarantors on 28th September, 2020, the Loan amount was settled at ₹ 4,79,108.81 thousands against the said Letter of Comfort given by Eveready Industries India Limited. Accordingly, the Company has squared off the amount due to SREI Equipment Finance Limited and recognized the liability to Eveready Industries India Limited of ₹ 4,79,108.81 thousands and the loan settlement income of ₹ 1,20,891.19 thousands shown as other income in the Standalone Statement of Profit and Loss.

**Note 53**

In earlier year loan of ₹ 10,00,000/- thousands due to KKR Financial Services Limited (KKR) could not be repaid by the company. The matter has been reported to arbitration and the parties are in the process of appointing their arbitrator(s).

**Note 54**

In earlier year the Investment Company had entered into a Put Option Agreement with Kotak Mahindra Bank ("the Investor") and the Investor had invested in one of the promoter group entity company namely McNally Bharat Engineering Company Limited in the form of 24,00,000 Compulsorily Convertible Preference Shares (CCPSs) @ ₹ 62/- per share aggregating to ₹ 1,48,800 thousands. As per the terms of agreement the said Investor exercised put option to sell the said shares to the Company. On failure to recover the amount, the investor filed an application under section 9 of Arbitration & Conciliation Act before the Bombay High Court. An order of injunction was passed upon the Company restraining it from transferring, disposing of or alienating its assets and an undertaking was taken from the company that ₹ 5000 thousands would be paid by it upfront. Accordingly, the Company has paid ₹ 5,000 thousand to the investor. Consequently, the Company has recognised the said sum of ₹ 1,48,800 thousands as Contingencies for Probable Obligations and ₹ 5,000 thousand has been recognised as advance in the Standalone Financial Statements.

**Note 55**

In earlier year pursuant to an agreement entered into by the Investment Company with Aditya Birla Finance Limited ("the Investor") the Investor had invested in one of the promoter group company namely McNally Bharat Engineering Company Limited by subscribing to 1,12,90,000 Compulsorily Convertible Preference Shares (CCPSs) @ ₹ 62/- per share aggregating to ₹6,99,980 thousands. On the Investor's failure to realize the amount on invocation of the above CCPs, it initiated arbitration proceedings and the Arbitral Tribunal passed an interim award upon the group companies and the Company declaring it to be jointly and severally liable to pay a sum of ₹ 8,10,000 thousands. The Investment Company has filed an application challenging the award and is pending for adjudication.

## Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

### Note 56

Securities given on behalf of group companies by the Company to HDFC Limited by way of pledge of 32,00,000 Equity Shares of Eveready Industries India Limited (EIL) have been invoked in earlier years. Out of these pledged shares, sale proceeds of 9,55,337 Equity Shares were adjusted against the dues owed by the Company and other group companiesin earlier years. For the remaining 22,44,663 Equity Shares the sale proceeds have been adjusted against the dues owed by the company and other group companies during the year.

### Note 57

The Investment Company had reversed the TDS liability on interest provided in earlier years as the company is in negotiation with the lenders in respect of interest payment. Further, the management of the company is of the view that as the relevant interest has been disallowed in the income tax due non-payment of TDS, hence TDS if payable on such interest will arise/ be paid on payment of interest.

### Note 58

The previous year's figures have been regrouped and reclassified wherever necessary.

**For V. SINGHI & ASSOCIATES**
*Chartered Accountants*
Firm Registration No.: 311017E

**(V.K.SINGHI)**
*Partner*
Membership No. 050051

Place : Kolkata
Date: 30th June, 2021

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

**Aditya Khaitan**
(Chairman)
DIN :00023788

**Arundhuti Dhar**
(Director)
DIN :03197285

**Aditi Daga**
(Company Secretary)

**Madan Lal Agarwal**
(Manager & CFO)

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Consolidated Financial Results**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021**

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

| I. | Sl. No. | Particulars | Audited Figures (as reported before adjusting for qualifications) (₹ in thousand) | Adjusted Figures (audited figures after adjusting for qualifications) (₹ in thousand) |
|---|---|---|---|---|
| | 1 | Turnover / Total income | 9,89,135 | 9,89,135 |
| | 2 | Total Expenditure | 4,83,919 | 22,26,120 |
| | 3 | Net Profit/(Loss) | 5,05,216 | (12,36,985) |
| | 4 | Earnings Per Share | 46.11 | (112.90) |
| | 5 | Total Assets | 63,23,258 | 53,26,488 |
| | 6 | Total Liabilities | 77,49,323 | 84,94,754 |
| | 7 | Net Worth | (14,26,065) | (31,68,266) |
| | 8 | Any other financial item(s) | NIL | NIL |

| II. | Audit Qualification (each audit qualification separately): | |
|---|---|---|
| | a. Details of Audit Qualification: | (1) Going Concern Assumption in preparation of the Statement<br>The Investment Company has defaulted in repayment of borrowings to its financial institutions lenders and others. In view of the Management, the Investment Company would be able to improve its net working capital position to discharge its current and non-current financial obligations as described in Note 4(a) to the Statement. However, in view of the uncertainties involved, these events and conditions indicate a material uncertainty which may cast a significant doubt on the Investment Company's ability to continue as a going concern. Accordingly, the use of going concern assumption of accounting in preparation of this Statement is not adequately and appropriately supported as per the requirements of Indian Accounting Standard 1 "Presentation of Financial Statements".<br>(2)Non-recognition of Interest Expense<br>We draw attention to Note 4(b) of the Statement relating to non-recognition of interest expense of Rs. 4,50,431 Thousands on inter - corporate borrowings for the quarter ended 31st March, 2021(Rs. 3,97,050 Thousandfor the quarter ended 31st March, 2021) and interest expense of Rs. 2,95,000 Thousands on borrowings from financial institution for the year ended 31st March, 2021 (Rs. 73,750 Thousands for the quarter ended 31st March, 2021 and Rs.1,96,986 Thousands for the year ended 31st March, 2020). As a result, finance cost, liability on account of interest and total comprehensive profit for the quarter and year ended 31st March, 2021 are understated to that extent. |

<table>
<tr><td rowspan="9"></td><td rowspan="2"></td><td>(3) Recognition of Deferred Tax Assets<br>We draw attention to Note 15 of the Statement relating to recognition of Deferred Tax Assets by the Investment Company amounting to Rs. 9,96,770 thousand as at 31st March, 2021. Considering the management's assessment of going concern assumption in the Statement, the threshold of reasonable certainty for recognizing the deferred tax assets as per Indian Accounting Standard 12 "Income Taxes" has not been met. Consequently, deferred tax assets is overstated and total comprehensive loss for the year ended 31st March, 2021 is understated by that extent.</td></tr>
<tr><td>(4) Balances with secured loan creditor and balance confirmation.<br>We draw attention to Note No. 5 a) and b) with respect to certain balances, including non-reconciliation of balances with secured loan creditor and balance confirmation thereof. Adjustments/impacts in this respect are currently not ascertainable and as such cannot be commented upon by us.</td></tr>
<tr><td>b. Type of Audit Qualification :</td><td>Qualified Opinion</td></tr>
<tr><td>c. Frequency of qualification:</td><td>Annual</td></tr>
<tr><td>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</td><td>• The company is not agreeable to the processing fees & high interest already charged by lenders. Company will go for restricting so as get relief from Interest expenditure.<br>• Most of the borrowers have been facing financial stress due to slow down in economy. The problem further increased due to COVID 19 pandemic due to which the borrowers are not in a situation to pay interest hence keeping conservatism approach Interest Income is not booked.<br>• Management is of view that these advances are good in nature and will be recovered in due course</td></tr>
<tr><td colspan="2">e. For Audit Qualification(s) where the impact is not quantified by the auditor:</td></tr>
<tr><td>(i) Management's estimation on the impact of audit qualification:</td><td>Estimation not possible</td></tr>
<tr><td>(ii) If management is unable to estimate the impact, reasons for the same:</td><td>Estimation not possible</td></tr>
<tr><td>(iii) Auditors' Comments on (i) or (ii) above:</td><td>Not able to comment on impact of going concern assumption at present (Refer (a) Basis for Qualified Opinion) and the Management need to take confirmation and do reconciliation to calculate the impact of Borrowings and Loans and Advances.(Refer (e) Basis for Qualified Opinion).</td></tr>
<tr><td>III.</td><td colspan="2">Signatories :<br>• Manager & CFO (Mr.Madanlal Agarwal)<br>• Audit Committee Chairman (Ms.Arundhuti Dhar) DIN. - 03197285<br>• Statutory Auditor<br><br>For V. SINGHI & ASSOCIATES<br>Chartered Accountants<br>Firm Registration No.: 311017E<br><br>(V. K. SINGHI)<br>Partner<br>Membership No.: 050051</td></tr>
</table>

Place: KOLKATA
Date: 30th June, 2021

WM