



Technocraft Industries (India) Limited

Registered Office: Plot No. 47, 'Opus Centre', Second Floor, Central Road, MIDC, Opposite Tunga Paradise Hotel, Andheri (East), Mumbai-400093, Maharashtra, India
Tel: 4098 2222/0002; Fax No. 2835 6559; **CIN:** L28120MH1992PLC069252
E-mail: investor@technocraftgroup.com ; website: www.technocraftgroup.com

September 4, 2020

To,
The Manager,
Listing Department,
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

To,
The Manager,
Listing Department,
BSE Ltd.
P.J.Tower, Dalal Street, Fort,
Mumbai-400001

NSE Symbol: TIIL

BSE Security Code No.: 532804

Dear Sirs,

Sub: Annual Report for Financial Year ended on March 31, 2020

Pursuant to Regulation 34 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), please find enclosed Annual Report of the Company for Financial Year ended on March 31, 2020.

Thanking you,

Yours truly,

For Technocraft Industries (India) Limited

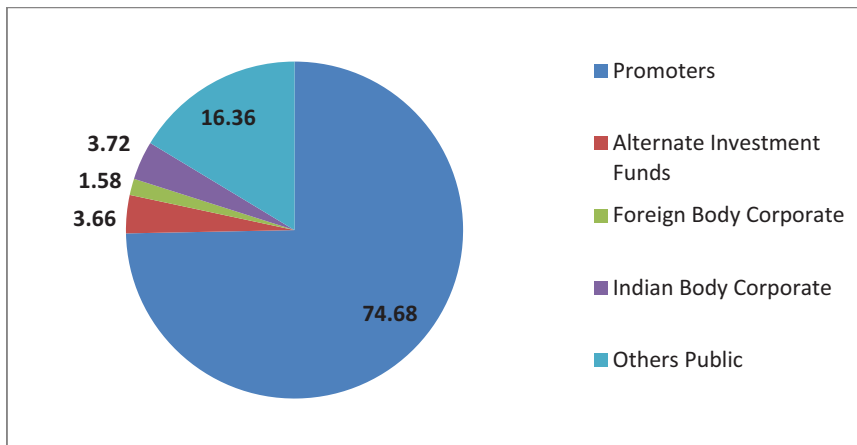
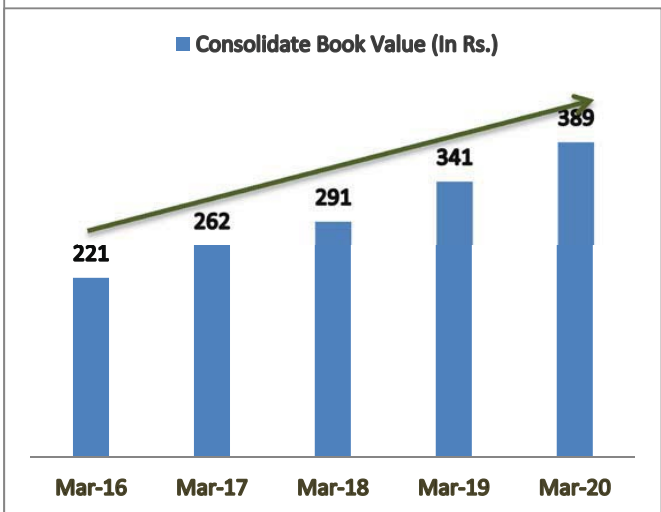
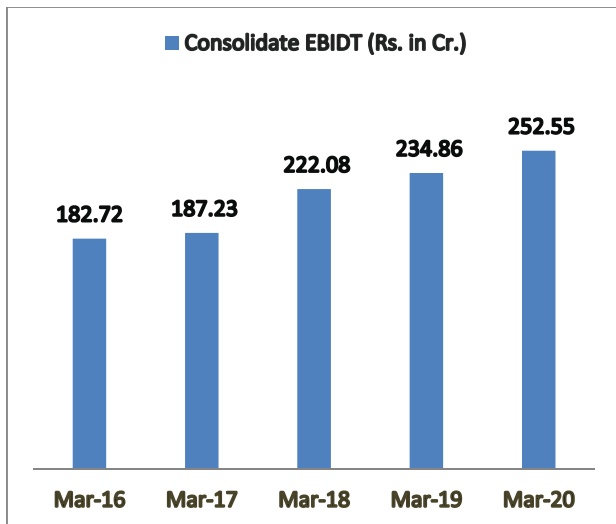
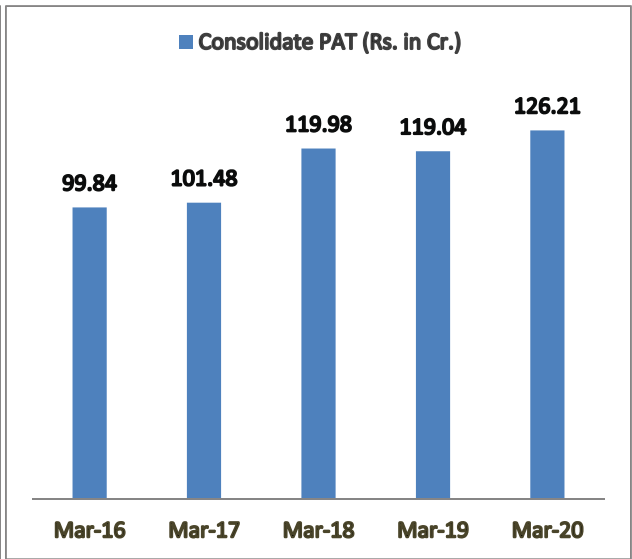
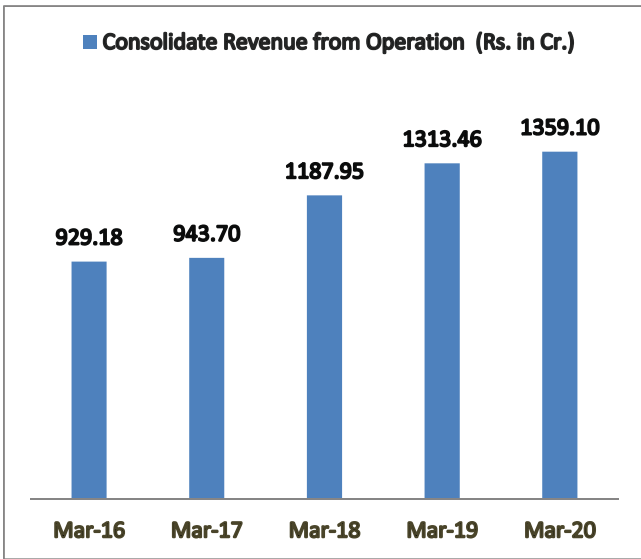
Neeraj Rai
Company Secretary

Encl.: a.a.



TECHNOCRAFT INDUSTRIES (INDIA) LTD.
www.technocraftgroup.com
Annual Report 2019 - 20

FINANCIAL SNAPSHOT 2019-20





GENERAL INFORMATION

BOARD OF DIRECTORS

| | |
|---------------------------|-----------------------------------|
| Mr. Sharad Kumar Saraf | (Chairman & Managing Director) |
| Mr. Sudarshan Kumar Saraf | (Co-Chairman & Managing Director) |
| Mr. Navneet Kumar Saraf | (Whole-time Director & CEO) |
| Mr. Ashish Kumar Saraf | (Whole-time Director & CFO) |
| Mr. Atanu Chaudhary | (Whole-time Director) |
| Mr. Vinod B. Agarwala | (Independent Director) |
| Mr. Jagdeesh Mal Mehta | (Independent Director) |
| Mr. Vishwambhar C. Saraf | (Independent Director) |
| Mr. Aubrey I. Rebello | (Independent Director) |
| Ms. Vaishali Choudhari | (Independent Director) |

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COMPANY SECRETARY

Mr. Neeraj Rai

BANKERS

Bank of India
IDBI Bank
HDFC Bank
Citi Bank NA

AUDITORS

M/s. Dhiraj & Dheeraj, (Erstwhile M/s Khandelwal Prakash Murari Bhandari & Co.)
Chartered Accountants, Mumbai

REGISTERED OFFICE

Plot No. 47, 'Opus Centre', Second Floor, Central Road, MIDC,
Andheri (E), Mumbai, 400093 www.technocraftgroup.com
CIN: L28120MH1992PLC069252

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited

C-101, 247 Park, L B S Marg,
Vikroli West, Mumbai – 400 083.
Tel: +91 22 49186000 Fax: +91 22 49186060



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 28th Annual General Meeting of the Members of the Technocraft Industries (India) Limited will be held on **WEDNESDAY, SEPTEMBER 30, 2020** at 11.00 a.m. (IST) via two-way Video Conferencing ('VC') facility or other audio visual means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2020 together with the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolutions as **Ordinary Resolution**:
 - (a) **"RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2020 together with the reports of the Board of Directors and Auditors thereon presented before this meeting, be and are hereby considered and adopted."
 - (b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 together with the reports of Auditors thereon presented before this meeting, be and are hereby considered and adopted."
2. To appoint Mr. Sharad Kumar Saraf, who retires by rotation as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sharad Kumar Saraf (holding DIN 00035843), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."
3. To appoint Mr. Navneet Kumar Saraf, who retires by rotation as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Navneet Kumar Saraf (holding DIN 00035686) who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

4. To re-appoint Mr. Navneet Kumar Saraf (holding DIN 00035686) as a Whole-time Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee and the approval of Board through its meeting dated February 5, 2020 and pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made thereunder (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act, the members hereby approves the appointment and terms of remuneration of Mr. Navneet Kumar Saraf (holding DIN 00035686) as an Whole-time Director of the Company, who liable to retire by rotation, for a period of five years with effect from February 6, 2020 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Navneet Kumar Saraf."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."
5. To re-appoint Mr. Ashish Kumar Saraf (holding DIN 00035549) as a Whole-time Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee and the approval of Board through its meeting dated February 5, 2020 and pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made thereunder (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act, the members hereby approves the appointment and terms of remuneration of Mr. Ashish Kumar Saraf (holding DIN 00035549) as an Whole-time Director of the Company, who liable to retire by rotation, for a period of five years with effect from February 6, 2020 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with authority to the Board of Directors to



alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Ashish Kumar Saraf.”

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

6. To appoint Mr. Atanu Anil Choudhary (holding DIN 02368362) as a Whole-time Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and the approval of Board through its meeting dated July 30, 2020 and pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the rules made thereunder (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act, the members hereby approves the appointment and terms of remuneration of Mr. Atanu Anil Choudhary (holding DIN 02368362) as an Whole-time Director of the Company, who liable to retire by rotation, for a period of five years with effect from August 10, 2020 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Atanu Anil Choudhary.”

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

7. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2021 and in this regard, pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s NKJ & Associates, Cost Accountants, (Firm Registration No.101893) who was appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2020-21, amounting to 75,000/- (Rupees Seventy Five thousand only) as also the payment of tax as applicable and re-imburement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

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

- 8 To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirement), 2015 including statutory modification(s) or re- enactment thereof for the time being in force and as may be enacted from time to time, approval of the members be and is hereby accorded for entering into transactions with AAIT/ Technocraft Scaffold Distribution LLC FZE, a step down subsidiary, for distribution of scaffolding as export sale upto ₹ 300 Crores for Financial Year 2020-21, on such terms and conditions as defined in the explanatory statement.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the related party, make such changes to the terms and conditions as may be considered necessary or desirable in order to give effect to this resolution in the best interest of the Company.”

Registered Office:

Plot No. 47, 'Opus Centre', Second Floor,
Central Road, MIDC, Andheri (East),
Mumbai 400093.

CIN L28120MH1992PLC069252

Tel. No: + 91 22 4098 2222

www.technocraftgroup.com

**By Order of the Board
For Technocraft Industries (India) Limited**

**Neeraj Rai
Company Secretary**

Place: Mumbai

Date: August 31, 2020



NOTES:

1. In view of the global outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM' or 'Meeting') through Video Conferencing ('VC') facility or other audio visual means ('OAVM'), without the physical presence of the Members at a common venue. Further, Securities and Exchange Board of India ('SEBI') vide its Circular dated May 12, 2020 ('SEBI Circular') has also granted certain relaxations. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the 28th AGM of the Company is being held through VC/OAVM on Wednesday, September 30, 2020 at 11.00 a.m. (IST). The deemed venue for the 28th AGM will be the registered office of the Company.
2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE AGM VENUE ARE NOT ANNEXED TO THIS NOTICE.**
3. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos.4 to 8 of the Notice is annexed hereto. The relevant details pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National Securities Depository Limited's ('NSDL') e-Voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice.
5. Institutional Investors, who are Members of the Company, are encouraged to attend the AGM through VC/OAVM mode and vote electronically. Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC/OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutiniser by e-mail at csniteshjain@gmail.com with a copy marked to evoting@nsdl.co.in.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. In line with the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the AGM has been uploaded on the website of the Company at www.technocraftgroup.com and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The Notice is also available on the website of NSDL at www.evoting.nsdl.com.
8. **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:**
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 investor@technocraftgroup.com.
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 investor@technocraftgroup.com



9. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, September 26, 2020 to Wednesday, September 30, 2020 (both days inclusive) for the purpose of the Annual General Meeting of the Company.

10. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to investor@technocraftgroup.com by mentioning their DP ID & Client ID/Physical Folio Number.

11. Remote e-Voting before/during the AGM

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide the members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The remote e-voting period commences on September 26, 2020 (9:00 am) and ends on September 29, 2020 (5:00 pm). The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. September 23, 2020.

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote at the end of discussion on the resolutions on which voting is to be held, upon announcement by the Chairperson. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.

The remote e-Voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

The Scrutiniser will submit his report to the Chairperson or to any other person authorised by the Chairperson after the completion of the scrutiny of the e-Voting (votes cast during the AGM and votes cast through remote e-Voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutiniser's report shall be communicated to the Stock Exchanges on which the Company's shares are listed, NSDL and will also be displayed on the Company's website at www.technocraftgroup.com. Mr. Nitesh Jain, proprietor of M/s Nitesh Jain & Co., Practising Company Secretary (Membership No. FCS 6069 and Certificate of Practice No. 8582) has been appointed as the Scrutinizer for the said process.

12. Instructions for attending the AGM through VC/OAVM and remote e-Voting (before and during the AGM) are given below:

A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM

(1) The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system and they may access the same at <https://www.evoting.nsdl.com> under the Shareholders/Members login by using the remote e-Voting credentials, where the EVEN of the Company will be displayed. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID/Password may retrieve the same by following the remote e-Voting instructions mentioned below to avoid last minute rush. Further, Members may also use the OTP-based login for logging into the e-Voting system of NSDL.



- (2) Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops 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 glitches.
- (3) Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the 28th AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's e-mail address at investor@technocraftgroup.com before 3.00 p.m. (IST) on Friday, September 23, 2020. Such questions by the Members shall be suitably replied by the Company.
- (4) Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at investor@technocraftgroup.com between September 21, 2020 (9.00 a.m. IST) and September 23, 2020 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- (5) Members who need technical assistance before or during the AGM to access and participate in the Meeting may contact NSDL on evoting@nsdl.co.in/1800-222-990 or contact Mr. Amit Vishal, Senior Manager, NSDL at amitv@nsdl.co.in/+91 22 2499 4360/ +91 9920264780.

B. INSTRUCTIONS FOR REMOTE E-VOTING BEFORE/DURING THE AGM

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

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

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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 'Shareholders' section.
- 3) A new screen will open. You will have to enter your User ID, your Password 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 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 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 For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |



- 5) Your password details 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 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.nsd.com.
 - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsd.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.
 - 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.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- 1) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- 2) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- 3) Select "EVEN" of company for which you wish to cast your vote.
- 4) Now you are ready for e-Voting as the Voting page opens.
- 5) 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.
- 6) Upon confirmation, the message "Vote cast successfully" will be displayed.
- 7) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 8) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

The instructions for e-Voting during the AGM are as under:

- i. The procedure for remote e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/OAVM.
- ii. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.



General Guidelines for shareholders

1. 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.
2. In case of any queries/grievances pertaining to remote e-Voting (before the AGM and during the AGM), you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-Voting user manual for shareholders available in the download section of www.evoting.nsdl.com or call on the toll-free number: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Mr. Amit Vishal or Ms. Pallavi Mhatre or Mr. Pratik Bhatt from NSDL at the designated e-mail IDs: evoting@nsdl.co.in or amitv@nsdl.co.in or pallavid@nsdl.co.in or pratikb@nsdl.co.in or at telephone nos.: +91 22 2499 4360/4545/4738.
3. The Members are requested to: (a) Intimate change in their registered address, if any, to the Company’s Registrar and Share Transfer Agents, Link Intime India Pvt. Ltd, (“Link Intime”) C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 in respect of their holdings in physical form. (b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in demat form. (c) Register their email address and changes therein from time to time with Link Intime for shares held in physical form and with their respective Depository Participants for shares held in demat form.
4. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agents, Link Intime India Pvt. Ltd and have it duly filled and sent back to them.
5. **Updation of mandate for receiving dividends directly in bank account through Electronic Clearing System or any other means in a timely manner:**

Shares held in physical form: Members are requested to send a scanned copy of the following details/ documents at investor@technocraftgroup.com:

- a. a signed request letter mentioning their name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
 - i) Name and Branch of Bank and Bank Account type;
 - ii) Bank Account Number & Type allotted by the Bank after implementation of Core Banking Solutions;
 - iii) 11 digit IFSC Code.
- b. self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- c. self-attested scanned copy of the PAN Card; and
- d. self-attested scanned copy of any document (such as Aadhaar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Shares held in electronic form: Members may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs.



EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4

Mr. Navneet Kumar Saraf, was appointed Whole-time Director of the Company for the period of five years whose tenure was expired on February 5, 2020.

On the recommendations of the Nomination and Remuneration Committee the Board of Directors of the Company at their respective Meetings held on February 5, 2020, has approved re-appointment of Mr. Navneet Kumar Saraf for the further period of five years till February 5, 2025.

Section 196(4) of the Act, inter alia, provides that a whole-time director shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting. Accordingly, Shareholders approval vide Ordinary Resolution is sought for the said proposal.

Mr. Navneet Kumar Saraf holds Bachelors in mechanical engineering from University of Manchester, United Kingdom. He was born on September 21, 1977. He is a Board Members of Technosoft Engineering Projects Limited, Ashrit Holdings Limited, BMS Industries Limited, Technocraft Tabla Formwork Systems Private Limited, M.D. Saraf Securities Private Limited, Hochstein International Trading & Consulting Pvt. Ltd, Technocraft International Limited (UK), Technocraft Australia Pty (Australia), Technosoft Engineering Inc. (USA), Technosoft Innovations Inc, USA and Technosoft Services Inc., USA. He is not a member of any Audit Committee or Investor Relationship Committee. He holds 14,13,082 Equity Shares of the Company.

The remuneration of Mr. Navneet Kumar Saraf as Whole-time Director of the Company is the same as what was being paid to him by the Company. The main terms and conditions of appointment (including payment of remuneration for the period of 5 years effective from February 6, 2020 to February 5, 2025 of Mr. Navneet Kumar Saraf as a Whole-time Director of the Company are given below:

Remuneration

A. Salary

Rs. 4.00 Lakhs per month (Rupees Four Lakh only) with authority to the Board of Directors to revise the basic salary from time to time taking into account the performance of the Company subject however to a ceiling of Rs. 5 Lakhs per month.

B. Commission

Payable for each financial year, up to 1% of net profits of the Company for that year, subject to such ceiling as may be fixed by the Board of Directors from time to time, with the present ceiling fixed by the Board being an amount equivalent to the Annual Salary for the relevant financial year. The amount of Commission shall be payable after the Annual Accounts are approved by the Board of Directors.

C. Bonus

Annual Bonus at the same rate as payable to other senior employees of the Company.

D. House Rent Allowance

60% of salary as House Rent Allowance. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be subject to a ceiling of 10% of the salary.

E. Perquisites

- ✓ Earned Leave/Privilege Leave: On full pay and allowance as per the rules of the Company, but not more than one month's leave for every 11 months of service. The balance of leave at the end of each year will be encashable as per the Company's Rules.
- ✓ Reimbursement of medical expenses: incurred in India or abroad including hospitalization, nursing home and surgical charges for self and family. However, the reimbursement shall not exceed one-month salary in a year or three months' salary over a period of three years.
- ✓ Leave travel concession: For self and family once in a year in accordance with the Rules of the Company.



- ✓ Telephone: Free use of Telephone at residence.
- ✓ Club Fees: Fees for clubs subject to a maximum of two clubs.
- ✓ Car: Free use of Company's Car with driver. If the Company does not provide driver, reimbursement of actual salary paid to the driver.
- ✓ Entertainment expenses: Reimbursement of entertainment expenses incurred in the course of business of the Company.
- ✓ Corporate Credit Card: For use both in India and abroad for business purposes.
- ✓ Subject to any statutory ceiling(s), Mr. Navneet Kumar Saraf may be given any other allowances, perquisites, benefits and facilities as the Board of Director or committee of the Company from time to time may decide.

F. Gratuity

Not to exceed half a month's salary for each completed year of service, subject to a ceiling as may be fixed by the Government

The period of office of Mr. Navneet Kumar Saraf shall be liable to determination by retirement of directors by rotation.

Minimum Remuneration

Notwithstanding anything herein contained, where in any financial year during the period of his office as a Whole-time Director, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals, pay Mr. Navneet Kumar Saraf remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 (corresponding to Para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. Navneet Kumar Saraf

Mr. Navneet Kumar Saraf is interested to the extent of remuneration payable to him under Resolution No. 4 and his shareholding in the Company.

Mr. Sudarshan Kumar Saraf, Co-Chairman and Managing Director of the Company being the relative of Mr. Navneet Kumar Saraf is directly/ indirectly concerned or interested in this resolution.

Save and except as above, none of the Directors, Key Managerial Persons (KMPs) or the relatives of Directors or KMPs, are concerned or interested financially or otherwise in the said resolution. This Explanatory Statement may also be regarded as a disclosure under SEBI (LODR) Regulations 2015.

Item No.5

Mr. Ashish Kumar Saraf, was appointed Whole-time Director of the Company for the period of five years whose tenure was expired on February 5, 2020.

On the recommendations of the Nomination and Remuneration Committee the Board of Directors of the Company at their respective Meetings held on February 5, 2020, has approved re-appointment of Mr. Ashish Kumar Saraf for the further period of five years till February 5, 2025.

Section 196(4) of the Act, inter alia, provides that a whole-time director shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting. Accordingly, Shareholders approval vide Ordinary Resolution is sought for the said proposal.

Mr. Ashish Kumar Saraf holds Master in Textile Technology from University of Manchester,. He was born on November 25, 1981. He is a Board Members of Technosoft Engineering Projects Limited, Ashrit Holdings Limited, BMS Industries Limited, M.D. Saraf Securities Private Limited, Ashrey International Trading Pvt. Ltd, Technocraft International Limited (UK), Technocraft Trading Spolka, Poland and Technosoft Engineering Inc, USA. He is not a member of any Audit Committee or Investor Relationship Committee. He holds 5,04,914 Equity Shares of the Company.

The remuneration of Mr. Ashish Kumar Saraf as Whole-time Director of the Company is the same as what was being paid to him by the Company. The main terms and conditions of appointment (including payment of remuneration for the period of 5 years effective from February 6, 2020 to February 5, 2025 of Mr. Ashish Kumar Saraf as a Whole-time Director of the Company are given below:



Remuneration

A. Salary

Rs. 4.00 Lakhs per month (Rupees Four Lakh only) with authority to the Board of Directors to revise the basic salary from time to time taking into account the performance of the Company subject however to a ceiling of Rs. 5 Lakhs per month.

B. Commission

Payable for each financial year, up to 1% of net profits of the Company for that year, subject to such ceiling as may be fixed by the Board of Directors from time to time, with the present ceiling fixed by the Board being an amount equivalent to the Annual Salary for the relevant financial year. The amount of Commission shall be payable after the Annual Accounts are approved by the Board of Directors.

C. Bonus

Annual Bonus at the same rate as payable to other senior employees of the Company.

D. House Rent Allowance

60% of salary as House Rent Allowance. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be subject to a ceiling of 10% of the salary.

E. Perquisites

- ✓ Earned Leave/Privilege Leave: On full pay and allowance as per the rules of the Company, but not more than one month's leave for every 11 months of service. The balance of leave at the end of each year will be encashable as per the Company's Rules.
- ✓ Reimbursement of medical expenses: incurred in India or abroad including hospitalization, nursing home and surgical charges for self and family. However, the reimbursement shall not exceed one-month salary in a year or three months' salary over a period of three years.
- ✓ Leave travel concession: For self and family once in a year in accordance with the Rules of the Company.
- ✓ Telephone: Free use of Telephone at residence.
- ✓ Club Fees: Fees for clubs subject to a maximum of two clubs.
- ✓ Car: Free use of Company's Car with driver. If the Company does not provide driver, reimbursement of actual salary paid to the driver.
- ✓ Entertainment expenses: Reimbursement of entertainment expenses incurred in the course of business of the Company.
- ✓ Corporate Credit Card: For use both in India and abroad for business purposes.
- ✓ Subject to any statutory ceiling(s), Mr. Ashish Kumar Saraf may be given any other allowances, perquisites, benefits and facilities as the Board of Director or committee of the Company from time to time may decide.

F. Gratuity

Not to exceed half a month's salary for each completed year of service, subject to a ceiling as may be fixed by the Government

The period of office of Mr. Ashish Kumar Saraf shall be liable to determination by retirement of directors by rotation.

Minimum Remuneration

Notwithstanding anything herein contained, where in any financial year during the period of his office as a Whole-time Director, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals, pay Mr. Ashish Kumar Saraf remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 (corresponding to Para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. Ashish Kumar Saraf

Mr. Ashish Kumar Saraf is interested to the extent of remuneration payable to him under Resolution No. 5 and his shareholding in the Company.



Mr. Sharad Kumar Saraf, Chairman and Managing Director of the Company being the relative of Mr. Ashish Kumar Saraf is directly/ indirectly concerned or interested in this resolution.

Save and except as above, none of the Directors, Key Managerial Persons (KMPs) or the relatives of Directors or KMPs, are concerned or interested financially or otherwise in the said resolution. This Explanatory Statement may also be regarded as a disclosure under SEBI (LODR) Regulations 2015.

Item No.6

Mr. Atanu Anil Choudhary, was appointed Whole-time Director of the Company for the period of five years whose tenure was expired on August 10, 2020.

On the recommendations of the Nomination and Remuneration Committee the Board of Directors of the Company at their respective Meetings held on July 30, 2020, has approved re-appointment of Mr. Atanu Anil Choudhary for the further period of five years till August 10, 2025.

Section 196(4) of the Act, inter alia, provides that a whole-time director shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting. Accordingly, Shareholders approval vide Ordinary Resolution is sought for the said proposal.

Mr. Atanu Anil Choudhary is having rich experience in steel and pipe industries, since 2008 he is working as occupier of the factories under the Factory Act, 1948. He is intermediate and born on November 15, 1960. He neither is a Board Member of any other Company nor having membership/chairmanship of any Committees. He does not hold any Equity Shares of the Company.

The main terms and conditions of appointment (including payment of remuneration) for the period of 5 years of Mr. Atanu Anil Choudhary as a Whole-time Director of the Company are given below:

Remuneration:

- (A) Basic Salary:** ₹ 50,700/- (Rupees Fifty Thousand Seven Hundred only) per month subject to the revision as may be decided by the Board of Directors from time to time.
- (B) House Rent Allowance:** ₹ 2,525/- (Rupees Two Thousands, Five Hundreds, Twenty Five only) per month subject to the revision as may be decided by the Board of Directors from time to time.
- (C) Other Allowance:** ₹ 35,920/- (Rupees Thirty Five Thousand, Nine Hundred, Twenty only) per month subject to the revision as may be decided by the Board of Directors from time to time.
- (D) Annual Bonus/ ex gratia:** As per the Bonus Act 1965.
- (E) Gratuity:** As per the Payment of Gratuity Act, 1972
- (F) Leave Salary:** 35 Days leave per year
- (G) Provident Fund:** 12% of Basic Salary

Minimum Remuneration: Where in any financial year, the Company has no profit or its profits are inadequate, the Company shall pay him minimum remuneration as provided in Section II of Part II of Schedule V of the Companies Act, 2013 as notified from time to time.

The period of office of Mr. Atanu Anil Choudhary shall be liable to determination by retirement of directors by rotation.

The Board of Directors of the Company is of the view that as the Whole-time Director of the Company, Mr. Atanu Anil Choudhary shall be shouldered with multiple responsibilities and considering the industry benchmarks and his contribution to the Company, the aforementioned remuneration structure of Mr. Atanu Anil Choudhary as Whole-time Director is commensurate with the remuneration package paid to similarly placed persons, in other Companies and therefore recommend the resolution at Item No. 6 of the accompanying notice for your approval.

Mr. Atanu Anil Choudhary is interested to the extent of remuneration payable to him under Resolution No. 6.

Save and except as above, none of the Directors, Key Managerial Persons (KMPs) or the relatives of Directors or KMPs, are concerned or interested financially or otherwise in the said resolution. This Explanatory Statement may also be regarded as a disclosure under SEBI (LODR) Regulations 2015.



Item No. 7

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual/ firm of cost accountant(s) in practice on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of the Audit Committee at its meeting held on July 30, 2020 the Board has considered and approved appointment of M/s NKJ & Associates, Cost Accountants having Registration No.101893, for the conduct of the Cost Audit of the Company at a remuneration of ₹ 75,000 plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending on March 31, 2021.

The Board of Directors of the Company recommends the Ordinary Resolution as set out in the Notice for approval of the members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed Resolution as set out in the Notice.

Item No. 8

AAIT/Technocraft Scaffold Distribution LLC FZE ("AAIT") is a 'Related Party' within the meaning of Section 2 (76) of the Companies Act, 2013 and Regulation 2 (1)(zb) of the SEBI Listing Regulations. AAIT is a subsidiary of wholly owned subsidiary Technocraft International, UK. The Board of Directors of the Company had, on the recommendation of the Audit Committee, passed a resolution at its meeting held on August 31, 2020, approving of the related party transaction for sale of scaffoldings upto ₹ 300 Crores.

| Name of the Related Party | Name of the director of Key managerial personnel who is related, if any | Nature of relationship | Nature, material terms, monetary value and particulars of the contract or arrangement | Any other information relevant or important for the members to take a decision on the proposed resolution. |
|--|---|------------------------|--|--|
| AAIT/ Technocraft Scaffold Distribution LLC FZE ("AAIT") | Not Applicable | Step-down subsidiary | AAIT is a distribution Company for sale of scaffolding out of India. Sale of scaffoldings upto ₹ 300 Crores for Financial Year 2020-21 | The transactions are in the ordinary course of business and are at an Arm's Length basis. |

The Board of Directors of the Company has, on the recommendation of the Audit Committee, agreed sale the scaffoldings. As the enhanced limit of ₹ 300 Crores exceeds 10% of the Company's turnover for the last financial year ended March 31, 2020, the export sale of scaffoldings to AAIT would be deemed to be a 'material' related party transaction.

Under Regulation 23 (4) of the SEBI Listing Regulations, all material related party transactions have to be approved by Ordinary resolution of the shareholders and the related parties shall abstain from voting on such resolution whether the entity is a related party to the transaction or not.

The Board of Directors of the Company recommends the Ordinary Resolution as set out in the Notice for approval of the members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed Resolution as set out in the Notice, except to the extent of their shareholding, if any, in the Company.

Registered Office:

Plot No. 47, 'Opus Centre', Second Floor,
Central Road, MIDC, Andheri (East),
Mumbai 400093.
CIN L28120MH1992PLC069252
Tel. No: + 91 22 4098 2222
www.technocraftgroup.com

**By Order of the Board
For Technocraft Industries (India) Limited**

**Neeraj Rai
Company Secretary**

Place: Mumbai

Date: August 31, 2020



ANNEXURE TO THE NOTICE

Details of Directors seeking re-appointment/appointment at the Annual General Meeting in pursuance of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

| Name of the Directors | Mr. Navneet Kumar Saraf | Mr. Atanu Anil Choudhary |
|---|---|--|
| Date of Birth | September 21, 1977 | November 15, 1960 |
| Age | 40 Years | 57 Years |
| Date of Appointment | February 6, 2015 | December 15, 2008 |
| DIN | 00035686 | 02368362 |
| Expertise in specific functional areas | He has over 20 years of experience for managing domestic as well as overseas, operation of engineering and I.T. Operations. Technology matters and Business Administration. | He is having over 4 decade of experience in steel and pipe industries, managing factory operations, HR and administration activities, Compliances, liaisoning. |
| No. of equity shares held in TIIL | 1413082 | NIL |
| Qualifications | Bachelors in mechanical engineering from University of Manchester, United Kingdom. | Intermediate |
| List of other directorships in listed entities (Other than TIIL) | NIL | NIL |
| Membership/ Chairman of Committees of the other listed entities (Other than TIIL) | NIL | NIL |
| Relationships, if any, between Directors inter-se | Mr. Navneet Kumar Saraf is son of Sudarshan Kumar Saraf | NIL |
| Name of the Directors | Mr. Sharad Kumar Saraf | Mr. Ashish Kumar Saraf |
| Date of Birth | September 5, 1947 | November 25, 1981 |
| Age | 70 Years | 37 Years |
| Date of Appointment | 28 th October, 1992 | February 06, 2015 |
| DIN | 00035843 | 00035549 |
| Expertise in specific functional areas | He has over 5 decade of experience in the Administration, Marketing, Strategic, Business development and Commercial aspects of the company. | He has over 18 years of experience in the yarn, garment, and fabrication industry and of Finance Accounts Marketing and administration in Industry. |
| No. of equity shares held in TIIL | 4,06,840 individually and 22,05,366 as Karta of HUF | 5,04,914 |
| Qualifications | Electronics engineering from the prestigious Indian Institute of Technology, Bombay | Master in Textile Technology from University of Manchester |
| List of other directorships in listed entities (Other than TIIL) | Mangalam Organics Limited | NIL |
| Membership/ Chairman of Committees of the other listed entities (Other than TIIL) | Chairman of Audit Committee and Stakeholder relationship committee of Mangalam Organics Ltd | NIL |
| Relationships, if any, between Directors inter-se | Mr. Sharad Kumar Saraf is a brother of Mr. Sudarshan Kumar Saraf and father of Mr. Ashish Kumar Saraf | He is the son of Mr. Sharad Kumar Saraf – Chairman & Managing Director of the Company |



BOARD'S REPORT

To,
The Members,

Your Directors have pleasure in presenting, twenty eighth Annual Report on the business and operations of the Company together with the audited accounts for the Financial Year ended March 31, 2020.

Financial highlights

(₹ In Lakhs)

| Particulars | Standalone | | Consolidated | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Revenue from Operations | 118,876.42 | 115,105.30 | 135,910.11 | 131,345.94 |
| Other Income | 3,851.85 | 3,386.03 | 4,229.09 | 3,737.52 |
| Total Income | 122,728.27 | 118,491.33 | 140,139.20 | 135,083.46 |
| Earnings before Interest, Depreciation and Tax (EBITA) | 20,928.46 | 20,157.89 | 25,255.20 | 23,486.26 |
| Less: Finance Costs | 3,172.21 | 2,903.14 | 3,748.99 | 3,240.39 |
| Depreciation | 4,622.95 | 3,073.36 | 5,388.55 | 3,835.24 |
| Profit before Tax | 13,133.30 | 14,181.39 | 16,117.66 | 16,410.63 |
| Less: Tax Expense | 2,864.16 | 3,946.23 | 3,496.59 | 4,507.03 |
| Profit After Tax | 10,269.14 | 10,235.16 | 12,621.07 | 11,903.60 |
| Add: Other Comprehensive Income | -27.04 | -47.40 | -581.92 | 173.21 |
| Total Comprehensive income carried to Other Equity | 10,242.10 | 10,187.76 | 12,039.15 | 12,076.81 |

Dividend

During the Financial Year under review, no dividend was declared.

Buy-Back of Shares

During the Financial Year no shares were bought during the year.

Reserves

Your Company does not propose to transfer amounts to the General Reserve out of the amount available for appropriation and an amount of ₹ 10,242.10 Lakhs is proposed to be retained in the retained earnings.

As on March 31, 2020 aggregate Reserve and Surplus was ₹ 82,809.18 Lakhs as compare to ₹ 72,528.77 Lakh as on March 31, 2019.

Operations

During the year under review the Company has closed the year with total standalone revenue of ₹ 118,876.42 Lakhs. On Consolidated basis the total revenue is ₹ 135,910.11Lakhs.

Standalone EBITDA improved to ₹ 20,928.46 Lakhs, compared to ₹ 20,157.89 Lakhs, of previous year, which is higher by 3.82%. Consolidated EBITDA improved to ₹ 25,255.20 Lakhs compared to ₹ 23,486.26 Lakhs, which is higher by 7.53%.

The Company is a multi-product manufacturing company it manufactures high precision and sophisticated products, mainly for discerning worldwide markets. The Company enjoys a significant position in five main business industries viz., Drum Closures, Scaffolding systems, Cotton Yarn, Fabric, Garments and Engineering Services.

The product line of the Company expands beyond Drum Closures into Scaffolding and 100% Cotton Yarn, Fabric and Garments..

The Cotton Yarn division uses the most modern equipment to manufacture its product assuring world-class quality to its customer. Technocraft is certified ISO 9001:2000 for its Cotton Yarn division.



The Company has diversified operations and manufacturing including, vertically Integrated Textile division of manufacturing of Yarn, Fabric, Garments, it has facility of producing cotton yarn, mélange yarn, also having facility of knitting, dyeing and printing and garmenting.

The Drum Closures, Scaffolding, Yarn & Garment divisions are located at Murbad, District Kalyan, Maharashtra. The Company is also having manufacturing facility of drum closures and scaffolding at China.

The Company has started its new state of the Art Yarn Manufacturing Unit at Amravati Maharashtra having capacity of 31008 spindles. Production capacity of the plant is 20 MTs of yarn per day with 30s Average count. Unit is equipped with highly sophisticated, fully automated machines like Rieter (Switzerland), Saurer (Germany), Muratec (Japan) and other countries. Quality Assurance Laboratory is equipped with latest testing equipment from Uster Switzerland.

Product range suitable to run in this plant is 26s to 40s Combed Compact Hosiery as well as warp yarn with Muratec QPRO Ex and Quantum 3 yarn clearers.

Latest online spindle monitoring system from Premier, Luwa Humidification control systems and waste collection system, Auto bobbin transportation system, Visual Master from Muratec, Uster Lab Master, Auto Yarn racking systems, Bus Bar System etc. are the other features of this plant at Amravati. Plant has started its commercial production on 31st October 2020, subsequently w.e.f. 1st January 2020 production started in full-fledged form with 250 employees.

As you would have seen, the COVID-19 pandemic is the biggest disruption in recent modern history. It has spread to almost all countries in the world putting serious pressure on various sectors of the economy. Almost half the world's population is under some or other sort of restrictions imposed by respective governments on movements etc. This is unprecedented in human history. But then problem too is unprecedented in the history of mankind.

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Worldwide Industries were impacted, in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of COVID-19. Due to this the operations in all the manufacturing units, distribution centres, and warehouses got temporarily disrupted. During the Financial Year under review the financial of the Company was impacted little due to the COVID-19. The financial impact may continue in Financial Year 2020-21 also.

Employee Stock Option Scheme (ESOP)

Your Company does not have any Employee Stock Option Scheme (ESOP).

Deposits

During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required to be disclosed under the Companies (Accounts) Rules, 2014, is given in Annexure-I forming part of this Report.

Statutory Auditors

Statutory Auditors of the Company is M/s. Dhiraj & Dheeraj (Formerly known as M/s Khandelwal Prakash Murari Bhandari & Co.) Chartered Accountants, Mumbai.

At the 25th Annual General Meeting of the Company, M/s. Dhiraj & Dheeraj (Formerly known as M/s Khandelwal Prakash Murari Bhandari & Co.) Chartered Accountants, was appointed as the Statutory Auditors of the Company, to hold office for a term of five consecutive years from the conclusion of the 25th Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2022.

Auditors' Report

The Auditors' Report to the Members on the Accounts of the Company for the Financial Year ended March 31, 2020 does not contain any qualification, reservation or adverse remark.



Secretarial Audit

Secretarial Audit for the Financial Year 2019-20 was conducted by M/s Pramod Jain & Co, Company Secretaries in Practice in accordance with the provisions of Section 204 of the Act. The Secretarial Auditor's Report is attached to this Report as Annexure –II. There are no qualifications or observations or remarks made by the Secretarial Auditor in his Report.

Cost Audit

In compliance with the provisions of Section 148 of the Act, the Board of Directors of the Company at its meeting held on July 30, 2020 has appointed M/s NKJ & Associates, Cost Accountant as Cost Auditors of the Company for the Financial Year 2020-21.

The Company has made and maintained the cost records for the Financial Year ended March 31, 2020, as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and the said cost records were audited by M/s NKJ & Associates, Cost Accountant as Cost Auditors of the Company.

In terms of the provisions of Section 148 (3) of the Act read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors has to be ratified by the members. Accordingly, necessary resolution shall be proposed at the ensuing AGM for ratification of the remuneration payable to the Cost Auditors for Financial Year 2020-21.

Particulars of Loans, Guarantees or Investments

Particulars of Loans, Guarantees and Investments made during the year as required under the provisions of Section 186 of the Act are given in the notes to the Standalone Financial Statements, forming part of the Annual Report.

Also, pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (Hereinafter as the "SEBI Listing Regulations"), particulars of Loans/ Advances given to Subsidiaries have been disclosed in the notes to the Standalone Financial Statements, forming part of the Annual Report.

Subsidiaries:

As on March 31, 2020 there were 16 subsidiaries of the Company:

Direct Indian subsidiaries:

1. Technosoft Engineering Projects Limited ("TEPL")
2. Technocraft Tabla Formwork Systems Private Limited
3. Techno Defence Private Limited
4. Shivale Infraproducts Private Limited

Direct foreign Subsidiaries:

5. Technocraft International Limited, UK (WOS of the Company) ("TIL-UK")
6. Technocraft Trading Spolka Zoo, Poland (WOS of the Company)
7. Technocraft Australia Pty. Ltd, Australia (WOS of the Company)
8. Anhui Reliable Steel Technology Co Ltd, China (WOS of the Company)
9. Technocraft NZ Limited, New Zealand (WOS of the Company)

Step down subsidiaries:

10. Technosoft Engineering, Inc, USA (WOS of TEPL) ("TEI-USA")
11. Technosoft Engineering UK Ltd, UK, (WOS of TEPL)
12. Technosoft GMBH, Germany, (Subsidiary of TEPL)
13. Highmark International Trading FZE, UAE (WOS of TIL-UK) ("HITF-UAE")
14. AAIT / Technocraft Scaffold Distribution LLC, USA (Subsidiary of TIL-UK).



15. Technosoft Innovations INC, USA (WOS of TEI-USA)

16. Technosoft Services, INC.,USA (WOS of TEI-USA)

During the year under review Shivale Infraproducts Private Limited has become the new Subsidiary. Further, during the Financial Year under review following company/LLP ceased to be subsidiaries of the Company.

1. Shreyan Infra & Power LLP- divested its entire investment/interest w.e.f November 26, 2019.
2. 2045690 Alberta Ltd, Canada [Step Engineering] (Subsidiary of TEI-USA) - divested its entire investment/interest w.e.f January 1, 2020.
3. Swift Projects Inc., USA (WOS of 2045690 Alberta Ltd, Canada [Step Engineering])- closed w.e.f. December 31, 2019.

Associate:

During the Financial Year under review Benten Technologies LLP become new joint venture as 50:50 percentage.

1. Benten Technologies LLP

Except the above no other company has become/ceased to be a subsidiary, joint venture or associate during the financial year 2019-20.

Pursuant to Section 129(3) of the Act, a statement containing the salient features of the financial statements of each of the subsidiary in the prescribed form AOC-1 is annexed to the Annual Report the financial statements of the subsidiaries are kept for inspection by the shareholders at the Registered Office of the Company. The said financial statements of the subsidiaries are also available on the website of the Company www.technocraftgroup.com under the Investors Section.

As required under Rule 8 of the Companies (Accounts) Rules, 2014 the highlights of performance of subsidiaries and their contribution to the overall performance of the company during the period are duly explained in the form AOC-1 read with consolidated financial statement, annexed to the Annual Report.

The Company has also formulated a Policy for determining material subsidiaries, which is uploaded on the website of the Company i.e. www.technocraftgroup.com and can be accessed at <http://www.technocraftgroup.com/pdf/Policy-For-Determining-Material-Subsidiary-Companies.pdf>

Consolidated Financial Statements

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Section 129(3) of the Act and SEBI Listing Regulations and prepared in accordance with the Accounting Principles generally accepted in India including the Indian Accounting Standards specified under Section 133 of the Act.

In accordance with the Section 129(3) of the Act, the audited Consolidated Financial Statements are provided in this Annual Report.

Corporate Governance

Your Company is in compliance with the Corporate Governance guidelines, as laid out in the SEBI Listing Regulations.

As per Regulation 34 (3) read with Schedule V of the SEBI Listing Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from M/s. Pramod Jain & Co. Company Secretaries, confirming compliance forms an integral part of this Report.

The annual report of the Company contains a certificate by the Chief Executive Officer in terms of SEBI Listing Regulations on the compliance declarations received from the Directors and the Senior Management personnel and a Certificate by M/s. Pramod Jain & Co. Company Secretaries, who have examined the requirements of Corporate Governance with reference to SEBI Listing Regulations and have certified the compliance, as required under SEBI Listing Regulations.

Internal Control systems and their Adequacy

The Company has Internal Control Systems, commensurate with the size, scale and complexity of its operations. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, accounting procedures and policies within the Company. Based on the report of internal audit function, process owners undertake corrective action in respective areas and thereby strengthen the controls. Significant observations and corrective actions thereon are presented to the Audit Committee from time to time.



Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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. The Company has adopted accounting policies, which are in line with the Accounting Standards and the Act.

Extract of the Annual Return

The details forming part of the extract of Annual Return in prescribed Form MGT 9 is annexed hereto as Annexure-III and forms the part of this Report. Annual Report having the extract of Annual Return shall be available on the website of the Company i.e. www.technocraftgroup.com.

Share Capital

During the Financial Year ended March 31, 2020 the Share Capital was ₹ 24,46,16,870/- consisting of 2,44,61,687 Equity Shares of ₹ 10/- each.

During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2020, none of the Directors of the Company holds instruments convertible into equity shares of the Company.

Directors and Key Managerial Personnel

As per the provisions of Section 152 of the Act, Mr. Navneet Kumar Saraf, Whole-time Director & CEO and Mr. Sharad Kumar Saraf, Chairman & Managing Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

During the financial year 2019-20 five year's tenure of Mr. Navneet Kumar Saraf and Mr. Ashish Kumar Saraf, Whole-time Directors was expired on February 5, 2020. Board of Directors in its meeting held on February 5, 2020 had approved the re-appointment of Mr. Navneet Kumar Saraf, and Mr. Ashish Kumar Saraf, Whole-time Directors for the further period of Five Years i.e. from February 6, 2020 to February 5, 2025. Further, five year's tenure of Mr. Atanu Choudhary, Whole-time Director is expiring on August 9, 2020. Board of Directors in its meeting held on July 30, 2020 have approved the re-appointment of Mr. Atanu Choudhary for the further period of Five Year.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16 (1) (b) of the SEBI Listing Regulations.

Details of the Director seeking appointment at the Annual General Meeting, as required in terms of Regulation 36(3) of the SEBI Listing Regulations is provided in the Annexure to the Explanatory Statement to the Notice.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. Sharad Kumar Saraf, Chairman & Managing Director, Mr. Sudarshan Kumar Saraf, Co-Chairman & Managing Directors, Mr. Navneet Kumar Saraf, CEO & Whole-time Director, Mr. Ashish Kumar Saraf, Whole-time Director & Chief Financial Officer, Mr. Atanu Choudhary, Whole-time Director and Mr. Neeraj Rai, Company Secretary of the Company. There was no change in the Key Managerial Personnel during the period under review.

The Remuneration and other details of Key Managerial Personnel for the financial year ended March 31, 2020 are mentioned in the Extract of the Annual Return which is attached to the Board's Report.

Meetings of the Board of Directors

The Board of Directors of your Company met 4 (four) times during 2019-20. The Meetings were held on May 28, 2019, August 14, 2019, November 14, 2019 and February 5, 2020. The time gap between any two consecutive meetings did not exceed one hundred and twenty days.

Audit Committee

As on March 31, 2020 the Audit Committee comprised of five Independent Directors namely Mr. Vinod Agarwala (Chairman), Mr. Aubrey Rebello, Mr. Jagdeesh Mal Mehta, Mr. Vishwambhar C. Saraf and Ms. Vaishali Choudhari, all the recommendations made by the Audit Committee were accepted by the Board.



Whistle Blower Policy/ Vigil Mechanism

In Compliance with the provisions of Section 177 of the Act and Regulation 22 of the SEBI Listing Regulations the Company has a Whistle Blower Policy (the “WB Policy”) with a view to provide vigil mechanism to Directors, employees and other stakeholders to disclose instances of wrongdoing in the workplace and report instances of unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy. The WB Policy also states that this mechanism should also provide for adequate safeguards against victimization of Director(s)/ Employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy has been posted on the website of the Company at the link <http://www.technocraftgroup.com/pdf/Whistle-Blower-Policy.pdf>.

Nomination and Remuneration Committee

As on March 31, 2020, the Nomination and Remuneration Committee comprised of five Independent Directors namely Mr. Vishwambhar C. Saraf - (Chairman), Mr. Vinod Agarwala, Mr. Jagdeesh Mal Mehta, Ms. Vaishali Choudhari and Mr. Aubrey Rebello, members of the committee.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy recommended by the Nomination and Remuneration Committee is duly approved by the Board of Directors of the Company and the Remuneration Policy of the Company is attached to the Board’s Report as Annexure-IV.

Corporate Social Responsibility (CSR)

Pursuant to Section 135 of the Act a Corporate Social Responsibility (CSR) Committee was constituted. As at March 31, 2020, the CSR Committee comprised of two Executive Directors and one Independent Director namely Mr. Sharad Kumar Saraf, Mr. Sudarshan Kumar Saraf and Ms. Vaishali Choudhari.

Corporate Social Responsibility Policy recommended by CSR Committee of the Directors has been approved by the Board of Directors of the Company. The same is available on the website of the Company i.e. www.technocraftgroup.com and also attached to this Report as Annexure-V.

The disclosure relating to the amount spent on Corporate Social Responsibility activities of the Company for the financial year ended March 31, 2020 is attached to this Report as Annexure-VI.

Transfer of unclaimed / unpaid dividend to Investor Education and Protection Fund (IEPF)

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Companies Act, 2013, read with the Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as “IEPF Rules”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the IEPF, maintained by the Central Government. In pursuance of this, the dividend remaining unclaimed or unpaid in respect of dividends declared upto the financial year ended March 31, 2013 (except final dividend for FY March 31, 2013) have been transferred to the IEPF. The details of the unclaimed dividends so transferred are available on the Company’s website, www.technocraftgroup.com and in the website of the Ministry of Corporate Affairs at www.mca.gov.in

It may be noted that the unclaimed final dividend for the financial year 2012-13 declared on September 30, 2013, is due to be transferred to the IEPF by November 5, 2020. The same can however be claimed by the Members before it. Members who have not encashed the dividend warrant(s) from the financial year ended March 31, 2013 onwards may forward their claims to the Company’s Registrar and Share Transfer Agents before they are due to be transferred to the IEPF.

In accordance with Section 124(6) of the Act, read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the demat Account of the IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial years ended March 31, 2013 (except final dividend for FY March 31, 2013) and remained unpaid or unclaimed were transferred to the IEPF. The details of such shares transferred have been uploaded in the Company’s website www.technocraftgroup.com.



The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member/Claimant is required to make an online application to the IEPF Authority in Form IEPF -5 (available on www.iepf.gov.in)

During the year under review, the Company has transferred a sum of ₹ 4,88,289.00 (for final dividend of FY 2011-12) and ₹ 2,80,309.00 (for Interim dividend of FY 2012-13) to Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013. The said amount represents dividend for the Financial Year 2011-12 and 2012-13 which remained unclaimed by the members of the Company for a period exceeding 7 years from its due date of payment. During the Financial Year the Company has also transferred 484 Equity Shares of 9 Shareholders into IEPF, pursuant to Section 124(6) of the Act.

Particulars of contracts or arrangements with related parties

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

All transactions with Related Parties are placed before the Audit Committee as also the Board for approval, if required. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are foreseeable and of a repetitive nature. The transactions entered into pursuant to the approvals so granted are subjected to audit and a statement giving details of all related party transactions is placed before the Audit Committee on a quarterly basis. The statement is supported by a certificate from the CFO.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the Company's website and can be seen at the link <https://www.technocraftgroup.com/pdf/Policy-On-Related-Party-Transactions.pdf>

All transactions entered into with related parties during the year were on arm's length basis and were in the ordinary course of business. The details of the material related party transactions entered into during the year as per the policy on Related Party Transactions approved by the Board have been reported in Form AOC-2 annexed to the Directors' Report as Annexure-VII.

Further the details of the transactions with related parties are provided in the Company's financial statements in accordance with the Accounting Standards.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is available on website of the Company at the link: <http://www.technocraftgroup.com/pdf/Policy-On-Related-Party-Transactions.pdf>

Particulars of Employees and other additional information

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, form part of this Report and are annexed as Annexure-VIII.

The information as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided on the request by any member of the Company. In terms of Section 136 (1) of the Companies Act, 2013, the Report and the Accounts are being sent to the members excluding the said Annexure. Any member interested in obtaining copy of the same may write to the Company Secretary at the Registered Office of the Company.

Risk management policy

Pursuant to the requirement of Section 134 (3) (n) of the Act, the Company has in place a structured risk management policy. The Risk management process is designed to safeguard the organisation from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business.

Performance Evaluation

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Act and Regulation 17 of the SEBI Listing Regulations, annual Performance Evaluation of the Directors as well as of the Committees of the Board has been carried out, same has been explained in detail in the Corporate Governance Report, enclosed herewith.



Independent Directors Meeting

During the financial year under review, the Independent Directors of the Company met on February 5, 2020 inter-alia, to discuss:

- i) Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole.
- ii) Evaluation of performance of the Chairman of the Company, taking into view of Executive and Non-Executive Directors.
- iii) Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Directors' Responsibility Statement

In accordance with the provisions of Section 134 (5) of the Act, your Directors based on the representation/confirmation received from the Chairman and from the Chief financial Officer, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- b) the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date.
- c) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the annual accounts have been prepared on a going concern basis.
- e) the internal financial controls have been laid down to be followed by the Company and such controls are adequate and are operating effectively.
- f) proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and are operating effectively.

Requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, your Company has constituted an Internal Complaints Committee (ICC). During the year under review, no cases were received/ filed pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Material changes & commitment if any, affecting financial position of the Company from the end of financial year till the date of the report.

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

Reporting of Frauds:

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.



Familiarization Programmes for Board Members

The Familiarization program aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities.

All the Directors of the Company are updated as and when required, of their role, rights, responsibilities under applicable provisions of the Companies Act and the SEBI Listing Regulations, Secretarial Standards; nature of industry in which the Company operates, business model of the Company, etc. The Company holds Board and the Committee Meetings from time to time. The Board of Directors has complete access to the information within the Company. The Independent Directors have the freedom to interact with the Company's management. Directors are also informed of the various developments in the Company through various modes of communications. All efforts are made to ensure that the Directors are fully aware of the current state of affairs of the Company and the industry in which it operates.

The details of such familiarization programmes for Independent Directors of the Company are posted on the website of the Company <http://www.technocraftgroup.com/pdf/Details-of-the-familiarization-programmes-imparted-to-independent-directors.pdf>

Secretarial Standards

Pursuant to Section 118(10) of the Companies Act, 2013 the Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings;

Significant and material Orders passed by the Regulators/Courts, if any

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of your Company and its future operations.

Business Responsibility Report

The 'Business Responsibility Report' (BRR) of the Company for the year ended March 31, 2020 forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as Annexure-IX.

Acknowledgements

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders, clients, Financial Institutions, Bank, Central and State Governments, the Company's valued investors and all other business partners for their continued co-operation and excellent support received during the year.

Your Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

Registered Office:

Plot No. 47, 'Opus Centre', Second Floor,
Central Road, MIDC, Andheri (East),
Mumbai 400093.
CIN: L28120MH1992PLC069252
www.technocraftgroup.com

For and on behalf of the Board of Directors

Sharad Kumar Saraf
Chairman & Managing Director
DIN 00035843

Place: Mumbai

Date: July 30, 2020



ANNEXURE-I TO THE BOARD'S REPORT

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

Conservation of energy:

The Company is continuing with energy saving measures initiated earlier and also took many steps during the period under review as a constant practice this year also we have replaced many numbers of ordinary lights with high quality LED Lights, which consumes less electricity and LED lights have more life as compare to ordinary lights. The new LED lights saves around 60-65% electric power as compared to the old lights.

During the Financial Year we also added & commissioned one new IR centrifugal compressor & by keeping all other small running compressors as standby. Due to this step we are saving around 1500 units per day.

The capital investment on energy conservation was around ₹ 11.60 lakhs.

Further, the Company is also exploring the opportunities for fixing a roof top solar plant for captive consumption.

Technology absorption

- (i) **the efforts made towards technology absorption;** Technology for making the products are already absorbed and the Company continuously works on improving the same. We believe in continual improvement in our designs and products for ensuring full customer satisfaction. Innovation in process control, product development, cost reduction and quality improvement are being made on continuous basis as per the requirements of the market.
- (ii) **the benefits derived like product improvement, cost reduction, product development or import substitution;** quality improvement, cost reduction, optimum utilization of Labour resource, higher productivity with better quality, increase in demand due to quality improvement are some benefits our out of technology absorption.
- (iii) **in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-** Not Applicable
- (iv) **the expenditure incurred on Research and Development:** Nil

Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(₹ In Lakhs)

| Particulars | 2019-20 | 2018-19 |
|--|------------------|------------------|
| A: Earning | | |
| FOB Value of Export | 76,724.58 | 86,893.50 |
| Interest Received | 123.21 | 133.97 |
| Guarantee Fees Received | 81.92 | 153.00 |
| Total Earning in foreign exchange | 76,929.70 | 87,180.47 |
| B: Outgo | | |
| CIF Value of Import of Raw Material, Stores & Spare Parts & Traded Goods | 10,690.38 | 2,597.59 |
| Other Expenditures | 2,204.44 | 1,610.31 |
| Total expenditure in foreign exchange | 12,894.82 | 4,207.90 |

(Previous year's figures have been regrouped wherever necessary to conform to the current year's presentation)



ANNEXURE-II TO THE BOARD'S REPORT

Form -MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members of

Technocraft Industries (India) Limited

Plot No. 47, 'Opus Centre', Second Floor,

Central Road, MIDC,

Andheri (East), Mumbai 400093

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Technocraft Industries (India) 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 my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from April 1, 2019 and ended March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Technocraft Industries (India) Limited** ("The Company") for the financial year ended on March 31, 2020, according to the provisions of:
 - i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI) Overseas Direct Investment and External Commercial Borrowings [applicable to the extent of Foreign Direct Investment and Overseas Direct Investment];
 - v. The following Regulations and Guidelines, to the extent applicable, prescribed under The Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013 and dealing with client;
 - vi. The Laws as are applicable specifically to the Company: Factories Act, 1948; Industrial Disputes Act, 1947; Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.; Acts prescribed under prevention and control of pollution; Acts prescribed under Environmental protection and Acts as prescribed under Shop and Establishment Act of various local authorities.



2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:
 - i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. We have also examined compliance with the applicable clauses of the following:
 - i. Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India,;
 - ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
5. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.
6. We further report that:
 - i. The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
 - ii. 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 of the meeting.
 - iii. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
7. We further report that based on the review of the Compliance mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the Chairman & Managing Director and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in the Company with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
8. We further report that, during the audit period, there were no specific events/actions in pursuance of above referred the laws, rules, regulations, guidelines, standards, etc., having a major bearing on the company's affairs.

For Pramod Jain & Co.
Company Secretaries

(Pramod Kumar Jain)
Proprietor

FCS No: 6711 CP No: 11043

UDIN: F0067118000528155

Place: Indore
Date: July 30, 2020

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



'Annexure A'

To
The Members of
Technocraft Industries (India) Limited
Plot No. 47, 'Opus Centre', Second Floor,
Central Road, MIDC, Opposite Tunga Paradise Hotel,
Andheri (East), Mumbai 400093

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

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

For Pramod Jain & Co.
Company Secretaries

(Pramod Kumar Jain)
Proprietor

FCS No: 6711 CP No: 11043
UDIN: F0067118000528155

Place: Indore
Date: July 30, 2020



ANNEXURE-III TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

| | | |
|-----|---|--|
| I | CIN | L28120MH1992PLC069252 |
| ii | Registration Date | 28/10/1992 |
| iii | Name of the Company | Technocraft Industries (India) Limited |
| iv | Category / Sub-Category of the Company | Company Limited By Shares/Indian Non- Government |
| V | Address of the Registered office and contact details | Plot No. 47, 'Opus Centre', Second Floor, Central Road, MIDC, Opposite Tunga Paradise Hotel, Andheri (East), Mumbai -400093 Tel: 022-4098-2222 Fax: 022-2836703 |
| Vi | Whether listed company (Yes / No) | Yes |
| Vii | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Private Limited C-101, 247 Park, L B S Marg, Vikroli West, Mumbai – 400 083. Tel: +91 22 49186000 Fax: +91 22 49186060 |

II. Principal business activities of the company

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

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ service (As per NIC Code 2008) | % to total turnover of the company |
|---------|---|---|------------------------------------|
| 1 | Manufacturing of Drum Closures | 24109/25999 | 26.11% |
| 2 | Manufacturing of tubes and Scaffoldings | 24106 | 37.87% |
| 3 | Manufacture of knitted and crocheted cotton fabrics, Preparation and spinning of cotton fiber, Manufacture of textile garments. | 13111, 13911, 14101 | 31.86% |

III. Particulars of holding, subsidiary and associate Companies -

| Sr. No. | Name of the Company | Address of the Company | CIN/LLPIN/GIN | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section |
|---------|--|---|-----------------------|--------------------------------|------------------|--------------------|
| 1 | Technosoft Engineering Projects Limited | Plot No. 47, 'Opus Centre' Andheri (E), Mumbai- 400093, India | U72200MH2000PLC124541 | Subsidiary | 84.02% | 2(87)(ii) |
| 2 | Technocraft Tabla Formwork Systems Private Limited | Plot No. 47, 'Opus Centre' Andheri (E), Mumbai- 400093, India | U29300MH2010PTC201272 | Subsidiary | 65.00% | 2(87)(ii) |
| 3 | Techno Defence Private Limited | Plot No. 47, 'Opus Centre' Andheri (E), Mumbai- 400093, India | U74999MH2016PTC287143 | Subsidiary | 70% | 2(87)(ii) |



| Sr. No. | Name of the Company | Address of the Company | CIN/LLPIN/GIN | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section |
|---------|--|---|---------------|--------------------------------|------------------|--------------------|
| 4 | Technocraft International Ltd. | Unit 2 Hammond Court, Hammond Avenue, Whitehill Industrial Estate, Stockport, Cheshire, SK4 1PQ, UK | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 5 | Technocraft Trading Spolka Zoo. | Lodz-92-318, ul AL. Pilsudskiego 133 M. Poland | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 6 | Technocraft Australia Pty. Ltd. | C/GOKANI & Associates, 96 Cahors Road, Padstow, NSW 2211 Australia | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 7 | Anhui Reliable Steel Technology Co Ltd | Jinsan Road, Quanjiao, Economic Zone, Quanjiao, Anhui province, China | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 8 | Technocraft NZ Limited | ORB360 AUK LIMITED, 5 Short Street, Newmarket, Auckland, 1023, NZ | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 9 | Technosoft Engineering, Inc. | 13400 Bishops Lane, Suite 30 Brookfield, WI 53005, USA | N.A. | Step-down Subsidiary | 100% | 2(87)(ii) |
| 10 | Technosoft GMBH, | Hildastrasse 22 76275 Ettlingen Deutschland, Germany | N.A. | Step-down Subsidiary | 90% | 2(87)(ii) |
| 11 | Technosoft Engineering UK Ltd | Office Number 504, 5th Floor St. George's House 6 st. George's Way Leicester Leicestershire LE1 1QZ | N.A. | Step-down Subsidiary | 100% | 2(87)(ii) |
| 12 | Highmark International Trading | SM-Office-F1-106C, Ajman Free Zone, UAE | N.A. | Step-down Subsidiary | 100% | 2(87)(ii) |
| 13 | AAIT / Technocraft Scaffold Distribution LLC | 8010 W. Sample Road, Coral Springs, FI 33065, USA. | N.A. | Step-down Subsidiary | 85% | 2(87)(ii) |
| 14 | Technosoft Innovation Inc. | 140 South center Court Suite 600, Morrisville, NC 27560 Wake, USA | N.A. | Step-down Subsidiary | 100% | 2(87)(ii) |



| Sr. No. | Name of the Company | Address of the Company | CIN/LLPIN/GIN | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section |
|---------|---------------------------------------|--|-----------------------|--------------------------------|------------------|--------------------|
| 15 | Technosoft Services Inc | 8040 Excelsior Drive Suite 400 Madison, WI 53717 USA | N.A. | Step-down Subsidiary | 100% | 2(87)(ii) |
| 16 | Shivale Infraproducts Private Limited | Plot No. 47, 'Opus Centre' Andheri (E), Mumbai- 400093, India | U28994MH2019PTC333761 | Subsidiary | 100% | 2(87)(ii) |
| 17 | Benten Technologies LLP | A-25, Road No. 3, MIDC Andheri (E), Mumbai- 400093, India | AAP-5263 | Associate | 50% | 2(6) |

IV. Share Holding Pattern (Equity Share Capital breakup as percentage of total equity):

i) Category-wise Share Holding

| Category of Shareholders | No. of shares held at the beginning of the year (As on April 01, 2019) | | | | No. of shares held at the beginning of the year (As on March 31, 2020) | | | | % change during the year |
|---|--|----------|-----------------|-------------------|--|----------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| 1) Indian | | | | | | | | | |
| a) Individual/HUF | 17886902 | 0 | 17886902 | 73.12 | 17886902 | 0 | 17886902 | 73.12 | 00.00 |
| b) Central Govt. | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 00.00 | 00.00 |
| c) State Govt.(s) | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 00.00 | 00.00 |
| d) Bodies corporate | 33971 | 0 | 33971 | 00.14 | 380446 | 0 | 380446 | 01.56 | 01.42 |
| e) Banks/FI | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 00.00 | 00.00 |
| f) Any Other | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 00.00 | 00.00 |
| Subtotal (A)(1): | 17920873 | 0 | 17920873 | 73.26 | 18267348 | 0 | 18267348 | 74.68 | 01.42 |
| 2) Foreign | | | | | | | | | |
| a) NRIs Individuals | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 00.00 | 00.00 |
| b) Other Individuals | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 00.00 | 00.00 |
| c) bodies Corporate | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 00.00 | 00.00 |
| e) Banks/FI | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 00.00 | 00.00 |
| f) Any Other | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 00.00 | 00.00 |
| Subtotal (A)(2): | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 00.00 | 00.00 |
| Total shareholding of promoter (A)=(A)(1)+(A)(2) | 17920873 | 0 | 17920873 | 73.26 | 18267348 | 0 | 18267348 | 74.68 | 01.42 |



| Category of Shareholders | No. of shares held at the beginning of the year (As on April 01, 2019) | | | | No. of shares held at the beginning of the year (As on March 31, 2020) | | | | % change during the year |
|--|--|----------|----------------|-------------------|--|----------|---------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| B. Public Shareholdings | | | | | | | | | |
| 1) Institutions | | | | | | | | | |
| a) Mutual Funds/UTI | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 0 | 0 |
| b) Banks/FI | 3355 | 0 | 3355 | 00.01 | 0 | 0 | 0 | 0 | (0.01) |
| c) Central Govt. | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt.(s) | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 0 | 0 |
| g) FIs | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 0 | 0 |
| i) Foreign Portfolio Investor | 387918 | 0 | 387918 | 01.59 | 0 | 0 | 0 | 0 | (1.59) |
| i) Other (specify) | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 0 | 0 |
| Alternate Investment Funds | 775293 | 0 | 775293 | 3.17 | 895287 | 0 | 895287 | 3.66 | 0.49 |
| Sub-Total (B)(1):- | 1166566 | 0 | 1166566 | 4.77 | 895287 | 0 | 895287 | 3.66 | (1.11) |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 989099 | 0 | 989099 | 4.04 | 909822 | 0 | 909822 | 3.72 | (0.32) |
| ii) Overseas | 385575 | 0 | 385575 | 1.58 | 385575 | 0 | 385575 | 1.58 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual Shareholders Holding nominal Share capital Upto ₹ 1 lakhs | 2277152 | 2536 | 2279688 | 9.32 | 2277897 | 1736 | 2279633 | 9.32 | 0.00 |
| ii) Individual Shareholders Holding nominal Share capital excess ₹ 1 lakhs | 1231865 | 0 | 1231865 | 5.04 | 1215611 | 0 | 1215611 | 4.97 | (0.07) |
| c) Other (Specify) | | | | | | | | | |
| NBFCs registered with RBI | 35115 | 0 | 35115 | 0.14 | 0 | 0 | 0 | 0 | (0.14) |
| Clearing Members | 21460 | 0 | 21460 | 0.09 | 14489 | 0 | 14489 | 0.06 | (0.03) |
| Foreign Nationals | 1000 | 0 | 1000 | 00.00 | 0 | 0 | 0 | 0 | 0 |
| Non Resident Indians (REPAT) | 131515 | 0 | 131515 | 0.54 | 140249 | 0 | 140249 | 0.57 | 0.03 |
| Non Resident Indian(NONREPAT) | 64694 | 0 | 64694 | 0.26 | 37080 | 0 | 37080 | 0.16 | (0.1) |
| MCA- IEPF | 2382 | 0 | 2382 | 00.01 | 3498 | 0 | 3498 | 0.01 | 0 |



| Category of Shareholders | No. of shares held at the beginning of the year (As on April 01, 2019) | | | | No. of shares held at the beginning of the year (As on March 31, 2020) | | | | % change during the year |
|--|--|-------------|-----------------|-------------------|--|-------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| Hindu Undivided Family (HUF) | 231855 | 0 | 231855 | 0.95 | 312960 | 0 | 312960 | 1.28 | 0.33 |
| Trust | 0 | 0 | 0 | 0 | 135 | 0 | 135 | 0 | 0 |
| Sub-total (B)(2):- | 5371712 | 2536 | 5374248 | 21.97 | 5297316 | 1736 | 5299052 | 21.67 | (0.3) |
| Total shareholding of Public (B)=(B)(1)+(B)(2) | 6538278 | 2536 | 6540814 | 26.74 | 6192603 | 1736 | 6194339 | 25.33 | (1.41) |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 00.00 | 0 | 0 | 0 | 0 | 0 |
| Grand Total A+B+C) | 24459151 | 2536 | 24461687 | 100.00 | 24459951 | 1736 | 24461687 | 100.00 | 0.01 |

(ii) Shareholding of Promoters

| Sr. No | Shareholder's Name | Shareholding at the beginning of the year (As on April 1, 2019) | | | Shareholding at the end of the year (As on March 31, 2020) | | | % change in shareholding during the year |
|--------|---|---|----------------------------------|---|--|----------------------------------|---|--|
| | | No. of shares | % of total shares of the company | % of shares pledged/ encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged/ encumbered to total shares | |
| 01 | Mr. Ashish Kumar Saraf | 504914 | 2.06 | NIL | 504914 | 2.06 | NIL | 0.00 |
| 02 | Mr. Navneet Kumar Saraf | 1413082 | 5.78 | NIL | 1413082 | 5.78 | NIL | 0.00 |
| 03 | Smt. Nidhi Saraf | 543337 | 2.22 | NIL | 543337 | 2.22 | NIL | 0.00 |
| 04 | Ms. Ritu Saraf | 156464 | 0.64 | NIL | 156464 | 0.64 | NIL | 0.00 |
| 05 | Mrs. Shakuntala Saraf | 5169867 | 21.13 | NIL | 5169867 | 21.13 | NIL | 0.00 |
| 06 | Mrs. Shatidevi Saraf | 0 | 0 | NIL | 0 | 0 | NIL | 0.00 |
| 07 | Mr. Sharad Kumar Saraf | 406840 | 1.66 | NIL | 406840 | 1.66 | NIL | 0.00 |
| 08 | Sharad Kumar Madhoprasad Saraf (HUF) | 2205366 | 9.02 | NIL | 2205366 | 9.02 | NIL | 0.00 |
| 09 | Mr. Sudarshan Kumar Saraf | 6794903 | 27.78 | NIL | 6794903 | 27.78 | NIL | 0.00 |
| 10 | Sudarshan Kumar Madhoprasad Saraf (HUF) | 74797 | 0.31 | NIL | 74797 | 0.31 | NIL | 0.00 |
| 11 | Mrs. Suman Saraf | 117332 | 0.48 | NIL | 117332 | 0.48 | NIL | 0.00 |
| 12 | Mrs. Priyanka Saraf | 500000 | 2.04 | NIL | 500000 | 2.04 | NIL | 0.00 |
| 13 | Ashrit Holdings Ltd. | 33971 | 0.14 | NIL | 380446 | 1.56 | NIL | 1.42 |
| | Total | 17920873 | 73.26 | NIL | 18267348 | 74.68 | NIL | 1.42 |



(iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2020 | |
|---------|----------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | No. of shares held | % of total shares of the company | Date of transaction | No. Of shares | No of shares held | % of total shares of the company |
| 1 | Ashrit Holdings Limited | 33971 | 0.14 | | | 0 | 0 |
| | Purchase from market | | | 07 Jun 2019 | 13000 | 46971 | 0.19 |
| | Purchase from market | | | 21 Jun 2019 | 853 | 47824 | 0.20 |
| | Purchase from market | | | 29 Jun 2019 | 25184 | 73008 | 0.30 |
| | Purchase from market | | | 23 Aug 2019 | 877 | 73885 | 0.30 |
| | Purchase from market | | | 30 Aug 2019 | 165137 | 239022 | 0.98 |
| | Purchase from market | | | 20 Dec 2019 | 14732 | 253754 | 1.04 |
| | Purchase from market | | | 03 Jan 2020 | 1467 | 255221 | 1.04 |
| | Purchase from market | | | 06 Mar 2020 | 10506 | 265727 | 1.09 |
| | Purchase from market | | | 13 Mar 2020 | 14001 | 279728 | 1.14 |
| | Purchase from market | | | 20 Mar 2020 | 87724 | 367452 | 1.50 |
| | Purchase from market | | | 27 Mar 2020 | 12994 | 380446 | 1.56 |
| | At the end of the year | | | | | 380446 | 1.56 |

(iv). Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year 2020 | |
|---------|----------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | No. of shares held | % of total shares of the company | Date of transaction | No. Of shares | No of shares held | % of total shares of the company |
| 1. | DSP Emerging Stars Fund | 720401 | 2.945 | | | 720401 | 2.945 |
| | At the end of the year | | | | | 720401 | 2.945 |
| | Inuit U.S. Holdings Inc. | 385575 | 1.576 | | | 385575 | 1.576 |
| | At the end of the year | | | | | 385575 | 1.576 |
| 2 | Anil Kumar Goel | 219980 | 0.899 | | | 219980 | 0.899 |
| | At the end of the year | | | | | 219980 | 0.899 |
| 3 | VLS Finance Ltd | 249000 | 1.018 | | | 249000 | 1.018 |
| | Transfer | | | 20 Dec 2019 | (7000) | 242000 | 0.989 |
| | Transfer | | | 27 Dec 2019 | (3100) | 238900 | 0.977 |
| | Transfer | | | 03 Jan 2020 | (5000) | 233900 | 0.956 |
| | Transfer | | | 10 Jan 2020 | (14063) | 219837 | 0.899 |
| | Transfer | | | 17 Jan 2020 | (2168) | 217669 | 0.890 |
| | At the end of the year | | | | | 217669 | 0.890 |
| 4 | Aequitas Equity Scheme I | 54892 | 0.224 | | | 54892 | 0.224 |
| | Transfer | | | 05 Apr 2019 | 43590 | 98482 | 0.403 |
| | Transfer | | | 12 Apr 2019 | 28626 | 127108 | 0.520 |
| | Transfer | | | 19 Apr 2019 | 10000 | 137108 | 0.561 |
| | Transfer | | | 10 May 2019 | 1488 | 138596 | 0.567 |
| | Transfer | | | 31 May 2019 | 985 | 139581 | 0.571 |
| | Transfer | | | 14 Jun 2019 | 13013 | 152594 | 0.624 |
| | Transfer | | | 05 Jul 2019 | 2184 | 154778 | 0.633 |



| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year 2020 | |
|---------|---|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | No. of shares held | % of total shares of the company | Date of transaction | No. Of shares | No of shares held | % of total shares of the company |
| | Transfer | | | 12 Jul 2019 | 324 | 155102 | 0.634 |
| | Transfer | | | 19 Jul 2019 | 10000 | 165102 | 0.675 |
| | Transfer | | | 26 Jul 2019 | 957 | 166059 | 0.679 |
| | Transfer | | | 23 Aug 2019 | 4658 | 170717 | 0.698 |
| | Transfer | | | 20 Sep 2019 | 2169 | 172886 | 0.707 |
| | Transfer | | | 14 Feb 2020 | 2000 | 174886 | 0.715 |
| | At the end of the year | | | | | 174886 | 0.715 |
| 5 | Aequitas Investment Consultancy Pvt. Ltd. | 46677 | 0.191 | | | 46677 | 0.191 |
| | Transfer | | | 01 Nov 2019 | 7500 | 54177 | 0.221 |
| | Transfer | | | 08 Nov 2019 | 50000 | 104177 | 0.426 |
| | Transfer | | | 15 Nov 2019 | 28000 | 132177 | 0.540 |
| | Transfer | | | 22 Nov 2019 | 27000 | 159177 | 0.651 |
| | Transfer | | | 29 Nov 2019 | 200 | 159377 | 0.652 |
| | Transfer | | | 20 Mar 2020 | -59780 | 99597 | 0.407 |
| | At the end of the year | | | | | 99597 | 0.407 |
| 6 | Kamlesh Navin Shah | 0 | 0.000 | | | 0 | 0.000 |
| | Transfer | | | 30 Aug 2019 | 87969 | 87969 | 0.360 |
| | Transfer | | | 31 Dec 2019 | -75000 | 12969 | 0.053 |
| | Transfer | | | 14 Feb 2020 | 75000 | 87969 | 0.360 |
| | Transfer | | | 21 Feb 2020 | -75000 | 12969 | 0.053 |
| | Transfer | | | 13 Mar 2020 | 75000 | 87969 | 0.360 |
| | Transfer | | | 27 Mar 2020 | -8596 | 79373 | 0.324 |
| | At the end of the year | | | | | 79373 | 0.324 |
| 7 | Aman Rathee | 47981 | 0.196 | | | 47981 | 0.196 |
| | Transfer | | | 26 Apr 2019 | 4411 | 52392 | 0.214 |
| | Transfer | | | 02 Aug 2019 | 491 | 52883 | 0.216 |
| | Transfer | | | 23 Aug 2019 | 870 | 53753 | 0.220 |
| | Transfer | | | 04 Oct 2019 | 912 | 54665 | 0.223 |
| | Transfer | | | 18 Oct 2019 | 3800 | 58465 | 0.239 |
| | Transfer | | | 13 Dec 2019 | 1750 | 60215 | 0.246 |
| | Transfer | | | 20 Dec 2019 | 2802 | 63017 | 0.258 |
| | Transfer | | | 10 Jan 2020 | 2540 | 65557 | 0.268 |
| | Transfer | | | 17 Jan 2020 | 1350 | 66907 | 0.274 |
| | Transfer | | | 24 Jan 2020 | 641 | 67548 | 0.276 |
| | Transfer | | | 31 Jan 2020 | 590 | 68138 | 0.279 |
| | Transfer | | | 14 Feb 2020 | 575 | 68713 | 0.281 |
| | At the end of the year | | | | | 68713 | 0.281 |
| 8 | Prashant Rathee | 45529 | 0.186 | | | 45529 | 0.186 |
| | Transfer | | | 26 Apr 2019 | 1470 | 46999 | 0.192 |
| | Transfer | | | 02 Aug 2019 | 401 | 47400 | 0.194 |
| | Transfer | | | 23 Aug 2019 | 777 | 48177 | 0.197 |
| | Transfer | | | 20 Sep 2019 | 351 | 48528 | 0.198 |
| | Transfer | | | 04 Oct 2019 | 827 | 49355 | 0.202 |
| | Transfer | | | 18 Oct 2019 | 2300 | 51655 | 0.211 |
| | Transfer | | | 13 Dec 2019 | 1667 | 53322 | 0.218 |
| | Transfer | | | 20 Dec 2019 | 2177 | 55499 | 0.227 |
| | Transfer | | | 10 Jan 2020 | 1960 | 57459 | 0.235 |
| | Transfer | | | 17 Jan 2020 | 945 | 58404 | 0.239 |
| | Transfer | | | 24 Jan 2020 | 1429 | 59833 | 0.245 |



| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year 2020 | |
|---------|---------------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | No. of shares held | % of total shares of the company | Date of transaction | No. Of shares | No of shares held | % of total shares of the company |
| | Transfer | | | 31 Jan 2020 | 370 | 60203 | 0.246 |
| | Transfer | | | 14 Feb 2020 | 500 | 60703 | 0.248 |
| | At the end of the year | | | | | 60703 | 0.248 |
| 9 | Dotch Sales Pvt. Ltd. | 55000 | 0.225 | | | 55000 | 0.225 |
| | At the end of the year | | | | | 55000 | 0.225 |
| 10 | IIFL Securities Limited | 116089 | 0.475 | | | 116089 | 0.475 |
| | Transfer | | | 05 Apr 2019 | 2 | 116091 | 0.475 |
| | Transfer | | | 12 Apr 2019 | (22) | 116069 | 0.474 |
| | Transfer | | | 26 Apr 2019 | 3 | 116072 | 0.475 |
| | Transfer | | | 03 May 2019 | (3) | 116069 | 0.474 |
| | Transfer | | | 10 May 2019 | 150 | 116219 | 0.475 |
| | Transfer | | | 17 May 2019 | (119) | 116100 | 0.475 |
| | Transfer | | | 24 May 2019 | 169 | 116269 | 0.475 |
| | Transfer | | | 31 May 2019 | (192) | 116077 | 0.475 |
| | Transfer | | | 07 Jun 2019 | (8) | 116069 | 0.474 |
| | Transfer | | | 14 Jun 2019 | (115869) | 200 | 0.001 |
| | Transfer | | | 29 Jun 2019 | 745 | 945 | 0.004 |
| | Transfer | | | 19 Jul 2019 | (915) | 30 | 0.000 |
| | Transfer | | | 06 Sep 2019 | 21 | 51 | 0.000 |
| | Transfer | | | 13 Sep 2019 | 1314 | 1365 | 0.006 |
| | Transfer | | | 25 Oct 2019 | (1348) | 17 | 0.000 |
| | Transfer | | | 01 Nov 2019 | (5) | 12 | 0.000 |
| | Transfer | | | 08 Nov 2019 | 238 | 250 | 0.001 |
| | Transfer | | | 15 Nov 2019 | 350 | 600 | 0.002 |
| | Transfer | | | 22 Nov 2019 | (593) | 7 | 0.000 |
| | Transfer | | | 20 Dec 2019 | 233 | 240 | 0.001 |
| | Transfer | | | 03 Jan 2020 | (223) | 17 | 0.000 |
| | Transfer | | | 10 Jan 2020 | (4) | 13 | 0.000 |
| | Transfer | | | 17 Jan 2020 | 216 | 229 | 0.001 |
| | Transfer | | | 24 Jan 2020 | 71 | 300 | 0.001 |
| | Transfer | | | 07 Feb 2020 | (291) | 9 | 0.000 |
| | Transfer | | | 21 Feb 2020 | 421 | 430 | 0.002 |
| | Transfer | | | 13 Mar 2020 | (20) | 410 | 0.002 |
| | Transfer | | | 20 Mar 2020 | (360) | 50 | 0.000 |
| | Transfer | | | 27 Mar 2020 | (48) | 2 | 0.000 |
| | Transfer | | | 31 Mar 2020 | 17 | 19 | 0.000 |
| | At the end of the year | | | | | 19 | 0.000 |
| 11 | Lloyd George Indian Ocean Master Fund | 310000 | 1.267 | | | 310000 | 1.267 |
| | Transfer | | | 02 Aug 2019 | (1644) | 308356 | 1.261 |
| | Transfer | | | 16 Aug 2019 | (376) | 307980 | 1.259 |
| | Transfer | | | 23 Aug 2019 | (136249) | 171731 | 0.702 |
| | Transfer | | | 30 Aug 2019 | (15618) | 156113 | 0.638 |
| | Transfer | | | 04 Oct 2019 | (1263) | 154850 | 0.633 |
| | Transfer | | | 01 Nov 2019 | (5012) | 149838 | 0.613 |
| | Transfer | | | 08 Nov 2019 | (50000) | 99838 | 0.408 |
| | Transfer | | | 15 Nov 2019 | (25000) | 74838 | 0.306 |
| | Transfer | | | 22 Nov 2019 | (50000) | 24838 | 0.102 |
| | Transfer | | | 20 Dec 2019 | (24838) | 0 | 0.000 |
| | At the end of the year | | | | | 0 | 0.000 |



| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year 2020 | |
|---------|---|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | No. of shares held | % of total shares of the company | Date of transaction | No. Of shares | No of shares held | % of total shares of the company |
| 12 | Vanaja Sundar Iyer | 200034 | 0.818 | | | 200034 | 0.818 |
| | Transfer | | | 21 Jun 2019 | (32810) | 167224 | 0.684 |
| | Transfer | | | 23 Aug 2019 | (47762) | 119462 | 0.488 |
| | Transfer | | | 01 Nov 2019 | (4437) | 115025 | 0.470 |
| | Transfer | | | 08 Nov 2019 | (39) | 114986 | 0.470 |
| | Transfer | | | 15 Nov 2019 | (14986) | 100000 | 0.409 |
| | Transfer | | | 29 Nov 2019 | (9959) | 90041 | 0.368 |
| | Transfer | | | 13 Dec 2019 | (71317) | 18724 | 0.077 |
| | Transfer | | | 27 Dec 2019 | (18724) | 0 | 0.000 |
| | At the end of the year | | | | | 0 | 0.000 |
| 13 | Tareno Funds-Value-Opportunity Equities | 65000 | 0.266 | | | 65000 | 0.266 |
| | Transfer | | | 07 Jun 2019 | (11459) | 53541 | 0.219 |
| | Transfer | | | 14 Jun 2019 | (2446) | 51095 | 0.209 |
| | Transfer | | | 21 Jun 2019 | (3599) | 47496 | 0.194 |
| | Transfer | | | 29 Jun 2019 | (2537) | 44959 | 0.184 |
| | Transfer | | | 05 Jul 2019 | (2817) | 42142 | 0.172 |
| | Transfer | | | 12 Jul 2019 | (1603) | 40539 | 0.166 |
| | Transfer | | | 19 Jul 2019 | (6849) | 33690 | 0.138 |
| | Transfer | | | 26 Jul 2019 | (13713) | 19977 | 0.082 |
| | Transfer | | | 02 Aug 2019 | (8732) | 11245 | 0.046 |
| | Transfer | | | 09 Aug 2019 | (2671) | 8574 | 0.035 |
| | Transfer | | | 16 Aug 2019 | (1546) | 7028 | 0.029 |
| | Transfer | | | 23 Aug 2019 | (7028) | 0 | 0.000 |
| | At the end of the year | | | | | 0 | 0.000 |

(v) **Shareholding of Directors and Key Managerial Personnel:** Mr. Sharad Kumar Saraf, Mr. Sudarshan Kumar Saraf, Mr. Ashish Kumar Saraf and Mr. Navneet Kumar Saraf are only Directors and Key Managerial person who holds the shares and the details of Shareholding at the beginning of the year, Cumulative Shareholding during the year of them given above under the head of “Shareholding of Promoters”

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 42922.31 | 7607.50 | 0 | 50529.81 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 42922.31 | 7607.50 | 0 | 50529.81 |
| Change in Indebtedness during the financial year | | | | |
| · Addition | 4733.06 | 0.00 | 0 | 4733.06 |
| · Reduction | 0 | 2878.13 | 0 | 2878.13 |
| Net Change | 4733.06 | 2878.13 | 0 | 1854.94 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 47655.37 | 4729.38 | 0 | 52384.75 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 47655.37 | 4729.38 | 0 | 52384.75 |



VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ In Lakhs)

| Sr. No. | Particular of Remuneration | Name of MD/WTD/Manager | | | | | Total Amount |
|---------|---|---------------------------------------|--|------------------------------|-----------------------------|--------------------------|---------------|
| | | Mr. Sharad Kumar Saraf, Chairman & MD | Mr. Sudarshan Kumar Saraf Co-Chairman & MD | Mr. Navneet Kumar Saraf, WTD | Mr. Ashish Kumar Saraf, WTD | Mr. Atanu Choudhary, WTD | |
| 1 | Gross salary | | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 146.40 | 146.40 | 146.40 | 146.40 | 10.16 | 595.76 |
| | (b) Value of perquisites u/s17(2) Income-tax Act, 1961 | - | - | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - | - |
| 4 | Commission | - | - | - | - | - | - |
| | - As % of profit | - | - | - | - | - | - |
| | - Others specify | - | - | - | - | - | - |
| 5 | Others, please specify | - | - | - | - | - | - |
| | Total (A) | 146.40 | 146.40 | 146.40 | 146.40 | 10.16 | 595.76 |

B. Remuneration to other directors:

(₹ in Lakhs)

| Sr. No. | Particular of Remuneration | Name of Directors | | | | | Total Amount |
|---------|---|--------------------|----------------|--------------------|--------------------|------------------------|--------------|
| | | Mr. Aubrey Rebello | Mr. V.C. Saraf | Mr. Jagdeesh Mehta | Mr. Vinod Agarwala | Ms. Vaishali Choudhari | |
| 1 | Independent Directors | | | | | | |
| | Fee for attending board/ committee meetings | 0.90 | 0.90 | 1.10 | 1.10 | 0.90 | 4.90 |
| | Commission | - | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - |
| | Total (1) | 0.90 | 0.90 | 1.10 | 1.10 | 0.90 | 4.90 |
| 2 | Other Non-Executive Directors | | | | | | |
| | Fee for attending board/ committee meetings | - | - | - | - | - | - |
| | Commission | - | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - |
| | Total (2) | - | - | - | - | - | - |
| | Total Managerial Remuneration | - | - | - | - | - | - |
| | Total (B)=(1+2) | 0.90 | 0.90 | 1.10 | 1.10 | 0.90 | 4.90 |



C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lakhs)

| Sr. No. | Particular of Remuneration | Key Managerial Personnel | | |
|---------|---|--|-------------------------|---------------|
| | | Company Secretary & Compliance Officer | Chief Financial Officer | Total |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 16.83 | 146.40 | 163.23 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| | - As % of profit | - | - | - |
| | - Others specify... | - | - | - |
| 5 | Others (Fees) | - | - | - |
| | Total (A) | 16.83 | 146.40 | 163.23 |

VII. Penalties / Punishment/ Compounding Of Offences:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/NCLT/ COURT) | Appeal made, if any (give Details) |
|------------------------------------|------------------------------|---------------------------------------|--|----------------------------|------------------------------------|
| A. COMPANY | - | - | - | - | - |
| Penalty | 87(2) | Condonation of delay in filing Charge | Fees of ₹ 75000/- was levied | RD | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| B. DIRECTORS | - | - | - | - | - |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| C. OTHER OFFICES IN DEFAULT | - | - | - | - | - |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |



ANNEXURE-IV TO THE BOARD'S REPORT

Remuneration Policy for Directors, Key Managerial Personnel and other employees

1. Introduction:

- 1.1 Technocraft Industries (India) Limited (TIIL) recognises the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:
- 1.1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- 1.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 1.1.3 Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Scope and Exclusion:

- 2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 "Director" means a director appointed to the Board of the Company.
- 3.2 "Key Managerial Personnel" means
- (i) the Chief Executive Officer or the Managing Director or the Manager;
 - (ii) the Company Secretary;
 - (iii) the Whole-time Director;
 - (iv) the Chief Financial Officer; and
 - (v) such other officer as may be prescribed under the Companies Act, 2013.
- 3.3 "Nomination and Remuneration Committee" means the committee constituted by TIIL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

4. Policy:

4.1 Remuneration to Executive Directors and Key Managerial Personnel

- 4.1.1 The Board, on the recommendation of the Nomination and Remuneration (NRC) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- 4.1.2 The Board, on the recommendation of the NRC Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- 4.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel may include (i) Basic Pay (ii) Perquisites and Allowances. (iii) Commission or (iv) bonus etc.



4.2 Remuneration to Non-Executive Directors

4.2.1 The Board, on the recommendation of the NRC Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

4.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

4.3 Remuneration to other employees

4.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organisation. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

5. Amendment

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any subsequent amendment/modification in the Listing Regulations, the Companies Act, 2013 and/or other applicable laws in this regard shall automatically apply to this Policy.

Details of amendment:

| | |
|------------|---|
| Amended on | 06/11/2015 (Pursuant to the requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and inter alia) |
| | 13/02/2019 (Pursuant to the requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and inter alia) |



ANNEXURE-V TO THE BOARD'S REPORT

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Legal Framework

This Policy has been formulated by the Corporate Social Responsibility Committee and approved by the Board of Directors of Technocraft Industries (India) Limited (hereinafter referred to as the "Company") in accordance with the requirement of the provisions of Section 135 of the Act read with the Rules thereunder.

Definitions

1. **"Act"** means Companies Act, 2013 & rules made thereunder, including any modifications, clarifications, amendments, circulars or re-enactment thereof.
2. **"Board of Directors"** or **"Board"** means the Board of Directors of the Company, as constituted from time to time.
3. **"Committee"** means Corporate Social Responsibility Committee of the Company as constituted or reconstituted by the Board
4. **"Independent Director"** means a director who satisfies the criteria for independence as prescribed under Section 149 of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as SEBI Listing Regulations).
5. **"Key Managerial Personnel"** in relation to a company, means—
 - (i) the Chief Executive Officer or the Managing Director or the Manager;
 - (ii) the Company Secretary;
 - (iii) the Whole-Time Director;
 - (iv) the Chief Financial Officer; and
 - (v) such other officer as may be prescribed;
6. **"Policy"** means this Policy, as may be amended from time to time.

Membership

- i) The Committee shall consist of a minimum 3 Directors out of which at least one Director shall be an Independent Director.
- ii) A minimum of two (2) Members shall constitute a quorum for the Committee Meeting.
- iii) Term of the Committee shall be continued unless terminated by the Board of Directors.

Role of the committee

The CSR Committee, inter alia, shall-

- i) indicate the activities to be undertaken by the company relating to that specified in Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014;
- ii) recommend the amount of expenditure to be incurred on the activities referred to in clause (i) above; and
- iii) monitor the CSR Policy of the Company from time to time.

Role of the Board

The Board shall endeavor to -

- i) ensure that the activities to be undertaken by the Company shall be related to that specified in Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014;
- ii) ensure that the company spends, in every financial year, at least two per cent of the average net profits, if any, (which is calculated in accordance with the provisions of section 198 of the Act) of the Company made during the three immediately preceding financial years, in pursuance of its CSR Policy by identifying appropriate projects/ activities preferably in the local area where the Company's operations are carried out;



- iii) Consider and give preference to the local area and areas around the Company where it operates, for spending the amount earmarked for CSR activities.

CSR Activities

The Company shall endeavour to provide adequate budget for CSR project/program in consonance with Schedule VII of the Act with emphasis on:

- i) Promoting health care including preventive health care and sanitation and making available safe drinking water;
- ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

Surplus, if any, arising out of the CSR project/program/activity shall not form part of the business profit of the Company.

Specification of modalities of execution of the policy

The Committee shall be responsible for laying down operational mechanism, design the implementation model & schedule and recommend the same for the approval of the Board. The CSR project/program shall be initiated in the manner approved by the Board.

Monitoring process

The Board shall periodically review the status of the CSR project/program being implemented and issue necessary directions to ensure orderly and efficient execution of the CSR project/program in accordance with this Policy. The review shall be in accordance with the COREX principle i.e., Comply or Explain.

Disclosures

As per the Act, the contents of this Policy shall be disclosed in the Board's Report of the Company and also be placed on the Company's website.

Miscellaneous

Any terms used in this policy but not defined herein shall have the same meaning as prescribed to it in the Act or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Agreement or any other relevant legislation / law applicable to the Company.

Amendment

The Committee can recommend any amendment to this Policy, as and when it deems fit and implement after Board's approval.

Any subsequent amendment/modification in the Act and/or other applicable laws in this regard shall automatically apply to this Policy.



ANNEXURE-VI TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Board of Directors of your Company (hereinafter referred to as the "Board") approved the Corporate Social Responsibility ("CSR") Policy of your Company during the year as recommended by the CSR Committee pursuant to section 135 Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company is aware of the social responsibilities that accompany its leadership status. The Company remains steadfast on its objective of pursuing holistic growth with responsibility towards the people.

As a part of Corporate Social Responsibility, the Company has supported an Institute in tie up with Nettur Technical Training Foundation (NTTF) in the name of NTTF Training Centre (NTC). NTC provides diploma courses in Mechatronics and Tool & Die Design Engineering. It is located on a lush 9 acres landscape site in Murbad, near Mumbai. NTTF is a living symbol of Indo-Swiss Co-operation aimed at promoting a purposeful technical education for the youth in India. The institute consists of Ground plus two floors building with basement, and has an approximate built-up area of 48000 Sq. ft. A hostel block is also provided to accommodate Students and Trainees with mess and recreational facilities. These facilities have a capacity to provide Education/Training to about 600 students. The Job Oriented courses offered by the NTTF training center have resulted into creation of Employment Opportunities and Entrepreneurship among the youth in the stakeholder villages.

As a part of Corporate Social Responsibility, the promoters of the Company has also signed Memorandum of Understanding (MoU) on April 7, 2019 with Indian Institute of Technology Bombay (hereafter referred to as 'IIT Bombay') for activities relating to promoting education.

The promoters, with a view to strengthen research and education in Artificial Intelligence and Robotics has proposed setting up of "Centre for Artificial Intelligence and Robotics" at IIT Bombay. They have in principal agreed to support with funds required for establishing of this Centre and agreed to donate an amount of INR 10 crores (Rupees Ten Crores only) over a period of time which will support the establishment of this Centre. The Centre will be called 'Technocraft Centre for Artificial Intelligence and Robotics.

The CSR Committee of the Company has identified inter-alia the following thrust areas around which your Company shall be focusing its CSR initiatives and channelising the resources on a sustained basis.

I Education:

- a. Support technical training institutes, skill development centers, vocational programmes for the purpose of creating livelihood opportunities, soft skill training etc. to the rural youth;
- b. Enhancing the access to employment opportunity by providing vocational or special training skills;
- c. Support to or collaboration with technical vocational training institutions for overall self- development and capacity building of the youth.

II Healthcare;

- a. Providing better sanitation services to the community.
- b. Collaborating with organisations that deliver localized community healthcare programs and awareness campaigns in nearby villages municipalities.
- c. Family Welfare.

Weblink to CSR Policy: The Company's CSR policy is posted at the link [http://www.technocraftgroup.com/pdf/Corporate-Social-Responsibility-\(CSR\)-Policy.pdf](http://www.technocraftgroup.com/pdf/Corporate-Social-Responsibility-(CSR)-Policy.pdf).



2. **The Composition of the CSR Committee:** Pursuant to Section 135 of the Act a Corporate Social Responsibility (CSR) Committee was constituted. As at March 31, 2020, the CSR Committee comprised of two Executive Directors and one Independent Director namely Mr. Sharad Kumar Saraf, Mr. Sudarshan Kumar Saraf and Ms. Vaishali Choudhari.
3. **Average net profit of the company for last three financial years:** ₹ 144.91 Cr.
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** ₹ 2.90 Cr.
5. **Details of CSR spent during the financial year.**
 - (a) **Total amount to be spent for the financial year;** ₹ 2.90 Cr
 - (b) **Amount unspent, if any;** - ₹ 2.90 Cr
 - (c) **Manner in which the amount spent during the financial year is detailed below:**

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|-------|------------------------------------|--|---|---|--|---|--|
| S. No | CSR project or activity identified | Sector In which The Project is covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads | Cumulative expenditure upto to the reporting period | Amount spent : Direct or through implementing agency |
| - | -NIL | - | (1) | - | - | - | - |

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

Your Company is in process of finding suitable project(s) in the local area where the Company's operations are carried out and will contribute in phased manner in future, upon identification of suitable projects within the Company's CSR Policy. The Company was unable to find out the suitable projects in the local area where the Company's operations are carried out. Further, as stated above the promoters have signed an MOU with IIT Bombay, the Company shall contribute CSR amount to IIT Bombay in phased manner.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

The CSR Committee hereby confirms that the implementation and monitoring of CSR activities shall be in compliance with CSR objectives and the CSR Policy of the company.

Sd/-
Sudarshan Kumar Saraf
**Co-Chairman & Managing Director &
Member of the CSR Committee**
DIN 00035799

Sd/-
Sharad Kumar Saraf
**Chairman & Managing Director &
Chairman of the CSR Committee**
DIN 00035843



ANNEXURE-VII TO THE BOARD'S REPORT (AOC-2)

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms-length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: NIL

All transactions entered into by the Company during the year with related parties were on arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis:

| S. No. | Particulars | Details |
|--------|---|---|
| 1. | Name (s) of the related party & nature of relationship | AAIT/ Technocraft Scaffold Distribution LLC FZE ("AAIT") |
| 2. | Nature of contracts/arrangements/transaction | Sale of scaffolding |
| 3. | Duration of the contracts/ arrangements/ transaction | On-going transaction (Continuous) |
| 4. | Salient terms of the contracts or arrangements or transaction including the value, if any | AAIT is a distribution Company during the FY the Company sold scaffolding in USA through AAIT for aggregate amount of ₹ 180.78 Crores on an Arm's Length basis. |
| 5. | Date of approval by the Board | August 14, 2019 |
| 6. | Amount paid as advances, if any | Nil |



ANNEXURE-VIII TO THE BOARD'S REPORT

Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i) & (ii) The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the percentage increase in remuneration of each Director, Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the financial year 2019-20.

| Name & Designation | Remuneration of each Director & KMP for Financial Year 2019-20 ₹ In Lakhs | % Increase/ Decreased in remuneration in the Financial year 2019-20 | Ratio of remuneration of each Director to median remuneration of employees |
|---|--|---|--|
| A. Directors & KMP | | | |
| Mr. Sharad Kumar Saraf, CMD | 146.40 | 0.00 | 44.97 |
| Mr. Sudarshan Kumar Saraf, Co-CMD | 146.40 | 0.00 | 44.97 |
| Mr. Ashish Kumar Saraf, WTD, CFO | 146.40 | 0.00 | 44.97 |
| Mr. Navneet Kumar Saraf, WTD, CEO | 146.40 | 0.00 | 44.97 |
| Mr. Atanu Choudhary, WTD | 10.16 | 0.00 | 3.12 |
| Mr. Jagdeesh Mal Mehta, I-NED | 1.10 | 22.22 | 0.34 |
| Mr. Vishwambhar C. Saraf, I-NED | 0.90 | 125.00 | 0.28 |
| Mr. Aubrey Rebello, I-NED | 0.90 | 0.00 | 0.28 |
| Ms. Vaishali Choudhari, I-NED | 0.90 | 50.00 | 0.28 |
| Mr. Vinod Agarwala, I-NED | 1.10 | 22.22 | 0.34 |
| B. Key Managerial Personnel other than Directors | | | |
| Mr. Neeraj Rai, CS | 16.83 | 4.73 | 5.17 |

Legends:

CMD - Chairman & Managing Director; I- NED- Independent Non-Executive Director; WTD- Whole Time Director; CFO – Chief Financial Officer; CS - Company Secretary; CFO – Chief Financial Officer.

Notes:

The above remuneration includes sitting fees paid to all the Non-Executive Directors of the Company.

(iii) Percentage increase in the median remuneration of employees in the financial year: During the period under review the median remuneration was increased by 3.15%.

(iv) The number of permanent employees on the rolls of Company; There were 1700 permanent employees on the rolls of Company as on March 31, 2020.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in the salaries of employees other than the managerial personnel in the Financial Year 2019-20 was 4.57% and the increase in the salary of the managerial personnel was 0.12%. The average increase of 4.57% in the salaries of employees was in line with the market projection, the performance of the Company in the financial year 2019-20, the individual performance of the employees, the criticality of the roles they play and skills set they possess.

(vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, KMPs, Senior Management and other employees of the Company is as per the Remuneration Policy of the Company.



ANNEXURE-IX TO THE BOARD'S REPORT

Business Responsibility Report 2019-20

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015:

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY:

| | | | |
|-----|---|--|---|
| 1. | Corporate Identity Number (CIN) of the Company | L28120MH1992PLC069252 | |
| 2. | Name of the Company | Technocraft Industries (India) Limited | |
| 3. | Registered address | Plot No. 47, 'Opus Centre', Second Floor, Central Road, MIDC, Andheri (East), Mumbai -400093 | |
| 4. | Website | www.technocraftgroup.com | |
| 5. | E-mail id | investor@technocraftgroup.com | |
| 6. | Financial Year reported | 2019-20 | |
| 7. | Sector(s) that the Company is engaged in (industrial activity code-wise) | NIC Code of the Product/ service (As per NIC Code 2008) | Name and Description of main products / services |
| | | 24109/25999 | Manufacturing of Drum Closures |
| | | 24106 | Manufacturing of tubes and Scaffoldings |
| | | 13111, 13911, 14101 | Manufacture of knitted and crocheted cotton fabrics, Preparation and spinning of cotton fiber, Manufacture of textile garments. |
| 8. | List three key products/services that the Company manufactures/provides (as in balance sheet) | Drum Closures, Scaffoldings, Yarn | |
| 9. | Total number of locations where business activity is undertaken by the Company | | |
| | (a) Number of International Locations (Provide details of major 5) | NIL (on a standalone basis) | |
| | (b) Number of National Locations | 5 | |
| 10. | Markets served by the Company – Local/State / National/ International | The Company sells its products across all states in India as well as several countries in the world. | |

SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | | |
|----|---|-------------------|
| 1. | Paid up Capital | ₹ 24.46 Crores |
| 2. | Total Turnover | ₹ 1,188.76 Crores |
| 3. | Total profit after taxes | ₹ 102.69 Crores |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | Nil |
| 5. | List of activities in which expenditure in 4 above has been incurred | N.A. |

SECTION C: OTHER DETAILS

| | | |
|--|--|--|
| | Does the Company have any Subsidiary Company/ Companies? | Yes, for list /names refer Board Report. |
| | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If Yes, then indicate the number of such subsidiary company(s) | No |
| | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If Yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | No |



SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

(a) Details of the Director/Director responsible for implementation of the BR policy/policies:

| | | |
|----|-------------|---------------------------------|
| 1. | DIN Number | 00035843 |
| 2. | Name | Mr. Sharad Kumar Saraf |
| 3. | Designation | Chairman & Managing Director |
| 1. | DIN Number | 00035799 |
| 2. | Name | Mr. Sudarshan Kumar Saraf |
| 3. | Designation | Co-Chairman & Managing Director |

(b) Details of the BR head

| | | |
|----|----------------------------|----------------------------------|
| 1. | DIN Number (if applicable) | 00035843 |
| 2. | Name | Mr. Sharad Kumar Saraf |
| 3. | Designation | Chairman & Managing Director |
| 4. | Telephone number | 022-40982222 |
| 5. | e-mail id | technocraft@technocraftgroup.com |

2. Principle-wise (as per NVGs) BR Policy/policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine (9) areas of Business Responsibility. These briefly are as follows:

| | |
|-----------------|--|
| Principal (P1): | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability. |
| Principal (P2): | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle. |
| Principal (P3): | Businesses should promote the wellbeing of all employees. |
| Principal (P4): | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. |
| Principal (P5): | Businesses should respect and promote human rights. |
| Principal (P6): | Business should respect, protect, and make efforts to restore the environment. |
| Principal (P7): | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner. |
| Principal (P8): | Businesses should support inclusive growth and equitable development. |
| Principal (P9): | Business should engage with and provide value to their customers and consumers in a responsible manner. |

(a) Details of compliance (Reply in Y/N)

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|---|----|----|----|----|----|----|-----|----|----|
| 1 | Do you have a policy/policies for? | Y | Y | Y | Y | Y | Y | N.A | Y | Y |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | N.A | Y | Y |
| 3 | Does the policy conform to any national / international standards? If yes, specify? | Y# | Y# | Y# | Y# | Y# | Y# | N.A | Y# | Y# |



| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|--|---|----|----|----|----|----|-----|----|----|
| 4 | Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Y | Y | Y | Y | Y | Y | N.A | Y | Y |
| 5 | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | N.A | Y | Y |
| 6 | Indicate the link for the policy to be viewed online? | P1- Code of Conduct- https://www.technocraftgroup.com/Code-Of-Conduct.aspx P-2: Quality Policy is on intranet displayed at all sites. P3: HR Policy is available online on the intranet. P4: CSR Policy, Whistle Blower Policy:- https://www.technocraftgroup.com/Policies.aspx P5: HR Policy is available online on the intranet. P6:EHS Policy https://www.technocraftgroup.com/Policies.aspx P7: Not Applicable P8: CSR Policy:- https://www.technocraftgroup.com/Policies.aspx P9: Customer Responsibility is covered under the Company's Quality Policy | | | | | | | | |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | N.A | Y | Y |
| 8 | Does the company have in-house structure to implement the policy/ policies. | Y | Y | Y | Y | Y | Y | N.A | Y | Y |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y | Y | Y | Y | Y | Y | N.A | Y | Y |
| 10 | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Y | Y | Y | Y | Y | Y | N.A | Y | Y |

Y# All the policies are in comparable with the best practices in the industry.



(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|---|----|----|----|----|----|----|----|----|----|
| 1 | The company has not understood the Principles | - | - | - | - | - | - | - | - | - |
| 2 | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | - | - | - | - | - | - | - | - | - |
| 3 | The company does not have financial or manpower resources available for the task | - | - | - | - | - | - | - | - | - |
| 4 | It is planned to be done within next 6 months | - | - | - | - | - | - | - | - | - |
| 5 | It is planned to be done within the next 1 year | - | - | - | - | - | - | - | - | - |
| 6 | Any other reason (please specify) | - | - | - | - | - | - | - | - | - |

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The assessment of BR performance is done annually by the MD, WTD and senior management of the Company.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has started publishing BR Report from financial year 2019-20 on a yearly basis. The BR report shall be as part of the Annual Report and shall be available on the website of the Company www.technocraftgroup.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others? Yes, the Policy on Code of Conduct covers only the company.
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. During the Financial Year, the Company has not received any complaints from the shareholders.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.
 - (a) Drum Closures
 - (b) Scaffoldings
 - (c) Yarn
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
 - (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company is committed to use energy, water, raw material etc. efficiently and in a responsible manner and we regularly focus on reduction of their consumption. This is a continuous improvement program. Replacement of normal bulbs with LED bulbs, having proper ETP plants in place, use of treated water in plant, evaporation of residual water efficiently are steps in this direction.



(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company practices are targeted at seeking cost optimization, ensuring environment sustainability, societal interest and resource efficiency. The criteria used for selection of suppliers/ vendors go beyond cost relevance and include resource efficiency, product quality, life cycle, environment impact, etc. Company gives preference in selection of vendors which comply with the various principles of sustainability.

The criteria for procurement of equipment is based upon resource efficiency, mainly comprising of but not limited to energy efficiency, fuel efficiency, emission control, etc.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The company procures raw material, goods and services from locally available resources.

The Company accord priority to local suppliers in procurement of stores and spares and other consumables. Company's contractors who supply labour services for plant operations employ workmen from nearby communities. This workforce is educated/semi-educated and is provided training in occupational health and safety.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so

The Company has multiple businesses and it does recycling of waste, wherever possible.

Principle 3

1. Please indicate the Total number of employees: 1700

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. : 2011

3. Please indicate the Number of permanent women employees. : 74

4. Please indicate the Number of permanent employees with disabilities: 18

5. Do you have an employee association that is recognized by management? : Yes

6. What percentage of your permanent employees is members of this recognized employee association? : 35.59

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

| No. | Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|-----|---|--|--|
| 1 | Child labour/forced labour/involuntary labour | Nil | Nil |
| 2 | Sexual harassment | Nil | Nil |
| 3 | Discriminatory employment | Nil | Nil |

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

(a) Permanent Employees: 54%

(b) Permanent Women Employees: 50%

(c) Casual/Temporary/Contractual Employees: 30%

(d) Employees with Disabilities: 0



Principle 4

1. Has the company mapped its internal and external stakeholders? Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders: There are no disadvantaged, vulnerable and marginalized stakeholders as such.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.: The Company has put in place systems and procedures to identify, prioritise and address the needs and concerns of its stakeholders, across businesses and units, in a continuous, consistent and systematic manner. The Company has various initiatives in place for covering local communities in and around the plants.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures / Suppliers/Contractors/NGOs/Others?: Human rights are one of core principles at the Company. The Company's belief lies in the idea of "Human Capital" and it acknowledges the employee's importance and encourage them in both their professional and personal lives. Company operates through multiples business and subsidiaries in India and international markets, the vast geographical operations mean that Company's human rights policy differ as per the law of land. The subsidiaries of the Company have different human rights policies but follow a common belief in "Human Capital"
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? For the reporting year, we have not received any stakeholder complaints with respect to Human Rights.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others. EHS Policy covers the Company only. The Company encourages parties associated with its value chain like vendors, suppliers, contactors etc. to follow the principles stated in the policy.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.: The Company has the capacity to address global environment issues, same is to be formalised to put over the website.
3. Does the company identify and assess potential environmental risks? Y/N: Yes
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? The Company has undertaken varied emission reduction initiatives to minimise its carbon footprint. Currently, no project is registered under the Clean Development Mechanism.
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. The Company through its dedicated team of have been monitoring performance of various plants and equipment to reduce energy consumption. The significant energy conservation measures initiated during the year are given in the statement under section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 which is made part of Annual Report as an annexure to the Board's Report of the Company. The weblink for the same is <http://www.technocraftgroup.com>
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? Yes
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. There are no show cause/legal notices from CPCB/SPCB which are pending as at the end of the Financial Year.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
 - (a) Federation of Indian Export Organisations
 - (b) The Council of EU Chamber of Commerce



- (c) Confederation of Indian Textile Industry
 - (d) Steel Drum Association of India
 - (e) Cotton Association of India
 - (f) The Cotton Textile Export Promotional Council
 - (g) Bombay Textile Research Association
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others): Yes, Economic Reforms, Inclusive Development Policies. The company actively involved or it, through the promoter Mr. Sharad Kumar Saraf as he is the chairman of Federation of Indian Export Organisations.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof. The Company has adopted CSR Policy pursuant to the provisions of the Section 135 of the Companies Act, 2013 and the company is in process of finding suitable project(s) in the local area where the Company's operations are carried out. The Company has supported an Institute in tie up with Nettur Technical Training Foundation (NTTF) in the name of NTTF Training Centre (NTC). NTC provides diploma courses in Mechatronics and Tool & Die Design Engineering to students of nearby area.
2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization? The Company is open for both the internal teams as well as through/in-coordination with external agencies like NGOs and Government Institutions.
3. Have you done any impact assessment of your initiative? Yes, the Company keenly keeps an eye on result of vocational training imparted at NTTF. Company also absorbs some of the students after they have completed the course at NTTF. Company feels proud to see cent percent placement of students from NTTF.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken. Refer the annexure to Board Report regarding CSR.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.: As a part of Corporate Social Responsibility, the promoters of the Company has also signed Memorandum of Understanding (MoU) on April 7, 2019 with Indian Institute of Technology Bombay (hereafter referred to as 'IIT Bombay') for activities relating to promoting education.

The Company, with a view to strengthen research and education in Artificial Intelligence and Robotics has proposed setting up of "Centre for Artificial Intelligence and Robotics" at IIT Bombay. It has in principal agreed to support with funds required for establishing of this Centre and agreed to donate an amount of INR 10 crores (Rupees Ten Crores only) over a period of time which will support the establishment of this Centre. The Centre will be called 'Technocraft Centre for Artificial Intelligence and Robotics'.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year: No complaints/ consumer cases are pending as on the end of financial year.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information): majority of the products of the Company are B to B (Business to Business). Still the Company displays product information on the product label as per the requirement of the law.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.: No case was filed by any stakeholder against the Company regarding unfair trade practice, irresponsible advertising and/or anti-competitive behaviour during the last five years.
4. Did your company carry out any consumer survey/ consumer satisfaction trends? The Company has not carried out any formal consumer survey/consumer satisfaction trends/ However, the Company keeps track of responses/ comment from the various stakeholders.



CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Corporate Governance signifies the role of the management as the trustees to the property of the shareholders and acceptance of the inherent rights of the shareholders by the management. Corporate Governance is a framework which helps various participants' viz. shareholders, Board of Directors and Company's management, in shaping company's performance and the way it is preceding towards attainment of its goals.

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements, such as the terms of SEBI Listing Regulations, but also several voluntary practices at a superior level of business ethics, effective supervision and enhancement of shareholders' value.

The Company believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in protecting the shareholders' interest while maximizing long term corporate values.

The Company is in compliance with the requirements on the Corporate Governance stipulated under SEBI Listing Regulations.

II. BOARD OF DIRECTORS

(a) Size and Composition of the Board of Directors

The Board of Directors has an ideal combination of executive and non-executive Directors and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations which *inter-alia* stipulates that the Board should have an optimum combination of Executive and Non-executive Directors with at least one Woman Director and not less than fifty percent of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director.

As on March 31, 2020, the Board comprised ten Directors. Of these, five are Executive Directors, including the Chairman & Managing Director who is a Promoter Director. Remaining five are Independent Directors including one Woman Director.

Since, the Chairman of the Board of Directors is an Executive Director thus, as per Regulation 17 of the SEBI Listing Regulations at least fifty percentage of the Board should be independent directors. The composition of the Board of Directors is in conformity with the Regulation 17 of the SEBI Listing Regulations.

Mr. Sharad Kumar Saraf, Chairman & Managing Director and Mr. Sudarshan Kumar Saraf, Co-Chairman & Managing Director are brother and Mr. Ashish Kumar Saraf and Mr. Navneet Kumar Saraf are their sons, respectively, except them other Directors of the Company are not related to each other.

All the Independent Directors of the Company furnish declaration annually that they qualify the conditions of their being independent as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI Listing Regulations. All such declarations are placed before the Board. Further all the Directors provide declarations annually that they have not been disqualified to act as Director under Section 164(2) of the Companies Act, 2013. In the opinion of the Board, the independent directors fulfil the conditions specified in SEBI Listing Regulations and are independent of the management.

(b) Number of Board Meetings

The Board of Directors met four (4) times during the financial years 2019-20. The Meetings were held on May 28, 2019, August 14, 2019, November 14, 2019 and February 5, 2020. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

(c) Directors' attendance record and details of Directorships/Committee Positions held

As mandated by SEBI Listing Regulations, none of the Directors on Board is a member of more than ten Board-level committees and Chairman of more than five such committees, across all such companies in which he/ she is a Director.



Further, none of the Directors of the Company serves as an Independent Director in more than seven listed companies.

The details of names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting as also the number of Directorships and Board-level committee positions held by them as at March 31, 2020 is tabulated hereunder.

| Name | Category | No. of Board Meeting attended/ held during 2019-20 | Whether attended Last AGM held on Sept 20, 2019 | Number of Directorship of Public Companies including this Company* | Committee Position including in this Company# | |
|---------------------------|---|--|---|--|---|--------|
| | | | | | Chairman | Member |
| Mr. Sharad Kumar Saraf | Promoter, Chairman & Managing Director | 4/4 | No | 9 | 2 | 2 |
| Mr. Sudarshan Kumar Saraf | Promoter, Co-Chairman & Managing Director | 4/4 | Yes | 7 | - | 1 |
| Mr. Ashish Kumar Saraf | Whole-time Director & CFO | 4/4 | Yes | 4 | - | 1 |
| Mr. Navneet Kumar Saraf | Whole-time Director & CEO | 2/4 | No | 5 | - | 1 |
| Mr. Atanu Choudhary | Whole-time Director | 4/4 | No | 1 | - | - |
| Mr. Vinod Agarwala | Independent | 4/4 | No | 4 | 2 | 4 |
| Mr. V. C. Saraf | Independent | 3/4 | No | 4 | 3 | 4 |
| Mr. Jagdeesh Mal Mehta | Independent | 4/4 | No | 2 | - | 1 |
| Ms. Vaishali Choudhari | Independent | 3/4 | No | 1 | - | 1 |
| Mr. Aubrey Rebello | Independent | 3/4 | Yes | 1 | - | 1 |

Notes:-

*Excludes private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 (i.e. associations not carrying on business for profit or which prohibits payment of dividend).

#Chairmanship/Membership of only Audit Committee and Stakeholder's Relationship Committee in public companies (including this Company), have been considered. Further, chairmanship numbers does not included the number of membership, both positions considered separately.

List of Directors who have directorship in other Listed Companies and the names of the listed entities where the person is a director and the category of directorship:

| Name | List of Directorship held in Other Listed | Category of Directorship in other listed |
|------------------------|---|---|
| Mr. Sharad Kumar Saraf | (1) Manglam Organic Ltd. | Independent Director |
| Mr. Vinod Agarwala | (1) IRIS Business Services Ltd (2) GTL Infrastructure Ltd (3) Supreme Infrastructure India Ltd | Independent Director Independent Director Independent Director |
| Mr. V. C. Saraf | (1) Remi Edelstahl Tubulars Ltd (2) Remi Process Plant And Machinery Ltd (3) Remi Elektrotechnik Ltd. | Non-Independent Director Non-Independent Director Non-Independent- Executive Director |
| Mr. Jagdeesh Mal Mehta | (1) Banswara Syntex Ltd. | Independent Director |



(d) Information to the Board

A detailed agenda folder is sent to each Director in advance of the Board Meetings. As a policy, all major decisions, in addition to matters which statutorily require the approval of the Board are put up for consideration of the Board. Pursuant to Regulation 17(7) of the SEBI Listing Regulations, the agenda includes the minimum information required to be placed before the board of directors. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions.

The Board periodically reviews compliance certificate of laws applicable to the Company, prepared by the Management as well as steps taken by the Company to rectify instances of non-compliances, if any. Further, the Board also reviews the Annual financial statements of the Unlisted Subsidiary Companies. In addition to the above, pursuant to Regulation 24 of the SEBI Listing Regulations, the Minutes of the Board Meetings of the Company's Unlisted Indian Subsidiary Companies are placed before the Board.

(e) Directors with pecuniary relationship or business transaction with the Company:

The Chairman & Managing Director, Co-Chairman & Managing Director and the Whole-time Directors receive Salary, Perquisites and Allowances, while all the Non-Executive Directors receive Sitting Fees.

(f) Nomination and Remuneration Policy & Remuneration to Directors:

Remuneration was paid to Executive Directors i.e. Mr. Sharad Kumar Saraf, Chairman & Managing Director, Mr. Sudarshan Kumar Saraf, Co-Chairman & Managing Director, Mr. Ashish Kumar Saraf, CFO & Whole-time Director, Mr. Navneet Kumar Saraf, CEO & Whole-time Director and Mr. Atanu Anil Choudhary, Whole-time Directors pursuant to the approval of the Nomination and Remuneration Committee, the Board of Directors and the Members of the Company, which is within the limits prescribed under the Companies Act, 2013.

The Non-Executive Directors were paid sitting fees for attending the Meetings of the Board of Directors and the Audit Committee, which is within the limits prescribed under the Companies Act, 2013. The Company pays a sitting fee of ₹ 10,000/- for attending each Meeting of the Board of Directors, Audit Committee and Meeting of Independent Directors.

The detailed Remuneration Policy of the Company has been provided in the Board's Report which forms part of this Annual Report.

The details of remuneration paid to Directors during the year ended March 31, 2020 are tabulated hereunder.

(₹ In Lakhs)

| Name of the Directors | Salaries, perquisites & Allowances | Sitting fees | Total |
|---------------------------|------------------------------------|--------------|--------|
| Mr. Sharad Kumar Saraf | 146.40 | 0.00 | 146.40 |
| Mr. Sudarshan Kumar Saraf | 146.40 | 0.00 | 146.40 |
| Mr. Ashish Kumar Saraf | 146.40 | 0.00 | 146.40 |
| Mr. Navneet Kumar Saraf | 146.40 | 0.00 | 146.40 |
| Mr. Atanu Choudhary | 10.16 | 0.00 | 10.13 |
| Mr. Aubrey Rebello | 0.00 | 0.90 | 0.90 |
| Mr. Jagdeesh Mal Mehta | 0.00 | 1.10 | 1.10 |
| Ms. Vaishali Choudhari | 0.00 | 0.90 | 0.90 |
| Mr. V. C. Saraf | 0.00 | 0.90 | 0.90 |
| Mr. Vinod Agarwala | 0.00 | 1.10 | 1.10 |

(g) Employee Stock Option Scheme:

The Company does not have any Employee Stock Option Scheme (ESOS).

(h) Details of Equity Shares held by the Non- Executive Directors:

As on March 31, 2020, none of the Non-Executive Directors held any Equity Shares in the Company and there are no convertible instruments in the Company.



(i) Management Discussion and Analysis

Management Discussion and Analysis is given in a separate section forming part of the Directors' Report in this Annual Report.

(j) Code of Conduct

The Board of Directors has laid down the Codes of Conduct ('Code'), for the all Board members and senior management of the company.

These Codes have been posted on the Company's website www.technocraftgroup.com. All the Board Members and Senior Management personnel of the Company have affirmed Compliance with the Code of Conduct as applicable to them, for the year ended March 31, 2020. A declaration to this effect signed by Mr. Navneet Kumar Saraf, Chief Executive Officer is annexed to this Report.

(k) Familiarisation Programmes for Board Members

The Familiarisation program aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities.

All the Directors of the Company are updated as and when required, of their role, rights, responsibilities under applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, Secretarial Standards; nature of industry in which the Company operates, business model of the Company, etc. The Company holds Board and the Committee Meetings from time to time. The Board of Directors has complete access to the information within the Company. The Independent Directors have the freedom to interact with the Company's management. Directors are also informed of the various developments in the Company through various modes of communications. All efforts are made to ensure that the Directors are fully aware of the current state of affairs of the Company and the industry in which it operates.

The details of such familiarization programmes for Independent Directors of the Company are posted on the website of the Company <http://www.technocraftgroup.com/pdf/Details-of-the-familiarization-programmes-imparted-to-independent-directors.pdf>

(l) Performance Evaluation and Independent Directors Meeting

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, annual performance evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee has been carried out.

The performance evaluation of the Independent Directors was carried out by the entire Board the performance evaluation of the Independent Directors was conducted by the entire Board of Directors (excluding the Director being evaluated) on the basis of a structured questionnaire which was prepared on the basis of SEBI Circular No SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017 and the Performance Evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors on the basis of a structured questionnaire which was prepared on the basis of said SEBI Circular.

The Independent Directors of the Company met on February 5, 2020, *inter-alia*, to discuss and carry out the evaluation of performance of (i) Non-Independent Directors and the Board of Directors of the Company as a whole, (ii) the evaluation of performance of the Chairman of the Company, (iii) evaluation of the committees of the Board, and (iv) evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction on the performance of Non-Independent Directors and the Board as a whole. The Independent Directors were also satisfied with the quality, quantity and timeliness of flow of information between the Company management and the Board.

Performance evaluation criteria for independent directors:

The Independent Directors shall be evaluated on the basis of the following criteria;



General:

- a. **Qualifications:** Details of professional qualifications of the member
- b. **Experience:** Details of prior experience of the member, especially the experience relevant to the entity
- c. **Knowledge and Competency:**
 - i. How the person fares across different competencies as identified for effective functioning of the entity and the Board (*The entity may list various competencies and mark all directors against every such competency*)
 - ii. Whether the person has sufficient understanding and knowledge of the entity and the sector in which it operates.
- d. **Fulfillment of functions:** Whether the person understands and fulfills the functions to him/her as assigned by the Board and the law (E.g. Law imposes certain obligations on independent directors)
- e. **Ability to function as a team:** Whether the person is able to function as an effective team- member
- f. **Initiative:** Whether the person actively takes initiative with respect to various areas
- g. **Availability and attendance:** Whether the person is available for meetings of the Board and attends the meeting regularly and timely, without delay.
- h. **Commitment:** Whether the person is adequately committed to the Board and the entity
- i. **Contribution:** Whether the person contributed effectively to the entity and in the Board meetings
- j. **Integrity:** Whether the person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)

Additional criteria for Independent director:

- a. **Independence:** Whether person is independent from the entity and the other directors and there if no conflict of interest.
- b. **Independent views and judgement:** Whether the person exercises his/ her own judgement and voices opinion freely.

The Non-Independent Directors along with the Independent Directors, except the one who is being evaluated, will evaluate/assess each of the Independent Directors on the aforesaid parameters. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

III. BOARD COMMITTEES

Pursuant to SEBI Listing Regulations/Companies Act there were four Committees as on March 31, 2020 viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided below.

a. Audit Committee

During the Financial Year ended March 31, 2020, the Audit Committee comprises five Independent Directors. Viz. Mr. Vinod Agarwala – (Chairman), Mr. Jagdeesh Mal Mehta, Mr. Aubrey Rebello, Ms. Vaishali Choudhari and Mr. V. C. Saraf. All Members of the Audit Committee possess accounting and financial management knowledge.

The senior management team i.e. Chairman & Managing Director, Co-Chairman & Managing Director, Whole-Time Director & Chief Operating Officer, Whole-time Director & Chief Financial Officer and President Accounts & Finance, the Internal Auditors and the representative of the statutory auditors are invited for the meetings of the Audit Committee. The Company Secretary is the Secretary to this Committee.



The Audit Committee met four times during the year, i.e. on May 28, 2019, August 14, 2019, November 14, 2019 and February 5, 2020. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The minutes of the meetings of the Audit Committee are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings, are tabulated hereunder:

| Name of the Members | Category | Position | No. of Meeting held | No of Meeting attended |
|------------------------|----------------------|----------|---------------------|------------------------|
| Mr. Vinod Agarwala | Independent Director | Chairman | 4 | 4 |
| Mr. Jagdeesh Mal Mehta | Independent Director | Member | 4 | 4 |
| Ms. Vaishali Chaudhari | Independent Director | Member | 4 | 3 |
| Mr. V. C. Saraf | Independent Director | Member | 4 | 3 |
| Mr. Aubrey Rebello | Independent Director | Member | 4 | 3 |

Mr. Aubrey Rebello, Independent Director, member of the Audit Committee and Nomination & Remuneration Committee, represented the Audit Committee and Nomination & Remuneration Committee, who was authorized by the Chairman of the respective Committees, Mr. Vinod Agarwala, and Mr. Vishawmbhar C. Saraf, respectively, who were unable to attend the Annual General Meeting of the Company held on September 20, 2019 to answer members' queries on behalf of Chairman of the Audit Committee.

The terms of reference of the Audit Committee are in conformity with the requirements of SEBI Listing Regulations and Section 177(4) of the Companies Act, 2013. Further, the Audit Committee has powers which are in line with the SEBI Listing Regulations.

The terms of reference of the Audit Committee include the following:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. 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 subsection 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by the management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing with the Management, quarterly financial statements before submission to the board for approval;
6. Reviewing with the Management, the statement of uses/application of funds raised through an issue(public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;



10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the Management, performance of the statutory and internal auditors and adequacy of the internal control systems;
13. 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;
14. Discussion with the internal auditors of any significant findings and follow-up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern;.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism/Vigil mechanism.
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Reviewing the utilizations of loans and/or advances from/investment by the holding Company in subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, which is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
21. Carrying out any other functions as is mentioned in the terms of reference of audit committee. Review of Information by Audit Committee;

Review of Information by Audit Committee:

Besides the above, the role of the Audit Committee includes mandatory review of the following information.

22. Management discussion and analysis of financial condition and results of operations;
23. Statement of significant related party transactions (as defined by the audit committee), submitted by Management;
24. Management letters/letters of internal control weaknesses issued by the statutory auditors, if any;
25. Internal audit reports relating to internal control weaknesses; and
26. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the audit committee;
27. Statement of deviations:
 - (a) Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
 - (b) Annual statement of funds utilized for purposes of the than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations.
28. Carrying out any other function as may be referred to the Committee by the Board.
29. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

b. Nomination and Remuneration Committee

As on March 31, 2020, this Committee comprised five Independent Directors. They are Mr. V.C. Saraf – (Chairman), Mr. Vinod Agarwala, Mr. Jagdeeshmal Mehta, Mr. Aubrey Rebello and Ms. Vaishali Choudhari. The Company Secretary is the Secretary to this Committee.



This Committee met Three times during the previous financial year 2019-20 i.e. May 28, 2019, August 14, 2019 and February 5, 2020. The Minutes of the Nomination and Remuneration Committee Meetings are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings, are tabulated hereunder:

| Name of the Members | Category | Position | No. of Meetings held | No of Meeting attended |
|------------------------|----------------------|----------|----------------------|------------------------|
| Mr. V. C. Saraf | Independent Director | Chairman | 3 | 3 |
| Ms. Vaishali Chaudhari | Independent Director | Member | 3 | 3 |
| Mr. Aubrey Rebello | Independent Director | Member | 3 | 2 |
| Mr. Jagdeeshmal Mehta | Independent Director | Member | 3 | 3 |
| Mr. Vinod Agarwala | Independent Director | Member | 3 | 3 |

In accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, the broad terms of reference of the Nomination and Remuneration Committee of the Company include:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iii. Devising a policy on Board diversity.
- iv. 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.
- v. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors.
- vi. Recommend to the board, all remuneration, in whatever form, payable to senior management.
- vii. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modified as may be applicable.

c. Stakeholders Relationship Committee

As of March 31, 2020, this Committee comprises three Directors viz. Mr. V.C. Saraf – (Chairman), Mr. Sharad Kumar Saraf and Mr. Sudarshan Kumar Saraf. The Company Secretary, Mr. Neeraj Rai is the Compliance Officer of the Company.

During the Financial Year 2019-20, 01 queries/complaints were received by the Company from members/ investors/ authorities, all of which have been redressed / resolved to date, satisfactorily. As on date, there are no pending share transfers/complaints/queries pertaining to the year under review.

The Committee deals with the following matters:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Approve issue of duplicate share certificates.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modified as may be applicable.



d. Corporate Social Responsibility (CSR) Committee:

As on March 31, 2020 the CSR Committee comprises of three directors viz. Mr. Sharad Kumar Saraf (Chairman), Mr. Sudarshan Kumar Saraf and Ms. Vaishali Choudhari. The Company Secretary of the Company is the Secretary of the Committee. During the financial year 2019-20, the committee met on May 28, 2019 and the minutes of the Committee were noted by the Board.

The Company has formulated Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at www.technocraftgroup.com

The role of the Committee is as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy
- Monitor the CSR Policy of the Company and its implementation from time to time.
- Such other functions as the Board may deem fit from time to time.

The details of the composition of the Committee, meetings held, attendance at the meetings, are tabulated hereunder:

| Name of the Members | Category | Position | No. of Meetings held | No of Meeting attended |
|------------------------|----------------------|----------|----------------------|------------------------|
| Mr. S. K. Saraf | Executive Director | Chairman | 1 | 1 |
| Mr. S. M. Saraf | Executive Director | Member | 1 | 1 |
| Ms. Vaishali Chaudhari | Independent Director | Member | 1 | 1 |

IV. DISCLOSURES

(a) Related Party Transactions

All related party transactions entered during the financial year were in the ordinary course of business and on an arm's length basis. Particulars of contracts or arrangements with related parties are mentioned in the Board Report;

Further the details of the transactions with related parties are provided in the Company's financial statements in accordance with the Accounting Standards.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is available on website of the Company at the link: <http://www.technocraftgroup.com/pdf/Policy-On-Related-Party-Transactions.pdf>

(b) Accounting treatment in preparation of financial statements

The Company has followed the Accounting standards notified by The Companies (Accounting Standards) Rules, 2006, as amended from time to time, read with Companies (Accounts) Rules, 2014 in preparation of its financial statements.

(c) Risk Management

The Company has a structured risk management policy. The Risk management process is designed to safeguard the organisation from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventorised and integrated with the management process such that they receive the necessary consideration during decision making. It is dealt with in greater details in the management discussion and analysis section.

The Company has a competent Internal Audit System which prepares and executes a vigorous Audit Plan covering various functions such as purchase audit, factory payroll audit, operations, finance, human resources, administration, statutory dues etc. across different factories. The internal auditor presents their key audit findings of every quarter to the Audit Committee. The management updates the members about the remedial actions taken or proposed for the same. The suggestions and comments from the Committee members are vigilantly incorporated and executed by the Company.



(d) Subsidiary Companies

As on March 31, 2020, the Company had 16 subsidiaries. The Company has no material non-listed Indian Subsidiary Company as defined in Regulation 24 of the SEBI Listing Regulations. However, a policy on material subsidiaries has been formulated and the same is available on website of the Company at the link <http://www.technocraftgroup.com/pdf/Policy-For-Determining-Material-Subsidiary-Companies.pdf> for effective governance, the Company overviews the performance of its subsidiaries, inter alia, in the following manner:

- The financial statements, in particular, the investments made by the unlisted subsidiary companies, are reviewed by the Audit Committee and the Board of Directors of the Company.
- The Minutes of the Board Meetings of the subsidiary companies are placed before the Board of Directors of the Company.

Details of all significant transactions and arrangements entered into by the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

(e) Code for Prevention of Insider Trading Practices

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a revised Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices. 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. The Company has appointed Mr. Neeraj Rai, Company Secretary, as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities.

(f) Whistle Blower Policy/ Vigil Mechanism

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism Policy under which the employees are free to report violations of applicable laws and regulations. The same is posted on the website of the Company <http://www.technocraftgroup.com>

(g) CEO/CFO Certification

As required under Regulation 17 (8) of the SEBI Listing Regulations, the CEO & CFO of the Company have certified regarding the Financial Statements for the year ended March 31, 2020 which is annexed to this Report.

(h) Pledge of Equity Shares:

All the promoters' shareholding is free from any encumbrance.

(i) Disclosure of Pending Cases/Instances of Non- Compliance

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

(j) Details of compliance with mandatory requirements and adoption of the non-mandatory requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Details of non-compliance, if any:** There is no Non-Compliance of any requirement of Corporate Governance Report of sub para (2) to (10) of the Part C of Schedule V of the SEBI Listing Regulations.
- Compliance with mandatory requirements:** The Company has complied with all the mandatory items of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015

(k) Compliance report on discretionary requirements under Regulation 27(1) of SEBI Listing Regulations:

- The Board:** The Chairman of the Company is an Executive Director and maintains the Chairman's office at the Company's expenses for performance of his duties.
- Shareholders' Rights:** The Company did not send half-yearly results to each household of the shareholders in Financial Year 2019-20. However, in addition to displaying its quarterly and half-yearly results on its website www.technocraftgroup.com and publishing in widely circulated newspapers.



iii. **Audit Qualifications:** The auditors have not qualified the financial statements of the Company.

iv. **Reporting of Internal Audit:** The Internal Auditor regularly updates the Audit Committee on internal audit findings at the Audit Committee meetings.

V. MEANS OF COMMUNICATION:

In accordance with Regulation 46 of the SEBI Listing Regulations, the Company has maintained a functional website at www.technocraftgroup.com containing information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, details of the policies approved by the Company, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time.

The quarterly and annual financial results, notices of Board Meetings and Annual General Meetings, are normally published in Business Standard (English) and Mumbai Lakshadweep / Apale Mahanagar (Marathi) newspapers.

Further, the Company disseminates to the Stock Exchanges (i.e. BSE and NSE), wherein its equity shares are listed, all mandatory information and price sensitive/ such other information, which in its opinion, are material and/or have a bearing on its performance/ operations and issues press releases, wherever necessary, for the information of the public at large.

VI. GENERAL BODY MEETING:

i. Location and time of last three Annual General Meetings ('AGM') held:

| AGM No. | Year | Date | Time | Location |
|----------------------|---------|--------------------|------------|--|
| 27 th AGM | 2018-19 | September 20, 2019 | 11.00 A.M | 6th floor, Tunga Regale, Plot No. 31, Phase II, Central Road, MIDC, Andheri - East, Mumbai, 400093 |
| 26 th AGM | 2017-18 | September 28, 2018 | 11.00 A.M | Technocraft House, A-25, Road No. 3, MIDC, Marol Industrial Area, Andheri (E), Mumbai – 400 093 |
| 25 th AGM | 2016-17 | September 28, 2017 | 11.00 A.M. | Technocraft House, A-25, Road No.3, MIDC, Marol Industrial Area, Andheri (E), Mumbai – 400 093 |

ii. Special Resolutions passed during the previous three AGMs:

- In 25th AGM held on September 28, 2017: Special Resolution was passed for re-appointment of Mr. Sharad Kumar Saraf, as Managing Director in accordance with the provisions of Section 196, 197, 198, and 203 of the Companies Act, 2013.
- In the 26th AGM held on September 28, 2018: following special resolutions were passed:
 - I. Appointment of Mr. Aubrey Rebello, as an independent director pursuant to section 149, 150 and 152 of the Companies Act, 2013.
 - II. Re-appointment of Mr. Sudarshan Kumar Saraf, as a Managing Director pursuant to section 196, 197, 198 and 203 of the Companies Act, 2013
 - III. Approval for continuation of Mr. Jagdeeshmal Mehta, independent Director, who had attained the age of 75 years.
 - IV. Approval for continuation of Mr. Vishwambhar C. Saraf, independent Director, who had attained the age of 75 years.
- In the 27th AGM held on September 20, 2019: following special resolutions were passed:
 - I. Re-appointment of Mr. Vinod Balmukand Agarwala as an Independent Director of the Company for a second term of five consecutive years.
 - II. Re-appointment of Mr. Vishwambhar C. Saraf as an Independent Director of the Company for a second term of five consecutive years.
 - III. Re-appointment of Mr. Jagdeeshmal Mehta as an Independent Director of the Company for a second term of five consecutive years.



IV. Re-appointment of Ms. Vaishali Choudhari as an Independent Director of the Company for a second term of five consecutive years.

iii. **Special Resolution passed during the Financial Year 2019-20 through the Postal Ballot:** During the financial year, the Company did not pass any resolution through postal ballot:

VII. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting:

Date: September 30, 2020

Day: Wednesday,

Time: 11.00 A.M

Venue: In accordance with the General Circular issued by the MCA on May 5, 2020, the AGM will be held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') only

ii. **Last date for Receipt of Proxies:** In terms of the relaxations granted by MCA and SEBI, the facility for appointment of proxies by Members will not be available at the ensuing AGM.

iii. Financial Year:

The financial year of the Company covers the financial period from April 01 to March 31. During the financial year under review, the Board Meetings for approval of quarterly and annual financial results were held on the following dates:

1st Quarter Results: August 14, 2019

2nd Quarter Results: November 14, 2019

3rd Quarter Results: February 5, 2020

4th Quarter & Annual Results: July 30, 2020

The tentative dates of the Board Meetings for consideration of financial results for the year ending March 31, 2021 are as follows:

1st Quarter Results: On or before September 15, 2020

2nd Quarter Results: On or before November 14, 2020

3rd Quarter Results: On or before February 14, 2021

4th Quarter & Annual Results: On or before May 30, 2021

iv. Dates of Book Closure:

Saturday, September 26, 2020 to Wednesday, September 30, 2020 (both days inclusive)

v. Dividend Payment Date:

During the Financial Year under review no dividend was declared.

vi. Listing on Stock Exchanges:

Presently, the Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has paid the annual listing fees for the year 2020-21 to BSE and NSE.

vii. Stock Code:

| | |
|-------------------------------------|--------------|
| ISIN (Equity Shares) in NSDL & CDSL | INE545H01011 |
| BSE Code | 532804 |
| NSE Code | TIIL |

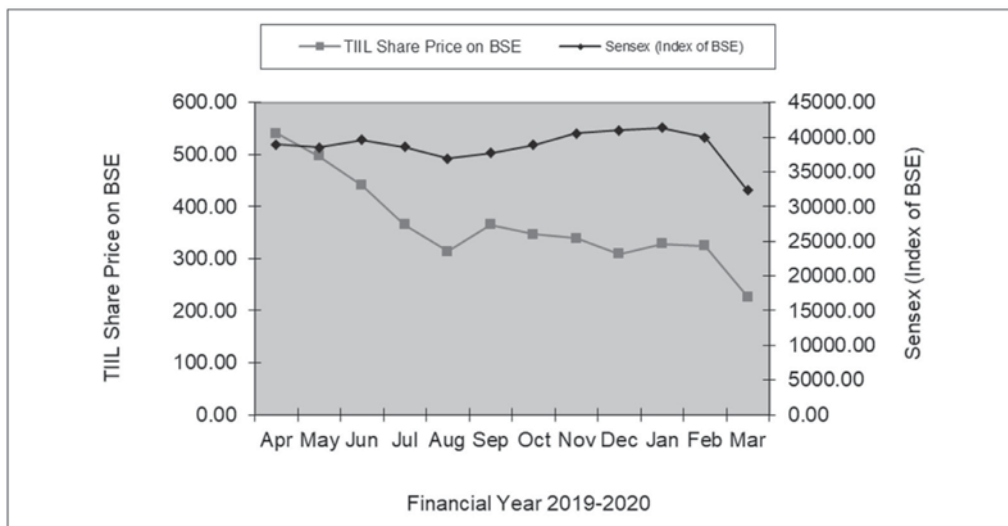
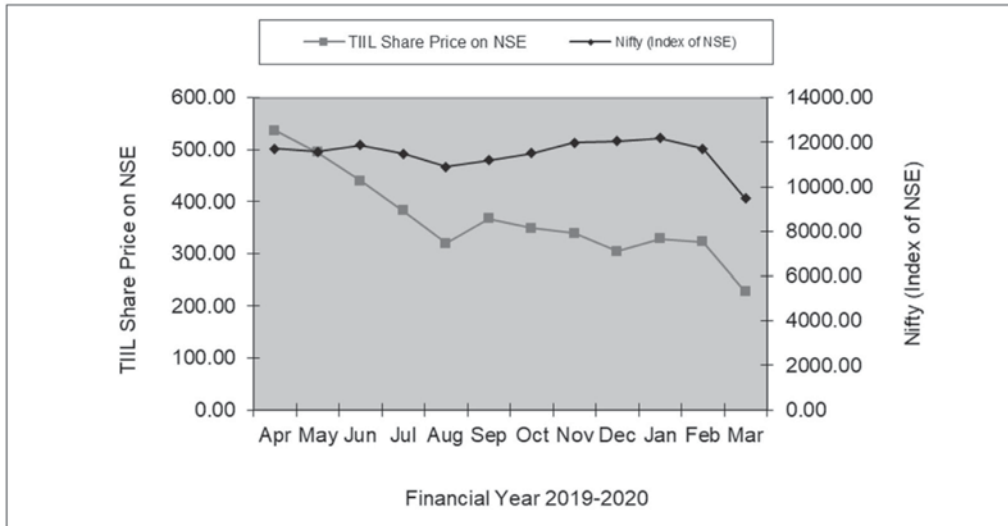
viii. Corporate Identification Number:

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L28120MH1992PLC069252.



ix. Share Price Data: High/Low and Volume during each month of 2019-20 at BSE and NSE:

| Date | NSE | | | BSE | | |
|--------|------------|-----------|-----------------------|------------|-----------|--------------|
| | High Price | Low Price | Total Traded Quantity | High Price | Low Price | Total Traded |
| Apr-19 | 573.00 | 500.00 | 170266 | 579.80 | 501.00 | 13126 |
| May-19 | 528.00 | 463.00 | 132165 | 530.00 | 464.00 | 46056 |
| Jun-19 | 474.80 | 405.20 | 142984 | 476.00 | 406.00 | 31624 |
| Jul-19 | 457.00 | 308.00 | 166644 | 450.00 | 281.00 | 25612 |
| Aug-19 | 358.40 | 280.10 | 290587 | 345.95 | 281.65 | 41198 |
| Sep-19 | 425.25 | 308.75 | 72283 | 418.35 | 312.20 | 13127 |
| Oct-19 | 388.00 | 310.00 | 77064 | 384.40 | 309.45 | 24249 |
| Nov-19 | 373.00 | 305.05 | 240109 | 374.00 | 304.35 | 16624 |
| Dec-19 | 328.00 | 280.00 | 196447 | 333.15 | 284.50 | 10805 |
| Jan-20 | 377.25 | 280.45 | 242439 | 375.90 | 281.10 | 11876 |
| Feb-20 | 365.00 | 280.50 | 112034 | 364.80 | 284.00 | 11736 |
| Mar-20 | 311.05 | 144.45 | 374343 | 309.50 | 144.00 | 51096 |





x. The Registrars and Share Transfer Agents:-

Link Intime India Private Limited is the Company's Registrar and Share Transfer Agents. Their contact details are as follows:

Link Intime India Private Limited

C-101, 247 Park, L B S Marg, Vikroli West, Mumbai – 400 083, Maharashtra, India

Tel: +91 22 49186270

Fax: +91 22 49186060

Email: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

xi. Share Transfer System

The Registrars and Share Transfer Agent have put in place an appropriate Share Transfer system to ensure timely share transfers. Share transfers are registered and returned in the normal course within an average period of 15 days from the date of receipt, if the documents are clear in all respects. Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e. NSDL and CDSL within 21 days

xii. Distribution of shareholding

(a) Based on Shares held as on March 31, 2020

| Distribution range of Shares | No. of Shares | Percentage of Shares | No. of Shareholders | Percentage of Shareholders |
|------------------------------|-----------------|----------------------|---------------------|----------------------------|
| 001-500 | 918279 | 3.75 | 9457 | 90.18 |
| 501-1000 | 363429 | 1.49 | 466 | 4.44 |
| 1001-2000 | 318737 | 1.30 | 214 | 2.04 |
| 2001-3000 | 233257 | 0.95 | 93 | 0.89 |
| 3001-4000 | 162699 | 0.67 | 46 | 0.44 |
| 4001-5000 | 222968 | 0.91 | 48 | 0.46 |
| 5001-10000 | 574467 | 2.35 | 80 | 0.76 |
| Greater than 10000 | 21667851 | 88.58 | 83 | 0.79 |
| Total | 24461687 | 100.00 | 10487 | 100.00 |

(b) Shareholding Pattern as on March 31, 2020:

| S. N. | Category | No. of shareholders | No. of shares | % |
|------------|--|---------------------|---------------|-------------|
| A | Promoters/ Promoter Group | 12 | 18267348 | 74.68 |
| B | Public | | | |
| (1) | Institutions | | | |
| (a) | Mutual Funds/ | 0 | 0 | 0.00 |
| (b) | Venture Capital Funds | 0 | 0 | 0.00 |
| (c) | Alternate Investment Funds | 2 | 895287 | 3.66 |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0.00 |
| (e) | Foreign Portfolio Investors | 0 | 0 | 0.00 |
| (f) | Financial Institutions / Banks | 0 | 0 | 0.00 |
| | Sub-Total (B)(1) | 2 | 895287 | 3.66 |
| (2) | Non-institutions | | | |
| (a) | Individuals - | | | |
| | i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs. | 9302 | 2564106 | 10.48 |
| | ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs | 20 | 931138 | 3.81 |
| (b) | NBFC's registered with RBI | 0 | 0 | 0.00 |
| (c) | IEPF | 1 | 3498 | 0.01 |



| S. N. | Category | No. of shareholders | No. of shares | % |
|-------|--|---------------------|-----------------|---------------|
| (d) | Trusts | 1 | 135 | 0.00 |
| (e) | Hindu Undivided Family | 446 | 312960 | 1.28 |
| (f) | Foreign Companies | 1 | 385575 | 1.58 |
| (g) | Non Resident Indians (Non Repat) | 107 | 37080 | 0.15 |
| (h) | Non Resident Indians (Repat) | 202 | 140249 | 0.57 |
| (i) | Clearing Member | 34 | 14489 | 0.06 |
| (j) | Bodies Corporate | 158 | 909822 | 3.72 |
| | Sub-Total (B)(2) | 10272 | 5299052 | 21.66 |
| | Total Public Shareholding(B)= (B)(1)+(B)(2) | 10274 | 6194339 | 25.32 |
| | Grant Total (A)+(B) | 10286 | 24461687 | 100.00 |

xiii. Dematerialization of Shares and Liquidity

As on March 31, 2020, 2,44,59,951 equity shares representing 99.99% of the total equity share capital of the Company, were held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The break-up of equity shares held in Physical and dematerialised form as on March 31, 2020, is given below:

| Category | No of Shares | Percentage |
|--------------|--------------------|---------------|
| NSDL | 2,30,26,930 | 94.13 |
| CDSL | 14,33,021 | 5.86 |
| Physical | 1,736 | 0.01 |
| Total | 2,44,61,687 | 100.00 |

The Promoters hold their entire equity shareholding in the Company in dematerialized form. The Company's equity shares are regularly traded on the BSE and NSE.

xiv. Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity: Not applicable

xv. Plant Locations:

| | |
|-----------------|--|
| Drum Closure | Plot. No. C – 5, Murbad Industrial Area, District Thane. |
| Scaffoldings | Plot No. 4/1, MIDC Murbad, District Thane. |
| Textile & Power | Village Dhanivali, Murbad, District Thane. |
| Textile | Plot no. T-25 Additional Amravati Nandgaonpeth MIDC Area (Textiles Park), Amravati 444901. |

xvi. Address for members' correspondence:

Members are requested to correspond with the Registrars and Share Transfer Agents on all matters relating to transfer/ dematerialisation of shares, payment of dividend and any other query relating to Equity Shares of the Company

The Company has maintained an exclusive email id: investor@technocraftgroup.com which is designated for investor correspondence for the purpose of registering any investor related complaints and the same have been displayed on the Company's website: www.technocraftgroup.com

Members are required to note that, in respect of shares held in dematerialized form, they will have to correspond with their respective Depository Participants (DPs) for related matters.

Members may contact the Compliance Officer at the following address:

Mr. Neeraj Rai

Company Secretary/ Compliance Officer

Plot No. 47, OPUS Centre, 2nd Floor, Central Road, MIDC,

Opp. Tunga Paradise Hotel, Andheri East, Mumbai – 400 093.

Tel: 022-4098 2222

Fax: 022- 2836 7037



xvii. Credit ratings along with any revisions thereto during the relevant financial year:;

The Company has obtained the credit rating on Long Term Bank Loan facility and short term Bank Loan, from Credit Rating Agency 'CRISIL' which is as under:

- (i) Rating on Long Term Bank Loan facility : 'CRISIL A+/Positive'
- (ii) Rating on Short Term Bank Loan : 'CRISIL A1+'

During the year under review, there have been no revisions in Credit Rating obtained by the Company.

xviii. Commodity price risk and Commodity hedging activities

The Company has adequate risk assessment and minimization system in place including for commodities.

Steel and Cotton are major commodities, which the company use as raw material. The Company placed the order of commodities raw material on daily basis as and when it procures the sales orders. The management monitors commodities / raw materials whose prices are volatile and suitable steps are taken accordingly to minimize risk on the same. The Company enter into contracts for procurement of material, most of the transactions are short term fixed price contract and a few transactions are long term fixed price contracts. The Company does not indulge in commodity hedging activities.

In terms of SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2018/0000000141 dated November 15, 2018 the details are provided herein below:

- (a) Total exposure of the listed entity to commodities in INR:
- (b) Exposure of the listed entity to various commodities:

| Commodity Name | Exposure in INR towards the particular commodity (Rs. In Lakhs) | Exposure in Quantity terms towards the particular commodity | % of such exposure hedged through commodity derivatives | | | | |
|-----------------------|---|---|---|----------|----------------------|----------|-------|
| | | | Domestic market | | International market | | Total |
| | | | OTC | Exchange | OTC | Exchange | |
| Steel (Raw material) | 16,609.55 | 4,15,523.82 | NIL | | NIL | | NIL |
| Cotton (Raw material) | 18,067.92 | 15,835.33 | NIL | | NIL | | NIL |

- (c) Commodity risks faced by the listed entity during the year and how they have been managed: The Company placed the order of commodities raw material on daily basis as and when it procures the sales orders.

xix. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). Not Applicable

xx. A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

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

xxii. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. Details relating to fees paid to the Statutory Auditors are given in Note 25(a) to the Standalone and Consolidated Financial Statements.

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

No. of Complaints filed during the financial year- Nil

No. of Complaints disposed of during the financial year – Nil

No. of Complaints pending as on end of the financial year – Nil



xxiv. The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board: i) Knowledge - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates, ii) Behavioral Skills - attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders, iii) Strategic thinking and decision making, iv) Financial Skills, v) Technical/ Professional skills and specialized knowledge to assist the ongoing aspects of the business.

xxv. Chart / Matrix setting out the skills / expertise / competence of the Board of Directors:

Details of the skills/ expertise/ competencies possessed by the Directors who were part of the Board as on 31st March, 2020, are as follows:

| Name and Designation | skills/expertise/competence |
|---|--|
| Mr. Sharad Kumar Saraf - Chairman & Managing Director | He has over 5 decade of experience in the Administration, Marketing, Strategic, Business development and Commercial aspects of the company. |
| Mr. Sudarshan Kumar Saraf - Co- Chairman & Managing Director | He has over 5 decade of experience in the Engineering Operations, Production, Process improvement of the Company |
| Mr. Navneet Kumar Saraf - Whole-time Director & CEO | He has over 20 years of experience for managing domestic as well as overseas, operation of engineering and I.T. Operations. Technology matters and Business Administration. |
| Mr. Ashish Kumar Saraf - Whole-time Director & CFO | He has over 18 years of experience in the yarn, garment, and fabrication industry and of Finance Accounts Marketing and administration in Industry. |
| Mr. Atanu Choudhary- Whole- time Director | He is having over 4 decade of experience in steel and pipe industries, managing factory operations, HR and administration activities, Compliances, liaisoning. |
| Mr. Vinod Agarwala- Independent Director | He is having vast legal experience over 3 decades, he is Practicing Solicitor & Advocate High Court, Bombay, Solicitor, Supreme Courts of England & Wales. |
| Mr. V. C. Saraf- Independent Director | He has more than 50 years of business experience for Operations, Production, and Process improvement in manufacturing industries. |
| Mr. Jagdeesh Mal Mehta Independent Director | He has career spanning for over 54 years. He has an Excellent track record in managing various types of companies like, oil & Gas (Refinery), Textiles, Chemicals, Power, News Paper etc. |
| Mr. Aubrey Rebello Independent Director | He is having over 42 years of Corporate Business Experience as CEO, Business Head at TATA's & Bayer. His domain expertise covers Auto, Financial Services, Materials Management, Marketing & Sales, and L&D. |
| Ms. Vaishali Choudhari Independent Director | She is a practising Advocate / Counsel in the High Court of Bombay for the last more than 20 years handling varied litigation and legal matters. |

VIII.COMPLIANCE

i. Auditors' Certificate on Corporate Governance:

The Company has obtained a Certificate from Pramod Jain & Co, Company Secretaries, regarding compliance of the conditions of Corporate governance, as stipulated in Regulation 34 (3) and PART E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which together with this Report on Corporate Governance is annexed to this Report and shall be sent to all the members of the Company and the Stock Exchanges along with the Annual Report of the Company.

ii. Disclosures with respect to demat suspense account/ unclaimed suspense account:

Pursuance to Schedule V (F) of SEBI Listing Regulations, the information in respect of equity shares, which were issued in public issue and remain unclaimed and are lying in the suspense account, in Demat, are as follow:



| Particulars | No. of Shareholders | No of Shares |
|--|---------------------|--------------|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying on April 1, 2019 | 17 | 1382 |
| Number of shareholders who approached to the Company for transfer of shares from suspense account during the year. | Nil | Nil |
| Number of shareholders to whom shares were transferred from suspense account during the year | Nil | Nil |
| Aggregate number of shareholders and the outstanding shares in the suspense account laying on March 31, 2020 | 17 | 1382 |

Voting rights on above shares shall remain frozen till the rightful owner of such shares claims the shares.

IX. INVESTOR SAFEGUARDS AND OTHER INFORMATION:

i. Revalidation of Dividend warrants:

In respect of members who have either not opted for NECS/ECS mandate or do not have such a facility with their banker and who have not encashed earlier dividends paid by the Company, are requested to write to Company's Share Transfer Agents for revalidation of expired dividend warrants and failing their encashment for a period of seven years, they stand to lose the right to claim such dividend owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund.

ii. Transfer of Unclaimed Dividend and respective equity shares into Investor Education & Protection Fund (IEPF):

Under the Companies Act, 2013, dividends which remain unclaimed for a period of 7 years are required to be transferred to the Investor Education & Protection Fund (IEPF) administered by the Central Government.

Further, pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016, which have come into effect from September 7, 2016, stipulates that shares on which dividend has not been encashed or claimed for seven consecutive years or more, then such shares are to be transferred to the Investor Education and Protection Fund (IEPF), a Fund constituted by the Government of India under Section 125 of the Companies Act, 2013.

Accordingly, the Company has, during financial year 2019-20, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more i.e. with respect to following Financial Year. Details of shares transferred to the IEPF Authority are available on the website of the Company. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

| Financial Year | Type of Dividend | Dividend Per Share ₹ | Date of Declaration | date of Transfer of dividend | Due date/ Date of transfer of Shares |
|----------------|------------------|----------------------|---------------------|------------------------------|--------------------------------------|
| 31.03.2012 | Final | 1 | Sep 28,2012 | Nov 03,2019 | Dec 02, 2019 |
| 31.03.2013 | Interim | 1 | Nov 07,2012 | Dec 13,2019 | Jan 12, 2020 |

Dates of declaration of dividends, subsequent to above and the corresponding tentative dates when unclaimed dividends are due to be transferred to the Central Government are given in the table below.

| Financial Year | Type of Dividend | Dividend Per Share ₹ | Date of Declaration | Proposed date for Transfer | Amount remaining unclaimed / unpaid as on March 31, 2020 (₹) |
|----------------|------------------|----------------------|---------------------|----------------------------|--|
| 31.03.2013 | Final | 2 | Sep 30,2013 | Nov 05,2020 | 1,24,492.00 |
| 31.03.2014 | Interim | 5 | May 21,2014 | June 26,2021 | 5,08,375.00 |
| 31.03.2015 | Interim | 5 | May 28,2015 | July 02,2022 | 2,50,250.00 |
| 31.03.2016 | Interim | 3 | March 10,2016 | April 09,2023 | 2,43,246.00 |

Members are further requested to note that after completion of 7 years, no claims shall lie against the said Fund or Company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claims.



Following amount remitted to IEPF during last three years:

| S.N. | Particulars | Financial Year (Unpaid dividend belongs to) | Amount remitted (in ₹) |
|------|-----------------|---|------------------------|
| 1 | Unpaid dividend | 2008-09 | 71,340.00 |
| 2 | Unpaid dividend | 2009-10 | 81,636.00 |
| 3 | Unpaid dividend | 2010-11 | 1,77,289.00 |

During the financial year under review we have transferred 484 equity shares into IEPF as required under section pursuant to the provisions of Section 124(6) of the Companies Act, 2013.

iii. Demat of shares/ Update Address/ E-mail Address/ Bank details:

To receive all communications/corporate actions promptly, members holding shares in dematerialized form are requested to please update their address/email address/bank details with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents.

Further, all the shareholders who are still having shares in physical form are requested to open a de-mat account with a Depository Participant (DP) and deposit your physical shares with such DP and get your shares demated.

iv. Electronic Service of Documents to Members at Registered Email Address:

In accordance with Rule 18 of the Companies (Management and Administration) Rules, 2014 notified under the Companies Act, 2013, the Companies may give Notice of the General Meetings through electronic mode. Further, the said Rule provides that advance opportunity should be given at least once in a financial year to the Members / Members for registering their email address and changes therein, as may be applicable. Further Rule 11 of the Companies (Accounts) Rules, 2014 notified under the Companies Act, 2013 provides that in case of listed companies, financial statements may be sent by electronic mode to such members / members whose shareholding is in dematerialized form and whose email Ids are registered with the Depository for communication purposes. As regards Members / Members whose shareholding is held in physical form, the financial statements may be sent in electronic mode to those members who have positively consented in writing for receiving by electronic mode.

In view of the above, the Company shall send all documents to Members like General Meeting Notices (including AGM), Annual Reports comprising Audited Financial Statements, Directors' Report, Auditors' Report and any other future communication (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those members, whose email address is registered with Depository Participant (DP)/Registrars & Share Transfer Agents (RTA) (hereinafter "registered email address") and made available to us, which has been deemed to be the member's registered email address for serving the aforesaid documents.

To enable the servicing of documents electronically to the registered email address, we request the members to keep their email addresses validated/ updated from time to time. We wish to reiterate that Members holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and Members holding shares in physical form have to write to our RTA, M/s Link Intime India Private Limited at their specified address, so as to update their registered email address from time to time.

It may be noted that the Annual Report of the Company will also be available on the Company's website www.technocraftgroup.com for ready reference. Members are also requested to take note that they will be entitled to be furnished, free of cost, the aforesaid documents, upon receipt of requisition from the member, any time, as a member of the Company.

CERTIFICATE OF COMPLIANCE WITH CODE OF CONDUCT FOR FINANCIAL YEAR ENDED MARCH 31, 2020.

This is to affirm that the Board of Directors of Technocraft Industries (India) Limited has adopted a Code of Conduct for its Board Members and Senior Management Personnel in compliance with the provisions of Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that the Board Members and Senior Management Personnel of the Company have affirmed the compliance of provisions of the said code for the Financial Year ended March 31, 2020.

Place: Mumbai
Date: July 30, 2020

Navneet Kumar Saraf
Chief Executive Officer



CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION IN COMPLIANCE WITH THE PROVISIONS OF REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, Navneet Kumar Saraf, Chief Executive Officer and Ashish Kumar Saraf, Chief Financial Officer of Technocraft Industries (India) Limited have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of their knowledge and belief:

- a. (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: Mumbai
Date: July 30, 2020

Ashish Kumar Saraf
Chief Financial Officer

Navneet Kumar Saraf
Chief Executive Officer



CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

To
The Members
Technocraft Industries (India) Limited

We have examined the compliance of the conditions of Corporate Governance by Technocraft Industries (India) Limited ('the Company') for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

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.

For **Pramod Jain & Co.**
Company Secretary

(Pramod Kumar Jain)
Proprietor

FCS No. 6711 CP No. 11043
UDIN: F006711B000528166

Place: Indore
Date: July 30, 2020



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
TECHNOCRAFT INDUSTRIES (INDIA) LIMITED
Plot No. 47, 'Opus Centre', Second Floor,
Central Road, MIDC, Opposite Tunga Paradise Hotel,
Andheri (East), Mumbai 400093

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Technocraft Industries (India) Limited** having **CIN L28120MH1992PLC069252** and having registered office at **Plot No. 47, 'Opus Centre', Second Floor, Central Road, MIDC, Opposite Tunga Paradise Hotel, Andheri (East), Mumbai 400093** (hereinafter referred to as 'the Company'), produced before me/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, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Maharashtra, Mumbai or any such other Statutory Authority:

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|-------------------------------|----------|--------------------------------|
| 1. | Sharad Kumar Saraf | 00035843 | 28/10/1992 |
| 2. | Sudarshankumar Saraf | 00035799 | 28/10/1992 |
| 3. | Ashishkumar Saraf | 00035549 | 29/09/2015 |
| 4. | Navneet Kumar Saraf | 00035686 | 14/09/2001 |
| 5. | Atanu Anil Choudhary | 02368362 | 10/08/2015 |
| 6. | Vishwambhar Chiranjilal Saraf | 00161381 | 29/09/2015 |
| 7. | Jagdeesh Mal Mehta | 00847311 | 19/12/2013 |
| 8. | Vinod Balmukand Agarwala | 01725158 | 29/09/2015 |
| 9. | Vaishali Mukund Choudhari | 06847402 | 22/03/2014 |
| 10. | Aubrey Ignatius Rebello | 08091710 | 30/05/2018 |

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

For **Pramod Jain & Co.**
Company Secretary

(Pramod Kumar Jain)
Proprietor

Place: Indore
Date: July 30, 2020

FCS No. 6711 CP No. 11043
UDIN: F006711B000528199



MANAGEMENT DISCUSSION & ANALYSIS REPORT 2019-20

Industry structure and developments / BUSINESS OVERVIEW:

The Company is a multi-product manufacturing company manufactures high precision and sophisticated products, mainly for discerning worldwide markets. The Company enjoys a significant position in business industries viz., Drum Closures, Scaffolding systems & accessories, Engineering and Designing Services, Cotton Yarn, Fabric and Garments.

The product line of the Company expands beyond Drum Closures into Scaffolding systems and accessories and 100% Cotton Yarn, Fabric and Garments.

The Cotton Yarn division uses the most modern equipment to manufacture its product assuring world-class quality to its customer. Technocraft is certified ISO 9001:2000 for its Cotton Yarn division.

The Company has diversified operations and manufacturing including, vertically Integrated Textile division of manufacturing of Yarn, Fabric, Garments. It has facility of producing cotton yarn, mélange yarn, also having facility of knitting, dyeing and printing and garmenting.

During the year under consideration, the Company has started its new state of the Art Yarn Manufacturing Unit at Amravati Maharashtra having capacity of 31008 spindles. Production capacity of the plant is 20 MTs of yarn per day with 30s Average count. Unit is equipped with highly sophisticated, fully automated machines like Rieter (Switzerland), Saurer (Germany), Muratec (Japan) and other countries. Quality Assurance Laboratory is equipped with latest testing equipment from Uster Switzerland.

Product range suitable to run in this plant is 26s to 40s Combed Compact Hosiery as well as warp yarn with Muratec QPRO Ex and Quantum 3 yarn clearers.

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Worldwide Industries were impacted, in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of COVID-19. Due to this the operations in all the manufacturing unites, distribution centres, and warehouses got temporarily disrupted.

Drum Closure

Each steel drum requires one set of closure, a precision engineering product so as to ensure that the liquid inside does not spill out. The Company has designed and developed the next generation technology for manufacturing of drum closures. It also manufactures all its gaskets and clamps and offers a full range of drum closure products to its clients. With patented technology, there has been substantial reduction in manufacturing costs, improvement in quality and this has helped catapult TIL to the second largest global manufacturer of steel drum closures.

Your Company is the second largest manufacturer of steel Drum Closures and continues to enjoy a worldwide market share of about 36% (excluding China). The Company produces a wide variety of closures and related equipment ranging from fully automatic flange insertion systems to cap-sealing tools. The Company caters to all leading steel drum manufacturing companies of the world. The Company has shifted its Rubber Plant in newly constructed Building within the Drum Closure Plant, which has resulted in to improvement in efficiency and reduction in cost of movement of materials and finished products. Company has also acquired a piece of land near its existing Drum Closure plant and has constructed state of the art factory building for moving its Plastic Closure Plant. Both the shifting have resulted in improvement in efficiencies for Drum Closure Division.

The company achieved the revenue from drum Closure segment ₹ 33,595.65 Lakhs as compared to ₹ 33,408.34 Lakhs for previous year, which is increased by 0.56%. Profit before Tax and Interest of the drum closures division was stable as compared to the previous year i.e. from ₹ 8,775.07 Lakhs to ₹ 8,695.76 Lakhs for this year. Out of the total revenue of drum division, approximately 90% of revenue was generated from Export Sales

Scaffoldings & Formwork

Scaffolding is a temporary structure used to support people and material in the construction industries, real estate and any other large structures. It is usually a modular system of metal pipes or tubes, although it can be from other materials also.



The Company is a leading Indian manufacturer and distributor of scaffoldings and formwork systems. The Company exports approx. 70% of scaffolding formwork out of India. The Company has been supplying scaffoldings to global markets for over 20 years. During the Financial Year the company has increased its domestic sale, as the Company has started supplying to various infra Projects.

Despite the volatile nature of construction and allied activities, the Scaffolding & Formwork (S&F) market is thriving in India and one can expect brighter times ahead.

With the government laying special emphasis on construction and infrastructural development in the 12th Five Year Plan, opportunities abound in the Indian Scaffolding and Formwork (S&F) Industry. With the demand rising in the wake of ongoing and future projects, S&F manufacturers are keeping pace with the Construction Industry.

The Company has strategically located state-of-the-art manufacturing facilities with installed capacities of 40,000 MT and 25,000 MT in India and China, respectively. The Company is positioned as an end-to-end solution provider owing to its well-integrated manufacturing capability. The Company supplies its products to a diversified set of end markets including oil & gas, power, refineries, petrochemical, infrastructure and commercial construction.

The Company is present in the premium segment of Scaffolding business. Scaffolding segment is growing on the back of the strong demand from the international infrastructure markets and also getting good response from infra projects in India.

The Company's Scaffolding segment comprises of Scaffolding and Formwork business. Its major revenues accrue from overseas markets. The Company is also started giving its scaffolding on rental basis; The Company is finding good scope and margin in this growing business.

Formwork Business

Formwork is the term given to either temporary or permanent molds into which concrete or similar materials are poured. Traditionally, formwork was built using easy to produce timber and plywood, or moisture-resistant particleboard. Over a period of time formwork is now made more of steels which are more durable and reusable.

Looking at Indian government's focus on rapid infrastructural development across the country by constructing railways, roads, bridges, dams, airports, power plants and many more, construction is now growing at a fast pace. Contractors have started adapting newer technologies, faster systems, advanced concrete techniques and better and established management tools.

Engineered Formwork Systems are built out of prefabricated modules with a metal frame - usually of steel or aluminum - and covered on the application (concrete) side with material having the wanted surface structure (steel, aluminum, plastic, timber, etc)

The Company has entered into manufacturing of sophisticated engineered Formwork systems for building, construction and infrastructure projects in India. The Company has state-of-the-art manufacturing plant in India and is well placed to play a larger role in the construction growth in India and overseas, with a network of offices at Mumbai and overseas.

MÄCH ONE

MÄCH ONE is a very lightweight Formwork system made of high quality Aluminium Extrusion with admirable strength to take on the site conditions. The light weight panels ensure excellent finish, faster construction and high repetition. MÄCH ONE Aluminum forms is best suited for construction of residential units and mass housing projects. It is fast, simple, adaptable and cost effective. It produces total quality work which requires minimum maintenance and when durability is the prime consideration. The system is designed for maximum repetitions with very stringent tolerances, well designed edges to resist sight abuses. This system is most suitable for Indian condition as a tailor made aluminum formwork for cast in-situ fully concrete structure

TEMPORARY LABOUR SHELTER

Turnkey solutions for corporations Workers are your frontline fighters in the war against a possible economic crisis. Keeping your workforce safe will ensure efficient productivity. Protect your work force through Technocraft's effective solution for manufacturing units. Build low cost housing compatible with Govt. of India Guidelines: Low Cost, Modular Two Levels, Optimum Space Utilization, Large Capacity of Beds, Spacious Rooms for People, Quick Assembly Easy Dismantling, Lower Space Requirement. Temporary On-site facility for 100 workers can be erected in 7 days.



The revenue of Scaffolding Segment was increased by 3.44% during the Financial Year 2019-20 as compared to previous Financial Year. The revenue generated from this division for the current financial year 2019-20 was ₹ 50,124.07 Lakhs and for the previous year ₹ 48,456.94 Lakhs.

Profit before Tax and Interest for the year was increased to ₹ 7,763.00 with that of previous year i.e., ₹ 7,756.46.

Yarn

The Company produces variety of products ranging from NE 20 to NE 40, Carded and Combed varieties of Cotton Yarn. The Spinning mill is equipped with world-class Swiss, Japanese, German, Spanish equipment. Currently, the Company exports approx. 71% of yarn products mainly in Europe, Asia, Latin American countries etc.

The Company manufactures premium quality active wear products and provides superior service. Products are custom knit, dyed, finished, cut, sewn, decorated, packaged and distributed.

Being part of a diverse group, the Company has access to the latest trends in the European markets, thus enabling it to offer high quality products and latest fashions with Indian prices in a very short lead-time.

During the Financial Year the revenue of Yarn Division was decreased as compared to last Financial Year. Total revenue from the segment in the Financial Year 2019-20 was ₹ 26,719.89 Lakhs as compared to ₹ 27,227.92 Lakhs for previous year. This division generated loss before Interest and Tax of ₹ 487.57 Lakhs as compare to Loss of ₹ 587.07 Lakhs of last year amid challenging business environment.

Fabric/ Garments

Changing lifestyles and increasing demand for quality products are set to fuel the need for apparel and corresponding growth in Garment Units.

During the current Financial Year the revenue from the Garment Division was increased to ₹ 14,997.92 Lakhs as compared to previous year of ₹ 13,540.07 Lakhs, which is increased by 10.77%. Further, this segment generated loss before interest and tax of ₹ 677.00 Lakhs as compare to loss of ₹ 895.46 Lakhs for previous year, again due to challenging business environment.

Captive power generation

The Company has a coal based captive power generation plant of 15MW to cater to its power requirements, resulting into less dependence on state electricity board and surety of continuous power supply to all its divisions.

During the current Financial Year the revenue from power division was decreased to ₹ 5,134.66 Lakhs as compared to previous year of ₹ 5,324.96 Lakhs which shows decrease of 3.57%. However, profit before tax and interest was decreased to ₹ 513.17 Lakhs against ₹ 874.65 Lakhs of previous year.

Engineering & designing services through Subsidiary

Technosoft Engineering Projects Limited ('Technosoft') is a subsidiary of the Company. Technosoft is a global technology services company offering broad-based engineering, designing and IT services using a variety of client-partnership models for delivery. Technosoft's client base spans various industry verticals including heavy machinery, automotive, aerospace, manufacturing, oil & gas, high-tech, telecom, healthcare and financial services. The company's client base is widely spread globally including many clients from US, Canada, UK and Germany.

Technosoft has a strong team of over 300 engineers and designers located worldwide. Its engineers and designers are equipped with state-of-the-art hardware and software tools, including tools for 3-D modeling, Finite Element Analysis and process simulation.

Technosoft operates in North America through its subsidiaries, which provides general engineering & designing services

OPPORTUNITY & FUTURE PLAN

For an enterprise there is nothing more important than to find and exploit new market opportunities. The Company is focusing in exploring new products in scaffolding / formwork 'Temporary Labour Shelter' and 'Mäch One' are the some examples of it. The Company has also started new spinning unit at Amravati.

The Government of India has set an ambitious target of increasing the contribution of manufacturing output to 25 percent of Gross Domestic Product (GDP) by 2025.



The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Likewise Ministry of Heavy industries and Public Enterprises, in partnership with industry associations, has announced creation of a start-up center and a technology fund for the capital goods sector to provide technical, business and financial resources and services to start-ups in the field of manufacturing and services.

Focus of the company is to consolidate and grow its position in each of its core businesses which is Drum Closures, Scaffolding, Engineering & designing Services and Textiles. The Company sees the Drum Closure division growing at same or higher rate next year and this is certainly one of its core focus areas.

The Company is working strongly and increasing the sales and profitability in China which is one of the main growing markets for Drum Closures division. Drum Closure division is growing in China.

Government initiatives such as RERA, Affordable housing, Smart Cities etc. are expected to bring a transformational shift and boost growth of Indian real estate industry, which will create tremendous growth in scaffolding. Awareness towards safety will also generate more demand and growth for scaffolding business.

Outlook

2019-20 has been a challenging year with weakening consumer sentiment given the macro-economic conditions and finally, the COVID-19 outbreak and its terrible impact on lives and livelihoods. The human impact of the virus and the containment efforts have resulted in supply and demand disruptions, resulting in a sharper growth deceleration. The situation remains volatile with the trajectory of the virus undetermined, evolving hot spot geographies, the success of containment measures uncertain, the severity and duration of resulting economic crisis and the extent of structural damage unknown. There are many unknowns today and hence, the near-term outlook is extremely uncertain. We stand united with the nation in the fight against COVID-19 as we navigate our way through these dynamic uncertain times together. Our focus remains on safety of our people, protecting supply lines, serving demand, contributing to the society and optimising cost and cash.

Also based on slowing GDP growth in key markets, mainly Europe, political uncertainties like the USA-China trade dispute and the volatility in the pricing of the raw material, we expect more challenging and uncertain business conditions in the near future.

Despite the near-term ambiguity, we remain confident of the medium to long-term growth prospects of the Company.

RISK & THREAT

COVID-19- The disruption caused due to the COVID-19 pandemic which was started in FY 2019-20 shall also continue in the Financial Year 2020-21.

Global Slowdown - More than 70 % of TIIL's revenue comes from global markets. Any slowdown in economic activities in global markets in general and U.S. market in particular may affect TIIL's performance.

Foreign exchange - Being an export oriented company, the Company's competitiveness, revenue growth & margins may be affected in case Indian Rupee appreciates significantly against major global currencies in long run. In the short run, volatility in foreign exchange markets may affect the Company's profitability as it does not hedge its export receivables fully.

Commodity prices - Increase in commodity prices like steel & cotton may affect the Company's performance in case it unable to pass the rise in commodity prices to its customers.

Capital allocation – The Company's certain businesses generate significant cash flows and The Company's cash & cash equivalents/ Bank balance and investments were stood at ₹ 7,031.86 Lakhs and ₹ 27,555.01 Lakhs respectively as on March 31, 2020. TIIL's management has plans to invest this amount into various businesses and keep looking for inorganic growth opportunities. Inorganic growth opportunities pursued in future may or may not generate economic returns as desired due to various factors. However, management has narrowed down focus to "engineering" area (considering management's background & expertise) while pursuing inorganic growth opportunities and evaluating certain opportunities in specialized drum closures/scaffolding segment and engineering services segment.

Market Share- any rise in competitive landscape in domestic or international markets can lead to reduction in market share and can affect profitability.



Financing: The Company's growth strategy is dependent on the internal cash generation level and ability to draw external capital for growth projects.

Considering the industry volatility, Technocraft continued its journey of developing new markets and products and enhancing value added services to its customer.

The Company aims to address risks, opportunity and threat posed by the business environment by developing appropriate risk mitigation measure.

The Management has also put in place effective measures to monitor the Risk Management System and appropriate steps are taken to strengthen the existing business practices and policies to the overcome the challenges.

Risk Management System is a way to try alternative solution as to determine what works and what doesn't and testing and refining assumptions.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Internal Control System plays an integral role in the Company's Success. It helps the management to monitor the effectiveness of the controls in an ever-changing environment. Internal control and risk management are critical in the process of setting and achieving operational, strategic, compliance and reporting objectives.

The Company's internal control policies are in line with its size and nature of operations and they provide assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly following all applicable statutes and General Accepted Accounting Principles.

The Company has an Audit Committee, where all the members including the Chairman are independent directors, in order to maintain objectivity. Internal Auditor of the Company conducts audit in various functional areas. Audit planning and executions are oriented towards assessing the state of internal controls, making them stronger and addressing the risks in the functional areas of the Company. Internal Auditor, reports to the Audit Committee its findings and observations. Audit Committee meets at regular intervals to review audit issues and follow up on implementation of corrective actions.

Besides the above, the Company has also met the Internal Financial Control requirements as per Companies Act, 2013 where policies and procedures have been adopted by the Company 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. Audit Committee also seeks views of the statutory auditors on the adequacy of internal control systems in the Company. In compliance with Section 143(3)(i) of the Act, the Statutory Auditors have issued an unmodified report on the Internal Financial Controls over Financial Reporting which forms a part of the Independent Auditors' Report also forming part of this Annual Report.

SEGMENT WISE FINANCIAL PERFORMANCE

The summarized segment-wise performance of the Company on standalone basis for the Financial Year 2019-20 is as follows:

(₹ In Lakhs)

| Business Segment | Drum Closures | Scaffolding | Yarn | Fabric | Power | Total |
|---|---------------|-------------|-----------|-----------|----------|--------------------|
| A. Segment Revenue | 33,595.65 | 50,124.07 | 26,719.89 | 14,997.92 | 5,134.66 | 1,30,572.19 |
| B. Segment Results (profit and loss before interest) | 8,695.76 | 7,763.00 | (487.57) | (677.00) | 513.17 | 15,807.36 |
| Less: | - | - | - | - | - | 3,172.21 |
| i) Finance Cost | - | - | - | - | - | - |
| ii) Other un-allocable expenditure net of un-allocable income | - | - | - | - | - | (498.15) |
| Total Profit before tax | - | - | - | - | - | 14,181.39 |
| C. Capital Employed (Segment assets -Segment liabilities) | 13,996.16 | 42,378.32 | 33,117.24 | 13,391.15 | 2,378.93 | 1,05,261.80 |



HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company believes that a good Human Resource Policies are very effective for supporting and building the desired organisation culture and to maintain the same our company takes actions on the day-to-day activities of the organization.

The Company continues to focus on creating strong and long term relationship with all employees as employee retention and development are among the highest priorities of the Company.

The Company is working on enhancing its competencies to take care of current and future business. Its employee strength as on March 31, 2020 was 1700. Human Resource and Industrial Relations departments have developed systems and policies on recruitment, performance management, learning and development, and employee engagement.

The workers union of the Company has maintained healthy and cordial industrial relations, and has been an equal partner in implementing Company's policies and achieving stretched operational targets, year on year.

PERFORMANCE SNAPSHOT

The standalone financial highlights for FY 2019-20 are as follows:

(₹ In Lakhs)

| Particulars | FY 2019-20 | FY 2018-19 | Variance |
|---|-------------|-------------|----------|
| Revenue from operations | 1,18,876.42 | 1,15,105.30 | 2.28% |
| Profit before exceptional items and taxes | 13,133.3 | 14,181.39 | -7.39% |
| Exceptional items (net) | - | - | - |
| Profit before tax | 13,133.3 | 14,181.39 | -7.39%% |
| Profit after tax | 10,269.14 | 10,235.16 | 0.33% |

Key Financial Ratios

| Ratios | FY 2019-20 | FY 2018-19 | Change% |
|---------------------------|------------|------------|---------|
| Debtors Turnover | 2.77 | 3.15 | -12.02 |
| Inventory Turnover | 4.08 | 3.89 | 4.94 |
| Interest Coverage Ratio | 6.60 | 6.94 | -4.98 |
| Current Ratio | 1.88 | 1.69 | 11.23 |
| Debt Equity Ratio | 0.83 | 0.85 | -1.44 |
| Operating Profit Margin % | 17.05 | 17.01 | 0.24 |
| Net Profit Margin % | 8.37 | 8.64 | -3.13 |
| Return on Net Worth % | 12.05 | 13.65 | -11.77 |

Note:

Change in Interest Coverage Ratio is on account of higher level of working capital facility required for business and term loan for expansion.

Net profit margin and return on net worth are lower mainly on account of reduction in net profit due to high cost raw material and higher interest on debt.

CAUTIONARY STATEMENT

Statements made in Management Discussion and Analysis Report describing the Company's objectives, estimates, expectations or predictions are "Forward looking Statement" within the meaning of applicable laws and regulations. They are based on certain assumptions and expectations of future events. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operation include global and Indian demand- supply condition, raw material availability, trained manpower, changes in Government regulations, tax regimes, economic development within India and the countries within which the Company conducts business and other incidental factors.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TECHNOCRAFT INDUSTRIES (INDIA) LIMITED Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **TECHNOCRAFT INDUSTRIES (INDIA) LIMITED**, ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to note 38 (1) to the accompanying standalone financial statements, which describes the effects of uncertainties relating to Covid-19 pandemic outbreak on the Company's operations and management's evaluation of its impact on the accompanying standalone financial statements as at 31st March 2020, the impact of which is dependent on future developments which are highly uncertain. Our opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.



| Key Audit Matters | How our audit addressed the key audit matter |
|--|---|
| <p>1. Impact of COVID-19 pandemic on the future financial performance and position of the Company (as described in Note 38(1) of the Ind AS Balance Sheet)</p> | |
| <p>The extent to which the COVID-19 pandemic will impact the Company's financial performance and position will depend on future developments, which are highly uncertain.</p> | <p>Our audit procedures considered the guidance laid down by the 'ICAI Accounting & Auditing Advisory March 2020 – Impact of Corona virus on Financial Reporting and the Auditors Consideration' highlighting few important areas which require particular attention in respect of the audit of the financial statements for the year 2019-20 including:</p> <ol style="list-style-type: none"> a) Impairment of Non-financial Assets b) Impairment Losses (ECL, Bad-debts etc.) c) Revenue d) Borrowing Costs e) Provisions, Contingent Liabilities and Contingent Assets f) Modifications or termination of Contracts or Arrangements g) Going Concern Assessment h) Post Balance Sheet Events i) Presentation of Financial Statements j) Changes in Internal Controls k) External Confirmations l) Audit evidences through electronic mode <p>We considered the above guidance and appropriately applied to our response to modification of our audit procedures to obtain sufficient appropriate audit evidence on the significant audit areas and reached appropriate conclusions thereon.</p> |
| <p>2. Assessment of impairment of investment in subsidiaries, (Refer Note 6(a) of the Standalone Ind AS Balance Sheet)</p> | |
| <p>As at March 31, 2020 the Company balance sheet includes investment in subsidiaries & associates of Rs. 2,893.33 lakhs, In accordance with Indian Accounting Standards (Ind-AS), the management has allocated these balances to their respective cash generating units (CGU) and tested these for impairment using a discounted cash flow model. The management compares the carrying value of these assets with their respective recoverable amount. A deficit between the recoverable amount and CGU's net assets would result in impairment. The inputs to the impairment testing model which have most significant impact on the model includes:</p> <ol style="list-style-type: none"> a) Sales growth rate; b) Operating margin; c) Working capital requirements; d) Capital expenditure; and e) Discount rate applied to the projected cash flows. | <p>As a part of our audit we have, carried out the following procedures:</p> <ol style="list-style-type: none"> a) We assessed the Company's methodology applied in determining the CGUs to which these assets are allocated. b) We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used; c) We also assessed the recoverable value by performing sensitivity testing of key assumptions used. d) We tested the arithmetical accuracy of the models e) Performed analysis of the disclosures related to the impairment tests and their compliance with Indian Accounting Standard (Ind-AS). |



| Key Audit Matters | How our audit addressed the key audit matter |
|--|---|
| <p>The impairment test model includes sensitivity testing of key assumptions.</p> <p>The annual impairment testing is considered a significant accounting judgment and estimate and a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balances to the financial statements as a whole.</p> | |
| <p>3. Revenue Recognition (Refer to the accounting policies in Note 3 to the financial statements)</p> | |
| <p>Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised in the incorrect period for sales transactions occurring on and around the year-end, therefore revenue recognition has been identified as a key audit matter.</p> | <p>a) Our audit procedures included reading the Company’s revenue recognition accounting policies to assess compliance with Ind AS 115 “Revenue from contracts with customers”.</p> <p>b) We performed test of controls of management’s process of recognizing the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers.</p> <p>c) We performed test of details of the sales transactions testing based on a representative sampling of the sales orders to test that the related revenues and trade receivables are recorded taking into consideration the terms and conditions of the sale orders, including the shipping terms.</p> <p>d) We also performed audit procedures relating to revenue recognition by agreeing deliveries occurring around the year end to supporting documentation to establish that sales and corresponding trade receivables are properly recorded in the correct period.</p> <p>e) Audit procedures relating to revenue recognition were extended to a longer period to ensure that there is no impact on the revenue numbers reported based on the possible effects of pandemic relating to Covid-19.</p> |

Other Information

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the Standalone Ind AS financial statements and our auditor’s report thereon.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 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.
5. Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2020 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

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

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 purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss including the statement of Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Standalone IND AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant Rules issued thereunder.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure - B**.
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
 - a. The company has disclosed the impact of pending litigations on its financial position in its financial statement – Refer Note no. 28.
 - b. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Dhiraj & Dheeraj,
Firm Reg. No. 102454W
Chartered Accountants**

**(Pritesh Shah)
Partner**

Place of Signature: Mumbai

Date :30th July, 2020

**Membership No. 109573
UDIN: 20109573AAAABC5903**



ANNEXURE “A” TO THE INDEPENDENT AUDITORS REPORT

The Annexure referred to in our Report of even date to the Members of TECHNOCRAFT INDUSTRIES (INDIA) LIMITED on the Standalone Financial Statements for the year ended 31st March, 2020, We report that:

- 1 a According to information and explanations given to us, The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b As explained to us, the fixed assets of the company have been physically verified by the Management in a phased manner as per regular program of verification, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to this program, some of the fixed assets have been physically verified by the management during the year, and no material discrepancies have been noticed on such verification.
 - c The title deeds of the property as disclosed in Property, Plant and Equipment and Investment Property vide Note No. 3 & 4 respectively to the financial statements are held in the name of the company.
- 2 The stock of Finished Goods, Goods-in-Process, Raw Materials and Stores & Spares parts have been physically verified during the year by the Management. In our opinion, the procedures of physical verification of the above Inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business. In respect of inventories lying with the third parties, these have substantially been confirmed by them.
- 3 a In our opinion and according to the information and explanations given to us, the company has granted unsecured loans to 3 parties covered in the Register maintained under section 189 of the Companies Act, 2013.
 - b Payment of Principal amount and interest are regular wherever demanded & stipulated.
 - c As the Loan is repayable on demand therefore comment in respect of overdue amount of loans granted to Companies, Firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 is not applicable to the company.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, loans, guarantees and security provided in respect of loans & other facilities to parties covered under section 185 of the Act and Investments made.
5. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed there under apply.
6. We have broadly reviewed the books of account and records maintained by the company in respect of the products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been specified under section 148 (1) of the Companies Act, 2013 is applicable to the company and are of opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made detailed Examination of the records with view to determining whether they are accurate or complete.
- 7 a According to the information and explanation given to us and the records of the Company examined by us, the Company is generally regular in depositing provident fund dues, employees state insurance, income tax, goods and service tax, sales tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities and there are no undisputed amounts payable for the same were outstanding as at 31st March, 2020 for a period exceeding six months from the date they became payable;
 - b According to the information and explanation given to us and the records of the Company examined by us, the Particulars of disputed statutory dues under various act as at 31st March, 2020 which have not been deposited with the appropriate authorities are as under:



| Name of the Statute | Nature of dues | Amount (in Lakhs) (Rs.) | Forum where dispute is pending |
|--|--|-------------------------|---|
| The Central Excise Act 1944 | Excise Duty & Penalty | | |
| | For F.Y 2005-06 | 38.73 | Case pending with CESTAT (Mumbai) |
| | For F.Y 1999-02 to Sept 2008 | 1,115.67 | Case pending with High Court, Mumbai |
| | For Period before 29-9-2008 | 195.61 | Case pending with High Court, Mumbai |
| | For Period before 29-1-2009 | 266.77 | Case pending with High Court, Mumbai |
| | For FY 2007-08 | 15.65 | Case pending with High Court, Mumbai |
| | For period Oct 11 - Jan 12. | 9.94 | Case pending with CESTAT (Tribunal) |
| | For the period Apr-15 to Sept-15 | 4.85 | Additional Commissioner (ST) |
| | For the period Apr-15 to Dec-15 | 2.55 | Additional Commissioner (ST) |
| | | | |
| | Service Tax & Penalty | | |
| | For F.Y. 2006-07 & F.Y. 2008-09 | 21.97 | Case pending with Commissioner (Appeals) |
| | For period Oct 09 – Mar 13 | 24.60 | Case pending with Commissioner (Appeals) |
| | For period Apr 13 - Dec 13 | 3.68 | Case pending with Commissioner (Appeals) |
| | For Period Oct 13 to June 17 | 39.67 | Case pending with Asst. Commissioner CGST |
| | For Period Oct 13 to June 17 | 16.82 | Case pending with Asst. Commissioner CGST |
| The Maharashtra Land Revenue Act, 1966 | For Payment of Royalty on extraction & transportation of mud, stones & sand issued by Tahasildar, Tal. Murbad, Dist. Thane | 82.48 | Case pending With High Court, Mumbai |
| Electricity Act, 2003 | For Payment of Additional Differential Electricity duty | 2,678.06 | Case pending With High Court, Mumbai |
| Income Tax Act, 1961 | For A. Y. 2012-13 | 0.10 | CIT (Appeals) |
| Income Tax Act, 1961 | For A. Y. 2011-12 | 11.72 | CIT (Appeals) |
| Income Tax Act, 1961 | For A.Y. 2012-13 | 179.59 | CIT (Appeals) |
| Income Tax Act, 1961 | For A.Y. 2013-14 | 175.25 | CIT (Appeals) |

8. According to information and explanations given to us the company has not defaulted in repayment of loans or borrowings to a financial institution or bank and company does not have any outstanding loans or borrowing from Government or dues to debenture holders during the year.
9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) however the term loans have availed by the company and were applied for the purposes for which those were raised.
10. According to the information and explanations given to us by the management, which has been relied upon by us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion, and according to the information and explanations given to us, 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 of the companies Act, 2013.



12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company.
13. In our opinion, and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the companies Act, 2013 where applicable. The details of related party transactions have been disclosed in the financial statements as required under Ind AS “24”, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.
14. In our opinion, and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the and accordingly the provisions of clause 3 (xiv) of the order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any Non-Cash transaction with directors or persons connected with the directors. Accordingly, the provisions of clause 3 (xv) of the order is not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3 (xvi) of the order is not applicable to the Company.

**For Dhiraj & Dheeraj,
Firm Reg. No. 102454W
Chartered Accountants**

**(Pritesh Shah)
Partner**

**Place of Signature: Mumbai
Date :30th July, 2020**

**Membership No. 109573
UDIN: 20109573AAAABC5903**



ANNEXURE – “B” TO THE INDEPENDENT AUDITORS REPORT

The Annexure referred to in our Report of even date to the Members of **TECHNOCRAFT INDUSTRIES (INDIA) LIMITED** for the year ended 31st March, 2020. We report that:

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

We have audited the internal financial controls over financial reporting of **TECHNOCRAFT INDUSTRIES (INDIA) LIMITED**, (“the Company”) as of March 31, 2020 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (‘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 Companies Act, 2013.

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Dhiraj & Dheeraj,
Firm Reg. No. 102454W
Chartered Accountants**

(Pritesh Shah)

Partner

Membership No. 109573

UDIN: 20109573AAAABC5903

Place of Signature: Mumbai

Date :30th July, 2020



STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in lakhs)

| Particulars | Note No. | As at 31st March, 2020 | As at 31st March, 2019 |
|-----------------------------------|----------|------------------------|------------------------|
| ASSETS | | | |
| Non - Current Assets | | | |
| Property, Plant and Equipment | 3 | 38,864.05 | 23,642.21 |
| Capital work-in-progress | 3 | 1,613.78 | 3,463.84 |
| Investment Properties | 4 | 889.22 | 934.68 |
| Intangible assets | 5 | 62.85 | 29.93 |
| Financial Assets | | | |
| Non Current Investments | 6(a) | 12,937.21 | 14,792.13 |
| Others Financial Assets | 6(b) | 573.07 | 2,519.80 |
| Other Non-Current Assets | 7 | 238.62 | 884.19 |
| Total Non - Current Assets | | 55,178.80 | 46,266.78 |
| Current Assets | | | |
| Inventories | 8 | 29,124.90 | 29,593.94 |
| Financial Assets | | | |
| Current Investments | 6(a) | 14,617.80 | 12,370.99 |
| Trade receivables | 6(c) | 42,906.54 | 36,550.32 |
| Cash and cash equivalents | 6(d) | 4,459.01 | 3,219.92 |
| Other Bank Balances | 6(e) | 2,572.85 | 354.29 |
| Loans | 6(f) | 1,168.09 | 1,220.00 |
| Others Financial Assets | 6(b) | 1,639.68 | 1,531.02 |
| Current Tax Assets (Net) | 9 | - | 424.31 |
| Other Current Assets | 10 | 4,719.92 | 6,910.58 |
| Total Current Assets | | 1,01,208.79 | 92,175.37 |
| Total Assets | | 1,56,387.59 | 1,38,442.15 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity Share Capital | 11(a) | 2,446.17 | 2,446.17 |
| Other Equity | 11(b) | 82,809.18 | 72,528.77 |
| Total Equity | | 85,255.35 | 74,974.94 |



STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in lakhs)

| Particulars | Note No. | As at 31st March, 2020 | As at 31st March, 2019 |
|---|----------|---------------------------|---------------------------|
| LIABILITIES | | | |
| Non - Current Liabilities | | | |
| Financial Liabilities | | | |
| Non Current Borrowings | 12(a) | 13,538.24 | 5,579.42 |
| Other financial liabilities | 12(b) | 39.59 | 41.61 |
| Provisions | 13 | 1,847.67 | 1,567.06 |
| Deferred tax liabilities (Net) | 14 | 889.97 | 1,342.93 |
| Other Non-Current Liabilities | 15 | 1,111.53 | 531.71 |
| Total Non - Current Liabilities | | 17,427.00 | 9,062.73 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| Current Borrowings | 12(a) | 36,910.27 | 43,746.49 |
| Trade payables | 12(c) | | |
| Total outstanding dues of Micro & Small Enterprises | | 41.11 | 134.42 |
| Total Outstanding dues of creditors , other than Micro & Small Enterprise | | 5,729.08 | 2,945.63 |
| Other financial liabilities | 12(b) | 9,182.54 | 6,197.72 |
| Provisions | 13 | 205.42 | 170.73 |
| Current Tax Liabilities (Net) | 16 | 57.55 | - |
| Other Current Liabilities | 17 | 1,579.27 | 1,209.49 |
| Total Current Liabilities | | 53,705.24 | 54,404.48 |
| Total Equity and Liabilities | | 1,56,387.59 | 1,38,442.15 |
| Significant Accounting Policies | 1 & 2 | | |

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

As per our report of even date

For Dhiraj & Dheeraj

Firm Reg.No.102454W
Chartered Accountants

For and on behalf of Board of Directors

(Pritesh Shah) Partner

M.No : 109573

Sharad Kumar Saraf

Chairman & Managing Director
DIN 00035843

Sudarshan Kumar Saraf

Co-Chairman & Managing Director
DIN 00035799

Place: Mumbai

Date : July 30, 2020

Neeraj Rai

Company Secretary

Navneet Kumar Saraf

Whole-time Director & CEO
DIN 00035686

Ashish Kumar Saraf

Whole-time Director & CFO
DIN 00035549

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in lakhs)

| Particulars | Note No. | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|--|----------|-----------------------------|-----------------------------|
| Income | | | |
| Revenue From Operations | 18 | 1,18,876.42 | 1,15,105.30 |
| Other Income and Other Gains/(Losses) | 19 | 3,851.85 | 3,386.03 |
| Total Income | | 1,22,728.27 | 1,18,491.33 |
| Expenditure | | | |
| Cost of materials consumed | 20 | 60,602.74 | 61,062.37 |
| Purchases of Stock-in-Trade | | 2,839.36 | 4,567.00 |
| Changes in inventories of finished goods, Stock - in -Trade and work - in - progress | 21 | (797.68) | (2,188.03) |
| Employee benefits expenses | 22 | 9,286.60 | 7,867.19 |
| Finance costs | 23 | 3,172.21 | 2,903.14 |
| Depreciation and amortisation expenses | 24 | 4,622.95 | 3,073.36 |
| Other expenses | 25 | 29,868.79 | 27,024.91 |
| Total expenses | | 1,09,594.97 | 1,04,309.94 |
| Profit before tax | | 13,133.30 | 14,181.39 |
| Tax expense: | 26 | | |
| (1) Current tax | | 3,308.03 | 3,550.00 |
| (2) Deferred tax | | (443.87) | 363.16 |
| (3) Tax in respect of Earlier Years | | - | 33.07 |
| Total tax expenses | | 2,864.16 | 3,946.23 |
| Profit for the year | | 10,269.14 | 10,235.16 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of net defined benefit Plans (net of tax) | | (27.04) | (47.40) |
| Items that will be reclassified to profit or loss | | - | - |
| Other Comprehensive Income / (Loss) for the Year (Net of tax) | | (27.04) | (47.40) |
| Total Comprehensive Income for the year after tax | | 10,242.10 | 10,187.76 |
| Earnings per equity share of Face Value of ₹ 10/- each | 27 | | |
| Basic | | 41.98 | 41.84 |
| Diluted | | 41.98 | 41.84 |
| Significant Accounting Policies | 1 & 2 | | |

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

As per our report of even date

For Dhiraj & Dheeraj

Firm Reg.No.102454W

Chartered Accountants

(Pritesh Shah) Partner

M.No : 109573

Place: Mumbai

Date : July 30, 2020

Neeraj Rai

Company Secretary

For and on behalf of Board of Directors

Sharad Kumar Saraf

Chairman & Managing Director

DIN 00035843

Navneet Kumar Saraf

Whole-time Director & CEO

DIN 00035686

Sudarshan Kumar Saraf

Co-Chairman & Managing Director

DIN 00035799

Ashish Kumar Saraf

Whole-time Director & CFO

DIN 00035549



STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lakhs)

| | Year Ended 31st March, 2020 | Year Ended 31st March ,2019 |
|---|--------------------------------|--------------------------------|
| A. CASH FLOW ARISING FROM OPERATING ACTIVITIES : | | |
| Profit before exceptional items & tax from continuing operations | 13,133.30 | 14,181.39 |
| Add / (Less) : Adjustments to reconcile profit before tax to net cash used in operating activities | | |
| Depreciation & Amortisation Expenses | 4,622.95 | 3,073.36 |
| Government Grant Income | (230.22) | (134.84) |
| Net (Gain)/loss on sale of property, plant and equipment | (48.25) | (299.61) |
| Share of Loss of Associate / Subsidiary | 8.19 | 10.79 |
| Unrealised Forex Loss / (gain) | (571.79) | 236.93 |
| Interest income | (394.24) | (384.95) |
| Interest Expenses | 2,893.07 | 2,593.92 |
| Dividend Income | (0.03) | (0.02) |
| Rental Income | (165.31) | (104.08) |
| Net gain on sale/fair valuation of Investments through profit & loss | (1,175.91) | (1,630.91) |
| | 18,071.76 | 17,541.98 |
| Working capital adjustments | | |
| (Increase)/ Decrease in inventories | 469.04 | (4,712.47) |
| (Increase)/ Decrease in trade receivables | (4,659.57) | (5,161.50) |
| (Increase)/ Decrease in other receivables | 2,559.03 | 3,391.14 |
| Increase/ (Decrease) in trade and other payables | 4,953.38 | (3,554.69) |
| | 21,393.64 | 7,504.46 |
| Income Tax paid | (2,826.17) | (5,133.44) |
| Net Cash Inflow/(Outflow) in the course of Operating Activities (A) | 18,567.47 | 2,371.02 |
| B. CASH FLOW ARISING FROM INVESTING ACTIVITIES : | | |
| Purchase of Property, Plant and Equipment /Investment Properties / Intangible assets including capital work in Progress | (16,940.42) | (9,923.35) |
| Purchase of Investments (other than Investement in Subsidiary) | (2,100.00) | (7,300.00) |
| Investments in subsidiary/ Associate | (5.50) | (46.91) |
| Sale Proceeds of property, plant and equipment | 64.32 | 374.35 |
| Proceeds from sale of Investments | 2,881.38 | 7,564.24 |
| Interest received | 378.94 | 456.69 |
| Refund/ (Investment) in bank deposits having Original Maturity of more than than 3 months | (33.98) | (1,097.55) |
| Dividend Received | 0.03 | 0.02 |
| Rent Received | 162.85 | 105.11 |
| Recovery/ (Advancement) of loans given to Subsidiaries | 93.95 | 430.37 |
| Net Cash Inflow/(Outflow) in the course of Investing Activities (B) | (15,498.43) | (9,437.03) |



STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lakhs)

| | Year Ended 31st March, 2020 | Year Ended 31st March ,2019 |
|--|--------------------------------|--------------------------------|
| C. CASH FLOW ARISING FROM FINANCING ACTIVITIES : | | |
| Net Proceeds from Long Term & Short term Borrowings | 1,277.71 | 10,231.92 |
| Interest charges paid | (2,924.26) | (2,568.81) |
| Repayment of Lease Liabilities | (183.40) | - |
| Net Cash Inflow/(Outflow) in the course of Financing Activities (C) | (1,829.95) | 7,663.11 |
| Net increase / (decrease) in cash and cash equivalents | 1,239.09 | 597.10 |
| Cash and cash equivalents at the beginning of the year | 3,219.92 | 2,622.82 |
| Cash and cash equivalents at the end of the year | 4,459.01 | 3,219.92 |

Notes-

- 1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".
- 2 Components of Cash & Cash Equivalents

| | Year Ended 31st March, 2020 | Year Ended 31st March ,2019 |
|---|--------------------------------|--------------------------------|
| Balances with Banks - In current accounts | 4,449.08 | 3,199.00 |
| Cash on Hand | 9.93 | 20.92 |
| Cash and cash equivalents at the end of the year | 4,459.01 | 3,219.92 |

As per our report of even date

For Dhiraj & Dheeraj

Firm Reg.No.102454W

Chartered Accountants

(Pritesh Shah) Partner

M.No : 109573

For and on behalf of Board of Directors

Sharad Kumar Saraf

Chairman & Managing Director

DIN 00035843

Sudarshan Kumar Saraf

Co-Chairman & Managing Director

DIN 00035799

Place: Mumbai

Date : July 30, 2020

Neeraj Rai

Company Secretary

Navneet Kumar Saraf

Whole-time Director & CEO

DIN 00035686

Ashish Kumar Saraf

Whole-time Director & CFO

DIN 00035549



Standalone Statement of Changes in Equity for the year ended 31st March, 2020

(₹ in lakhs)

EQUITY SHARE CAPITAL :

| | Balance as at 1st April, 2018 | Changes in equity share capital during the year | Balance as at 31st March ,2019 | Changes in equity share capital during the year | Balance as at 31st March, 2020 |
|--|-------------------------------|---|--------------------------------|---|--------------------------------|
| Paid up Capital (Refer Note 11(a)) (Equity Shares of ₹ 10/- each issued, Subscribed & Fully Paid up) | 2,446.17 | - | 2,446.17 | - | 2,446.17 |

OTHER EQUITY :

| Particulars | Reserves and Surplus | | | | | Total |
|---|----------------------|----------------------------|------------------|-------------------|--|------------------|
| | Capital Reserve | Capital Redemption Reserve | General Reserve | Retained Earnings | Other Comprehensive Income (Retained Earnings) | |
| Balance as at 1st April , 2018 | 20.51 | 706.51 | 12,157.44 | 49,712.79 | (279.65) | 62,317.60 |
| Profit for the year after tax | - | - | - | 10,235.16 | - | 10,235.16 |
| Other Comprehensive Income : Remeasurements of net defined benefit plans (Net of tax) | - | - | - | - | (47.40) | (47.40) |
| Other Adjustments | | | | 23.41 | | 23.41 |
| Balance as at 31st March , 2019 | 20.51 | 706.51 | 12,157.44 | 59,971.36 | (327.05) | 72,528.77 |
| Profit for the year after tax | - | - | - | 10,269.14 | - | 10,269.14 |
| Other Comprehensive Income : Remeasurements of net defined benefit plans (Net of tax) | - | - | - | - | (27.04) | (27.04) |
| Transitional Adjustment of Ind AS 116 | - | - | - | (3.62) | - | (3.62) |
| Other Adjustments | - | - | - | 41.93 | - | 41.93 |
| Balance as at 31st March , 2020 | 20.51 | 706.51 | 12,157.44 | 70,278.81 | (354.09) | 82,809.18 |

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

As per our report of even date

For Dhiraj & Dheeraj
Firm Reg.No.102454W
Chartered Accountants

For and on behalf of Board of Directors

(Pritesh Shah) Partner
M.No : 109573

Sharad Kumar Saraf
Chairman & Managing Director
DIN 00035843

Sudarshan Kumar Saraf
Co-Chairman & Managing Director
DIN 00035799

Place: Mumbai
Date : July 30, 2020

Neeraj Rai
Company Secretary

Navneet Kumar Saraf
Whole-time Director & CEO
DIN 00035686

Ashish Kumar Saraf
Whole-time Director & CFO
DIN 00035549



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

Notes to the Standalone Financial Statements for the Year Ended 31st March 2020

Note-1 Company Overview

Technocraft Industries (India) Limited (“the Company”), was incorporated on 28th October 1992, CIN L28120MH1992PLC069252. The company is a Public Limited company incorporated and domiciled in India and is having its registered office at Plot No -47, Opus Centre, 2nd Floor, Opp Tunga Paradise Hotel, MIDC, Andheri (East) Mumbai – 400093, Maharashtra, India. The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

The Company is well diversified having its business Interest in Drum Closures (2nd Largest in the World), Scaffolding & Formworks, Yarn, Fabrics & Garments. It has its own 15 MW Captive Thermal Power Plant.

Authorisation of Financial Statements: The Financial Statements were authorized for issue in accordance with a resolution of the directors on 30th July 2020.

Note-2 Significant Accounting Policies:

i) Basis of Preparation and Presentation:

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“Act”) read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) ; and the other relevant provisions of the Act and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis except for certain financial assets and financial liabilities measured at fair value (refer accounting policies for financial instruments).

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

ii) Use of Estimates :

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

iii) Fair Value Measurement:

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities

iv) Revenue Recognition

The Company derives its revenue primarily from sales of manufactured goods, traded goods and related services

The Company recognizes revenue when Control over the promised goods is transferred to the customer at an amount that reflects the Consideration to which the Company expects to be entitled in exchange for goods. The Company considers whether there are other promises in the Contract that are separate Performance obligations to which a portion of the transaction price needs to be allocated .

The Company recognizes revenue from the sale of goods net of returns and allowances, trade discounts and Volume rebates. If the revenue cannot be reliably measured, Company defers revenue recognition until the uncertainty is resolved .Such Provisions give rise to variable Consideration and are estimated at Contract inception and updated thereafter.



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

Revenue from Rendering of services is recognized as & when the Customer receives the benefit of the Company's performance and the company has an enforceable right to payment for services Performed.

In respect of Short term advances from its customers, using the practical expedient in Ind AS-115, the Company does not adjust the Promised amount of Consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the Promised goods or services to the Customer and when the customer pays for that goods or services will be within the normal operating cycle ie one year.

Revenue is net of Goods & Service Tax Collected on behalf of the Government.

Contract Balances

Contract Asset

A contract asset is the right to consideration in exchange for goods or services transferred to the Customer. If the Company performs by transferring goods or services to a customer before the customer pays Consideration or before the payment is due, a contract asset is recognized for the earned consideration that is conditional

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before the payment of the consideration is due).

Contract Liabilities

A Contract Liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of Consideration is due) from the Customer .If a customer pays consideration before the Company transfers goods or services to the customer, a contract Liability is recognized when the payment is made or the payment is due (whichever is earlier) .Contract Liabilities are recognized as revenue when the Company Performs under the Contract including Advances received from Customer .

Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the Customer and is measured at the amount the Company ultimately expects it will have to return to the Customer .The Company updates its estimates of refund Liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Other Income

Dividend Income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income on all debt instruments measured at amortized cost is recorded using the effective interest rate (EIR).

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of the Income can be measured reliably.

v) Inventories

Inventories of Raw Materials, Finished Goods, Semi-Finished Goods, Trading Goods, and Stores, Spares and other components, Packing Materials, Fuel and Oil are valued at cost or net realizable value, whichever is lower. Goods in transit are valued at cost or net realizable value, whichever is lower. Cost comprises of all cost of purchases, cost of conversion and other costs incurred in bringing the inventory to their present location and conditions. Cost is arrived at on FIFO basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

If payment terms for inventory are on deferred basis i.e. beyond normal credit terms, then cost is determined by discounting the future cash flows at an interest rate determined with reference to the market rates. The difference between total cost and deemed cost is recognized as interest expense over the period of financing under the effective interest method.



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

vi) **Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any.

vii) **Capital Work in Progress**

Cost of assets not ready for use at the balance sheet date is disclosed under capital work-in-progress. Expenditure during construction period is also included under Capital Work in Progress.

viii) **Intangible Assets**

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

ix) **Depreciation**

Depreciation on Property, Plant and Equipment has been provided on the Written down Value method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Leasehold Land is amortized over the period of lease.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

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

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

x) **Investment Property**

Investment property applies to owner-occupied property and is held to earn rentals or for capital appreciation or both. Hence such properties are reclassified from Property, Plant and Equipment to Investment property. Investment property is measured at its cost, including related transaction cost less depreciation and impairment, if any. Investment properties are depreciated using the written down value method over their estimated useful life. Any transfer to or from Investment property is done at the carrying amount of the Investment Property.

xi) **Government Subsidy**

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received.

Government grants relating to the purchase of property, plant and equipment are treated as deferred income and are recognized in net profit in the statement of profit and loss on a systematic and rational basis over the useful life of the asset.

Government grants related to revenue are recognized on a systematic basis in net profit in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

xii) **Borrowings**

Borrowings are initially recognized at net of transaction Cost incurred and measured at amortized Cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of Profit & Loss over the period of borrowings using the effective Interest method.

xiii) **Income Tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

a) Current Income Tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b) Deferred Income Tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilized.

Deferred tax assets and liabilities are offset only if:

- Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

xiv) Leases

At inception of Contract, the Company assesses whether the Contract is or contains a Lease. 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 inception or on reassessment of a contract that contains a lease Component, the Company allocates Consideration in the contract to each lease component on the basis of their relative standalone price.

As a Lessee

i) Right of use assets

The Company recognizes right of use assets at the commencement date of the lease .Right of use assets are measured at cost less any accumulated depreciation and impairment Losses and adjusted for any remeasurement of Lease Liabilities .The Cost of right to use assets include the amount of lease Liabilities recognized, initial direct cost incurred, Lease payments made at or before commencement date less any lease incentives received. Right of use assets are depreciated on a straight Line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Company presents right to use assets that do not meet the definition of Investment property in “Property, Plant and Equipment”

ii) Lease Liabilities

At the Commencement date of the Lease , the Company recognizes Lease Liabilities measured at the present value of lease payments to be made over the Lease term .In Calculating the present Value of lease payments, the Company generally uses its incremental borrowing rate at the Lease Commencement date if the discount rate implicit in the lease is not readily determinable .

Lease payments included in the measurement of the Lease Liability are made up of fixed payments (including in substance, fixed) and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses .It is re measured to reflect any reassessment or modification.

The Company presents lease Liabilities under Financial Liabilities in the Balance sheet



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

The Company has elected to account for short term leases and Leases of Low Value assets using the exemption given under Ind AS 116, Leases. Instead of recognizing a right of use asset and Lease Liability, the payments in relation to these are recognized as an expense in the profit or loss on a straight Line basis over the Lease term or on another systematic basis if that basis is more representative of the pattern of the Company benefit

As a Lessor

Leases for which the Company is a Lessor is classified as Finance or operating Lease

Lease income from operating leases where the Company is a Lessor is recognized in income on a straight line basis over the Lease Term unless the receipts are structured to increase in line with expected general inflation to Compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature

xv) Financial Assets

a) Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

b) Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(i) Debt instruments at amortised cost

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

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

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

(ii) Debt instruments at Fair value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is measured at the fair value through other comprehensive income if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- 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, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of Profit & Loss. Other net gains and losses are recognised in other comprehensive Income.

(iii) Debt instruments at Fair value through profit or loss (FVTPL)

Fair value through profit or loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(iv) Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI).

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

c) De recognition

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 Company's Balance Sheet) when:

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

d) Impairment of financial assets

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 as significant increase in credit risk.

e) Income Recognition

Interest Income from debt instruments is recognised using the effective interest rate method.

xvi) Financial Liabilities

a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

b) Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. The measurement of financial liabilities depends on their classification, as described below:

➤ Financial Liabilities at fair value through profit or loss (FVTPL)

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit & Loss.

➤ Financial Liabilities measured at amortised cost

After initial recognition, financial liabilities other than those which are classified as fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit & Loss.



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

c) De recognition

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

xvii) Offsetting of financial instruments

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

xviii) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

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

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

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

xix) Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Cash and cash equivalents comprise cash at banks and on hand and demand deposits with banks with an original maturity of three months or less.

xx) Investment in Subsidiaries , Joint ventures & Associates – Unquoted

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each reporting date.

xxi) Employee Benefits

➤ Short-term employee benefit

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit & Loss of the year in which the related services are rendered.

➤ Post-employment benefits

The Company's net obligation in respect of defined benefit plans such as gratuity is calculated separately for each plan by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the projected unit credit method.



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

The current service cost of the defined benefit plan, recognized in the Statement of Profit & Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit & Loss. 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 benefit expense in the Statement of Profit & Loss.

Re-measurements which comprise of actuarial gains and losses, the return on plan assets (excluding net interest) and the effect of the asset ceiling (if any, excluding net interest), are recognized immediately in other comprehensive income.

➤ **Other long-term employee benefits**

Liability towards other long term employee benefits - leave encashment is determined on actuarial valuation by qualified actuary by using Projected Unit Credit method.

The current service cost of other long terms employee benefits, recognized in the Statement of Profit & Loss as part of employee benefit expense, reflects the increase in the obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit & Loss. The interest cost is calculated by applying the discount rate to the balance of the obligation. This cost is included in employee benefit expense in the Statement of Profit & Loss. Re-measurements are recognized in the Statement of Profit & Loss.

xxii) Foreign Currency Transactions:

a) Functional and Presentation Currency:

The Financial Statements are presented in Indian Rupee (₹) which is Company's Functional and Presentation Currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

b) Monetary Items

- Transactions denominated in foreign currency are normally accounted for at the exchange rate prevailing at the time of transaction.
- Monetary assets (including loans to subsidiaries) and Liabilities in foreign currency transactions remaining unsettled at the end of the year (other than forward contract transactions) are translated at the year-end rates and the corresponding effect is given to the respective account.
- Exchange differences arising on account of fluctuations in the rate of exchange are recognized in the statement of Profit & Loss.
- Exchange rate difference arising on account of conversion/translation of liabilities incurred for acquisition of Fixed Assets is recognized in the Statement of Profit & Loss.

c) Non - Monetary Items

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

xxiii) Impairment of Non-Financial Assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

xxiv) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

xxv) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

xxvi) Earnings per Share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares

xxvii) Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

xxviii) Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

xxix) Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

xxx) Significant accounting judgments, estimates and assumptions:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise Judgement in applying the Company's accounting policies.

The estimates and judgements involves a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed .Detailed information about each of these estimates and judgements is included in relevant notes.

Critical estimates and judgements

The areas involving critical estimates or judgements are

- o Estimation of current tax expenses and payable
- o Estimated useful life of Intangible assets
- o Estimation of defined benefit obligation
- o Estimation of Provisions and Contingencies
- o Estimation of Incremental Borrowing rate –Leases

Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

Note 3 : Property, Plant and Equipment

(₹ in lakhs)

| Particulars | Leasehold Land | Freehold Land | Buildings | Furniture, Fittings & Equipments | Plant and Machinery | Office Equipments | Computers | Motor Car & Vehicles | Right to Use Asset Leasehold Building | Total | Capital Work in Progress |
|--|----------------|---------------|------------------|----------------------------------|---------------------|-------------------|---------------|----------------------|---------------------------------------|------------------|--------------------------|
| Year Ended 31st March, 2020 | | | | | | | | | | | |
| Gross Carrying Amount | | | | | | | | | | | |
| Opening Gross Carrying Amount | 609.21 | 523.82 | 6,262.96 | 179.46 | 24,048.96 | 189.87 | 228.29 | 319.66 | - | 32,362.23 | 3,463.84 |
| Transition Impact on account of adoption of Ind AS 116 " Leases" | - | - | - | - | - | - | - | - | 259.60 | 259.60 | - |
| Additions | 12.50 | - | 5,168.48 | 56.26 | 14,140.19 | 79.47 | 105.71 | - | - | 19,562.61 | 14,803.83 |
| Disposals | - | - | - | 2.34 | 22.93 | - | - | 5.22 | - | 30.49 | - |
| Transfers | - | - | - | - | 97.49 | - | - | - | - | 97.49 | 16,653.89 |
| Closing Gross Carrying Amount | 621.71 | 523.82 | 11,431.44 | 233.38 | 38,068.73 | 269.34 | 334.00 | 314.44 | 259.60 | 52,056.46 | 1,613.78 |
| Accumulated Depreciation | | | | | | | | | | | |
| Opening Accumulated Depreciation | 23.73 | - | 1,243.64 | 62.00 | 6,934.64 | 113.06 | 150.72 | 192.23 | - | 8,720.02 | - |
| Depreciation charge during the year | 8.17 | - | 479.02 | 31.06 | 3,689.83 | 42.42 | 66.63 | 49.58 | 159.95 | 4,526.66 | - |
| Disposals | - | - | - | 1.56 | 8.53 | - | - | 4.33 | - | 14.42 | - |
| Transfers | - | - | - | - | 39.85 | - | - | - | - | 39.85 | - |
| Closing Accumulated Depreciation | 31.90 | - | 1,722.66 | 91.50 | 10,576.09 | 155.48 | 217.35 | 237.48 | 159.95 | 13,192.41 | - |
| Net Carrying Amount | 589.81 | 523.82 | 9,708.78 | 141.88 | 27,492.64 | 113.86 | 116.65 | 76.96 | 99.65 | 38,864.05 | 1,613.78 |
| Year Ended 31st March, 2019 | | | | | | | | | | | |
| Gross Carrying Amount | | | | | | | | | | | |
| Opening Gross Carrying Amount | 555.04 | 523.82 | 4,580.28 | 90.71 | 16,974.87 | 139.76 | 168.63 | 300.15 | - | 23,333.26 | 3,053.59 |
| Additions | 54.17 | - | 1,682.68 | 88.75 | 7,163.82 | 50.11 | 59.66 | 42.75 | - | 9,141.94 | 7,693.32 |
| Disposals | - | - | - | - | 89.73 | - | - | 23.24 | - | 112.97 | - |
| Transfers | - | - | - | - | - | - | - | - | - | - | 7,283.07 |
| Closing Gross Carrying Amount | 609.21 | 523.82 | 6,262.96 | 179.46 | 24,048.96 | 189.87 | 228.29 | 319.66 | - | 32,362.23 | 3,463.84 |
| Accumulated Depreciation | | | | | | | | | | | |
| Opening Accumulated Depreciation | 18.73 | - | 886.07 | 42.25 | 4,494.13 | 81.30 | 101.01 | 142.83 | - | 5,766.32 | - |
| Depreciation charge during the year | 5.00 | - | 357.57 | 19.75 | 2,463.91 | 31.76 | 49.71 | 65.54 | - | 2,993.24 | - |
| Disposals | - | - | - | - | 23.40 | - | - | 16.14 | - | 39.54 | - |
| Transfers | - | - | - | - | - | - | - | - | - | - | - |
| Closing Accumulated Depreciation | 23.73 | - | 1,243.64 | 62.00 | 6,934.64 | 113.06 | 150.72 | 192.23 | - | 8,720.02 | - |
| Net Carrying Amount | 585.48 | 523.82 | 5,019.32 | 117.46 | 17,114.32 | 76.81 | 77.57 | 127.43 | - | 23,642.21 | 3,463.84 |

Notes

- 1) All Property, Plant and equipment except Right to use Asset are Held in the name of the Company
- 2) Refer to Note No 29 for Information on Property, Plant & Equipment Pledged as Security by the Company
- 3) **Capital Work in Progress**
Capital Work in Progress is towards expansion of Various Business Units of the Company



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note 4 : Investment Properties

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Gross Carrying Amount | | |
| Opening Gross Carrying Amount | 1,028.61 | 593.52 |
| Additions | - | 435.09 |
| Disposals | - | - |
| Closing Gross Carrying Amount | 1,028.61 | 1,028.61 |
| Accumulated Depreciation | | |
| Opening Accumulated Depreciation | 93.93 | 51.73 |
| Depreciation Charge | 45.46 | 42.20 |
| Disposals | - | - |
| Closing Accumulated Depreciation | 139.39 | 93.93 |
| Net Carrying Amount | 889.22 | 934.68 |

i) Amount recognised in profit and loss for investment properties

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Rental Income | 131.98 | 73.61 |
| Direct Operating expenses from property that generated rental income | 10.41 | 7.03 |
| Direct Operating expenses from property that did not generate rental income | - | - |
| Profit from Investment Properties before Depreciation | 121.57 | 66.58 |
| Depreciation | 45.46 | 42.20 |
| Profit from Investment Properties | 76.11 | 24.38 |

ii) Fair Value

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|-----------------------|---------------------------|---------------------------|
| Investment Properties | 2,038.03 | 2,038.03 |

Estimation of Fair value :

The above valuation of the Investment Properties are in accordance with the Ready Reckoner rates as prescribed by the Government of Maharashtra for the Purpose of levying Stamp Duty. Since the Valuation is based on the Published Ready Reckoner rates, the Company has Classified the same under Level 2

iii) Leasing arrangements

The Company has entered in to various a non cancellable leasing agreements . There is an escalation clause in the lease agreement during the lease year in line with expected general inflation. There are no restrictions imposed by lease arrangements . There are no contingent rents. The total Future minimum lease rentals receivable at the balancesheet date are as under

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Within one year | 134.35 | 123.34 |
| Later than one year but not later than 5 years | 294.17 | 361.82 |
| Later than 5 years | - | - |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note 5 : Intangible assets

| Particulars | Computer Software* | Total |
|--|--------------------|---------------|
| Year Ended 31st March, 2020 | | |
| Gross Carrying Amount | | |
| Opening Gross Carrying Amount | 227.45 | 227.45 |
| Additions during the year | 83.75 | 83.75 |
| Closing Gross Carrying Amount | 311.20 | 311.20 |
| Accumulated Amortisation | | |
| Opening Accumulated Amortisation | 197.52 | 197.52 |
| Amortisation charge for the year | 50.83 | 50.83 |
| Closing Accumulated Amortisation | 248.35 | 248.35 |
| Closing Net Carrying Amount | 62.85 | 62.85 |
| Year Ended 31st March , 2019 | | |
| Gross Carrying Amount | | |
| Opening Gross Carrying Amount | 206.01 | 206.01 |
| Additions during the year | 21.44 | 21.44 |
| Closing Gross Carrying Amount | 227.45 | 227.45 |
| Accumulated Amortisation and Impairment | | |
| Opening Accumulated Amortisation | 159.60 | 159.60 |
| Amortisation Charge for the year | 37.92 | 37.92 |
| Closing Accumulated Amortisation and Impairment | 197.52 | 197.52 |
| Closing Net Carrying Amount | 29.93 | 29.93 |

* Computer Software includes expenditure on computer software which is not an integral part of hardware

Note - 6 : Financial Assets

Note 6(a) : Non Current Investments

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Investment in Equity Instruments (Fully Paid up , Unless other wise stated) | | |
| Investment In Equity Instrument of Subsidiaries & Joint Venture (At Cost) | | |
| Unquoted | | |
| 13,50,002 (P.Y 13,50,002) Shares of 1 Pound each of Technocraft International Ltd, UK. | 1,224.14 | 1,224.14 |
| 4,99,930 (P.Y 4,99,930) shares of ₹ 100/- each of Technosoft Engineering Projects Ltd | 112.38 | 112.38 |
| 4,500 (P.Y 4,500) shares of PLN 500 each of Technocraft Trading Spolka Z.O.O (Poland) | 265.07 | 265.07 |
| 2,18,054 (P.Y 2,18,054) shares of 1 Australian Dollar each of Technocraft Australia Pty.Ltd. | 93.47 | 93.47 |
| Shares of Anhui Reliable Steel Technology Co. Ltd , China | 1,080.16 | 1,080.16 |
| 6,49,995 (P.Y 6,49,995) shares of ₹ 10/- each of Technocraft Tabla Formworks Systems Pvt. Ltd. | 65.00 | 65.00 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| 100(P.Y 100) Shares of New Zealand Dollar 1000/- each of Technocraft NZ Limited | 46.91 | 46.91 |
| 7,000 (P.Y 7,000) shares of ₹ 10/- each of Techno Defence Pvt Ltd | 0.70 | 0.70 |
| 50,000 (P.Y NIL) Shares of ₹ 10/- each of Shivale Infra Products Pvt Ltd | 5.00 | - |
| | 2,892.83 | 2,887.83 |
| Investment In Equity Instrument of Co-operative Societies (At Fair Value through Profit & Loss) | | |
| Unquoted | | |
| 30 (P.Y : 30) shares of Mittal Court Premises Co-Op. Society Ltd. | 0.02 | 0.02 |
| 15 (P.Y : 15) shares of Udit Mittal Court Industrial Premises Co-Op. Society Ltd. | 0.01 | 0.01 |
| 10 (P.Y : 10) shares of Green Lawns Co-op Society Ltd. | 0.01 | 0.01 |
| | 0.04 | 0.04 |
| Total (Equity Instruments) | 2,892.87 | 2,887.87 |
| Investment In Mutual Funds (At Fair value through Profit and loss) | | |
| Quoted | | |
| NIL (P.Y 3,00,00,000) Units of ₹ 10/- each of HDFC FMP 1170D February - 2017 (1) # | - | 3,523.80 |
| NIL (P.Y 50,00,000) Units of ₹ 10/- each of FMP 1178D February 2017(1) # | - | 590.12 |
| NIL (P.Y 50,00,000) Units of ₹ 10/- each of HDFC FMP 1213D March 2017(1) # | - | 584.44 |
| 2,00,00,000 (P.Y 2,00,00,000) Units of ₹ 10/- each of of HDFC FMP 1208D March 2018 (1) | 2,322.25 | 2,139.34 |
| 50,00,000 (P.Y.50,00,000) Units of ₹ 10/- each of HDFC FMP 1133D JULY 2018 (1) | 575.83 | 533.20 |
| 60,00,000 (P.Y 60,00,000) Units of ₹ 10/- each of HDFC FMP 1105DAUGUST 2018 (2) | 698.03 | 638.21 |
| 50,00,000 (P.Y. 50,00,000) Units of ₹ 10/- each of HDFC FMP 1141D AUGUST 2018 (1) | 564.96 | 523.79 |
| 70,00,000 (P.Y.70,00,000) Units of ₹ 10/- each of HDFC FMP 1487D AUGUST 2018 (1) | 803.26 | 734.28 |
| 2,00,00,000 (P.Y.2,00,00,000) Units of ₹ 10/- each of HDFC FMP 1146D APRIL 2018(1)-SER.40 | 2,267.91 | 2,121.26 |
| 50,00,000 (P.Y.50,00,000) Units of ₹ 10/- each of HDFC FMP 1190D JANUARY 2019 (1) | 565.46 | 514.92 |
| 23,46,580.563 (P.Y NIL) Units of ₹ 10/- each of HDFC Corporate Bond Fund | 537.69 | - |
| 1,52,28,140.870 (P.Y NIL) Units of ₹ 10/- each of SBI Corporate Bond Fund | 1,708.45 | - |
| Total (Mutual Funds) | 10,043.84 | 11,903.36 |
| Investment In LLP (At cost) | | |
| Capital Account in Shreyan Infra & Power LLP. Partners 1) Technocraft Industries India Limited & 2) Mr.Sharad Kumar Saraf Total Fixed Capital of the Firm is ₹ 1akh. (% of Share in Profit / Loss is 90% of Technocraft Industries India Limited & 10% of Mr Sharad Kumar Saraf) | - | 0.90 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Capital Account in Benten Technologies LLP Partners 1) Technocraft Industries India Limited & 2) Mr Sanjeev Sinha Total Fixed Capital of the Firm is ₹ 1 lakh. (% of Share in Profit / Loss is 50% of Technocraft Industries India Limited & 50% of Mr Sanjeev Sinha) | 0.50 | - |
| Total Investment In Partnership Firm/LLP | 0.50 | 0.90 |
| Total Non - Current Investments | 12,937.21 | 14,792.13 |
| Aggregate Amount of Quoted Investments | 10,043.84 | 11,903.36 |
| Aggregate Market value of Quoted Investments | 10,043.84 | 11,903.36 |
| Aggregate Amount of Unquoted Investments | 2,893.37 | 2,888.77 |

Lien with the Bank against the availment of Working Capital Loan .Total Non Current Investments Lien as on 31st March ,2020 is ₹ NIL (P.Y 4,698.36 Lakhs).Also Refer Note No 29 for details of Investments Pledged as Security.

Note 6(a) : Current Investments

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Investment In Mutual Funds (At Fair value through Profit and loss) | | |
| Quoted | | |
| 29,04,528.315 (P.Y 29,04,528.315) units of ₹ 10/- Each of HDFC Monthly Income Plan. | 1,287.89 | 1,331.66 |
| 65,52,921.437 (P.Y 65 ,52,921.437) units of ₹ 10/- each of ICICI Prudential Regular Saving Fund | 2,851.91 | 2,791.80 |
| 64,08,727.430 (P.Y 64,08,727.430) units of ₹ 10/- each of HDFC Equity Saving Fund -Growth | 2,112.89 | 2,358.09 |
| 14,18,037.436 (P.Y 14,18,037.436) units of ₹ 10/- each of HDFC Equity Saving Fund -DG | 499.48 | 553.45 |
| 4,41,930.352 (P.Y 4,41,930.352) Units of ₹ 10/- each of ICICI Prudential Balanced Fund | 468.27 | 594.13 |
| 48,70,208.867 (P.Y 48,70,208.867) units of ₹ 10/- each of ICICI Prudential Equity Income Fund | 619.00 | 670.63 |
| 3,00,00,000 (P.Y NIL) Units of ₹ 10/- each of HDFC FMP 1170D February - 2017 (1) # | 3,845.04 | - |
| 50,00,000 (P.Y NIL) Units of ₹ 10/- each of FMP 1178D February 2017(1) # | 643.57 | - |
| 50,00,000 (P.Y NIL) Units of ₹ 10/- each of HDFC FMP 1213D March 2017(1) # | 641.01 | - |
| NIL (P.Y 38,25,554.705) Units of ₹10 /-each of Aditya Birla Sunlife -Equity Saving Fund | - | 509.18 |
| 61,99,647.060 (P.Y 61,99,647.060) Units of ₹ 10/- each of HDFC Corporate Debt Opportunities Fund -Direct Growth | 1,081.42 | 986.90 |
| 39,39,396.27 (P.Y 39,39,396.27) Units of ₹10/- each of SBI Equity Saving Fund | 499.94 | 541.98 |
| NIL (P.Y 50,00,000) units of ₹ 10/- each of HDFC FMP 1114D March 2016 (1) # | - | 632.54 |
| NIL (P.Y 50,00,000) units of ₹ 10/- each of HDFC FMP 1190D March 2016 (1) # | - | 668.68 |
| NIL (P.Y 50,00,000) units of ₹ 10/- each of ICICI Prudential FMP Series 77-1473 D Plan # | - | 686.64 |
| Total (Mutual Funds) | 14,550.42 | 12,325.68 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Particulars | As at | As at |
|---|------------------|------------------|
| | 31st March, 2020 | 31st March, 2019 |
| Investment in Equity Instruments | | |
| Investment In Equity Shares (At Fair value through Profit and loss) | | |
| Quoted | | |
| 3,080 (P.Y 3,080) Shares of ₹ 10/- each of Avenue Supermarkets Limited | 67.38 | 45.31 |
| Total (Equity Instruments) | 67.38 | 45.31 |
| Total Current Investments | 14,617.80 | 12,370.99 |
| Aggregate Amount of Quoted Investments | 14,617.80 | 12,370.99 |
| Aggregate Market value of Quoted Investments | 14,617.80 | 12,370.99 |

Lien with the Bank against the availment of Working Capital Loan .Total Current Investments Lien as on 31st March ,2020 is ₹ 5,129.62 Lakhs (P.Y 1,987.86 Lakhs).Also Refer Note No 29 for details of Investments Pledged as Security.

Note 6(b) : Others Financial Assets

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|--|------------------------|---------------|------------------------|-----------------|
| | Current | Non - Current | Current | Non - Current |
| Security Deposits with : | | | | |
| Government Department | - | 344.48 | - | 338.10 |
| Others | 50.27 | 101.98 | 49.37 | 89.74 |
| Fixed Deposit Accounts Due After 12 Months * | - | 126.61 | - | 2,091.96 |
| Others | 1,589.41 | - | 1,481.65 | - |
| Total Other Financial Assets | 1,639.68 | 573.07 | 1,531.02 | 2,519.80 |

* Fixed Deposit are pledged against Bank Overdraft / Bank Guarantee .Also Refer Note No 29 for details of Fixed Deposits Pledged as Security.

Note 6(c) : Trade receivables

| Particulars | As at | As at |
|--|------------------|------------------|
| | 31st March, 2020 | 31st March, 2019 |
| Trade Receivables (other than related parties) | 20,384.37 | 20,024.50 |
| Receivables from related parties | 22,522.17 | 16,525.82 |
| Trade Receivables which have significant increase in credit risk | - | - |
| Trade Receivables -Credit Impaired | - | - |
| Less : Allowance for doubtful trade receivables | - | - |
| Total Trade Receivables | 42,906.54 | 36,550.32 |
| Current Portion | 42,906.54 | 36,550.32 |
| Non - Current Portion | - | - |
| Break-up of security details | | |
| Secured ,Considered good | - | - |
| Unsecured , Considered good | 42,906.54 | 36,550.32 |
| Doubtful | - | - |
| Total | 42,906.54 | 36,550.32 |
| Allowance for doubtful Trade Receivables | - | - |
| Total Trade Receivables | 42,906.54 | 36,550.32 |

The above Trade Receivables are Hypotheciated to various banks against availment of Working Capital Facilities .Also Refer Note 29 for details of Debtors Pledged as Security.



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note 6(d) : Cash and cash equivalents

| Particulars | As at | As at |
|---|------------------|------------------|
| | 31st March, 2020 | 31st March, 2019 |
| Balances with Banks - In current accounts | 4,449.08 | 3,199.00 |
| Cash on Hand | 9.93 | 20.92 |
| Total Cash and Cash Equivalents | 4,459.01 | 3,219.92 |

Note 6(e) : Other Bank Balances

| Particulars | As at | As at |
|--|------------------|------------------|
| | 31st March, 2020 | 31st March, 2019 |
| In Unclaimed Dividend Accounts | 11.26 | 18.95 |
| Fixed Deposit Accounts Between 3 & 12 Months * | 2,633.11 | 633.78 |
| Bank Balances (Temporary Overdrawn) | (71.53) | (298.44) |
| Total Other Bank Balances | 2,572.85 | 354.29 |

* Fixed Deposit are pledged against Bank Overdraft / Bank Guarantee .Also Refer Note No 29 for details of Fixed Deposits Pledged as Security.

Note 6(f) : Loans

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---------------------------------------|------------------------|---------------|------------------------|---------------|
| | Current | Non - Current | Current | Non - Current |
| Loans To Subsidiaries (Related Party) | 1,076.54 | - | 1,120.39 | - |
| Loans To Employees | 91.55 | - | 99.61 | - |
| Total Loans | 1,168.09 | - | 1,220.00 | - |

| Break up | As at | As at |
|--|------------------|------------------|
| | 31st March, 2020 | 31st March, 2019 |
| Loan Considered good-Secured | - | - |
| Loan Considered good-Unsecured | 1,168.09 | 1,220.00 |
| Loans which have significant increase in credit risk | - | - |
| Loans -credit impaired | - | - |
| Total | 1,168.09 | 1,220.00 |
| Less Allowance for Doubtful Loans | - | - |
| Total Loans | 1,168.09 | 1,220.00 |

Particulars of Loans Given , Guarantees Given and Investments made as per requirement of section 186(4) of the Companies Act, 2013 are as Under

1. The details of the Loans Given are as Under

| Name of the Party | Balance as on | | Maximum Balance | |
|--|------------------|------------------|------------------|------------------|
| | 31st March, 2020 | 31st March, 2019 | 31st March, 2020 | 31st March, 2019 |
| Anhui Reliable Steel Technology Company Ltd, China | 733.94 | 670.85 | 733.94 | 670.85 |
| Technocraft International Limited,UK | - | 449.54 | 449.54 | 847.27 |
| Technocraft Australia Pty Ltd | 230.38 | - | 240.44 | - |
| Technocraft NZ Limited | 112.22 | - | 115.15 | - |
| Total | 1,076.54 | 1,120.39 | 1,539.07 | 1,518.12 |

- All the above Loans have been given as Inter Corporate Deposits & For business Purposes only
- All the above loans are interest bearing



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

- The Particulars of Investments made in the wholly owned Subsidiaries are disclosed in Note No 6(a)
- The Company has also Provided Corporate Guarantee to the lender Banks of the Subsidiaries for availing working capital Facilities , the details of which are disclosed in Note No 28

Note 7 : Other Non-Current Assets

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---------------------------------------|---------------------------|---------------------------|
| Capital Advances | 238.62 | 884.19 |
| Total Other Non Current Assets | 238.62 | 884.19 |

Note 8 : Inventories

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------|---------------------------|---------------------------|
| Raw Material | 14,023.01 | 15,603.17 |
| Work in Progress | 4,919.29 | 4,346.68 |
| Finished Goods | 7,623.44 | 7,517.31 |
| Stores and Spares | 1,855.86 | 1,585.24 |
| Scrap | 315.34 | 196.40 |
| Fuel & Oil | 54.02 | 47.84 |
| Packing Materials | 333.94 | 297.30 |
| Total Inventories | 29,124.90 | 29,593.94 |

Also Refer Note No 29 for details of Inventories pledged as securities.

Note 9 : Current Tax Assets (Net)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------------|---------------------------|---------------------------|
| Advance Tax | - | 23,274.66 |
| Less : Provision For Taxation | - | 22,850.35 |
| Net Current Tax Asset | - | 424.31 |

Note 10 : Other Current Assets

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------------------|---------------------------|---------------------------|
| Prepaid Expenses | 174.63 | 166.72 |
| Balance With Statutory Authorities | 3,299.02 | 4,860.70 |
| Others | 1,246.27 | 1,883.16 |
| Total Other Current Asset | 4,719.92 | 6,910.58 |

Note - 11 : Equity Share Capital & Other Equity

Note 11(a) : Equity Share Capital

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Authorised | | |
| 4,00,00,000 (P.Y 4,00,00,000) Equity Shares of ₹10/- Each. | 4,000.00 | 4,000.00 |
| | 4,000.00 | 4,000.00 |
| Issued, Subscribed and Fully Paid Up | | |
| 2,44,61,687/- (P.Y 2,44,61,687) Equity Shares of ₹10/- Each Fully Paid Up | 2,446.17 | 2,446.17 |
| | 2,446.17 | 2,446.17 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

a). Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 /-per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b). Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period :

| Particulars | Equity Shares | | | |
|---|------------------------|--------------|------------------------|--------------|
| | As on 31st March, 2020 | | As on 31st March, 2019 | |
| | Number | ₹ (in Lakhs) | Number | ₹ (in Lakhs) |
| Shares outstanding at the beginning of the year | 2,44,61,687 | 2,446.17 | 2,44,61,687 | 2,446.17 |
| Shares Issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 2,44,61,687 | 2,446.17 | 2,44,61,687 | 2,446.17 |

c). Details of Shareholders holding more than 5% shares in the company:

| Name of the Shareholder | Equity Shares | | | |
|------------------------------|------------------------|--------------|------------------------|--------------|
| | As on 31st March, 2020 | | As on 31st March, 2019 | |
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Sudarshan Kumar Saraf | 67,94,903 | 27.78 | 67,94,903 | 27.78 |
| Shakuntala Saraf | 51,69,867 | 21.13 | 51,69,867 | 21.13 |
| Sharad Kumar Madhoprasad HUF | 22,05,366 | 9.02 | 22,05,366 | 9.02 |
| Navneet Kumar Saraf | 14,13,082 | 5.78 | 14,13,082 | 5.78 |

d). The Company has not issued any equity shares as bonus or for Consideration other than cash and has bought back 70,65,063/- equity Shares during the Period of five years immediately preceding 31st March 2020. The said equity shares were bought back on 1) 52,26,750 shares on 24th February 2016. & 2) 18,38,313 Shares on 1st March 2018.

Note 11(b) : Other Equity

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|-----------------------------------|------------------------|------------------------|
| Capital Redemption Reserve | 706.51 | 706.51 |
| Others : | | |
| Capital Reserve | 20.51 | 20.51 |
| General Reserve | 12,157.44 | 12,157.44 |
| Retained Earnings | 69,924.72 | 59,644.31 |
| Total Reserves and Surplus | 82,809.18 | 72,528.77 |

(i) Capital Redemption Reserve

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------|------------------------|------------------------|
| Opening Balance | 706.51 | 706.51 |
| Closing Balance | 706.51 | 706.51 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

(ii) Capital Reserve

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------|---------------------------|---------------------------|
| Opening Balance | 20.51 | 20.51 |
| Closing Balance | 20.51 | 20.51 |

(iii) General Reserve

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------|---------------------------|---------------------------|
| Opening Balance | 12,157.44 | 12,157.44 |
| Closing Balance | 12,157.44 | 12,157.44 |

(iv) Retained Earnings

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Opening Balance | 59,644.31 | 49,433.14 |
| Add : Total Comprehensive Income for the year after tax | 10,242.10 | 10,187.76 |
| Add : Transitional Adjustments of Ind AS 116 | (3.62) | - |
| Add: Other Adjustments | 41.93 | 23.41 |
| Closing Balance | 69,924.72 | 59,644.31 |

Capital Redemption Reserve

Represent Reserve created during the buyback of Equity Shares and it is non distributable Reserve .

Capital Reserve

During amalgamation / merger approved by Honourable Court, the excess of net assets taken over the Consideration paid , if any, is treated as Capital Reserve .

General Reserve

The reserve arises on transfer portion of the net profit pursuant to the earlier Provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act , 2013.

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Note 12(a) : Non Current Borrowings

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------------------|---------------------------|---------------------------|
| Secured | | |
| Term Loans | | |
| From banks | | |
| Bank of India Rupee Term Loan | - | 350.08 |
| ICICI Bank Rupee Term Loan (I) | 3,607.98 | 3,663.18 |
| ICICI Bank Rupee Term Loan (II) | 1,588.77 | 479.90 |
| HSBC Bank Rupee Term Loan | 426.50 | 230.70 |
| Kotak Mahindra Bank Rupee Term Loan | 7,914.99 | 855.56 |
| Total Non Current Borrowings | 13,538.24 | 5,579.42 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Nature of Security

- 1) Term Loan From Bank of India Is Secured by way of Hypothecation over Plant & Machinery & Equipment acquired out of the said Loan & also by way of Equitable Mortgage over Specific Immovable Properties of Textile Division at Murbad.(Yarn & Fabric Division)
- 2) Term Loan From ICICI Bank(I+II) Is Secured by way of Hypothecation over Plant & Machinery & Equipment acquired out of the said Loan & also by way of pari passu charge over Specific Immovable Properties of Textile Division at Murbad (Yarn & Fabric Division) by way of Equitable Mortgage shared with Bank of India.
- 3) Term Loan from HSBC Bank is Secured by way of PariPassu Charge on Hypothecation of Stock & Book Debts Both Present & Future And Fixed Assets & Equitable Mortgage of The Specific Immovable Properties of Scaffolding Division
- 4) Term Loan From Kotak Mahindra Bank Is Secured by way of Hypothecation over Plant & Machinery & Equipment acquired out of the said Loan & also by way of Equitable Mortgage over Specific Immovable Properties of Textile Division at Amravati (Yarn Division)

Terms of Repayment

- 1) Term Loan from Bank of India is Repayable in 10 Half yearly equal Installments starting from 31.3.2016 & ending on 30.9.2020. Rate of Interest is 9.70% p.a as at the year end .(31st March 2019 : 10.25% p.a) . The said rate of Interest is without Considering Interest Subsidy under TUF Scheme.9.70%
- 2) Term Loan from ICICI Bank (I) is Repayable in 20 Quarterly equal Installments starting from 31-3-2020 & ending on 28-2-2025. Rate of Interest is 8.95 % p.a as at the year end.(31st March 2019: 9.10 % p.a)
- 3) Term Loan from ICICI Bank (II) is Repayable in 20 Quarterly equal Installments starting from 30-9-2020 & ending on 31-8-2025. Rate of Interest is 9.05 % p.a at the year end. (31st March 2019 : 9.10% p.a)
- 4) Term Loan from HSBC Bank is Repayable in 20 Quarterly equal Installments starting from 27.09.2019 & ending on 27.06.2024 . Rate of Interest is 8.40 % p.a as at the year end. (31st March 2019 8.80% p.a)
- 5) Term Loan from Kotak Mahindra Bank is Repayable in 20 Quarterly equal Installments starting from 05.01.2021 & ending on 05.10.2025 . Rate of Interest is 8.40 % p.a as at the year end. (31st March 2019 8.80% p.a)

Note 12(a) : Current Borrowings

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Secured | | |
| From banks | | |
| 1. H.D.F.C. Bank- Overdraft | 817.26 | 1,942.20 |
| 2. H.D.F.C Bank Working Capital Loan | 1,500.00 | - |
| 3. H.D.F.C. Bank - Rupee Packing Credit | 6,469.00 | 8,277.89 |
| 4. H.D.F.C Bank Foreign Currency (\$) Packing Credit | 1,967.42 | - |
| 5. CITI Bank Rupee Packing Credit | - | 3,169.16 |
| 6. CITI Bank Foreign Currency (\$) Packing Credit | 1,059.38 | - |
| 7. Kotak Mahindra Bank Working Capital Loan | 1,080.00 | 2,550.00 |
| 8. Kotak Mahindra Bank Rupee Packing Credit | 2,516.60 | 7,462.93 |
| 9. Kotak Mahindra Bank Foreign Currency (\$) Packing Credit | 2,186.86 | - |
| 10. Kotak Mahindra Bank Cash Credit | 24.08 | - |
| 11. ICICI Bank Rupee Packing Credit | 1,498.21 | 1,442.18 |
| 12. ICICI Bank Foreign Currency (\$) Packing Credit | 2,118.76 | - |
| 13. HSBC Rupee Packing Credit | 2,391.97 | 3,978.20 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| 14. HSBC Foreign Currency (\$) Packing Credit | 1,563.34 | - |
| 15. DBS Bank Rupee Packing Credit | 2,945.54 | 3,015.67 |
| 16. DBS Bank Foreign Currency (\$) Packing Credit | 1,059.38 | - |
| 17. BNP Paribas Rupee Packing Credit | 2,983.09 | 2,298.51 |
| 18. Bank of India- Cash Credit | - | 2.25 |
| 19. Bank of India Rupee Packing Credit | - | 2,000.00 |
| Unsecured | | |
| From banks | | |
| 1. IDFC Bank Rupee Packing Credit | - | 7,607.50 |
| 2. Firststrand Bank Foreign Currency (\$) Packing Credit | 4,729.38 | - |
| Total Current Borrowings | 36,910.27 | 43,746.49 |

Nature of Security

- Overdraft From H.D.F.C Bank are Secured Against Fixed Deposits of the Company.
- Working Capital Loan From HDFC Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future And Fixed Assets & Equitable Mortgage of the Companies Specific Immovable Properties.
- Export Packing Credit (Both Rupee & \$) Against L/Cs. Confirmed Orders From HDFC Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future And Fixed Assets & Equitable Mortgage of the Companies Specific Immovable Properties of Scaffolding Division
- Export Packing Credit (\$) Against L/Cs. Confirmed Orders From CITI Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future And Fixed Assets & Equitable Mortgage of the Companies Specific Immovable Properties of Scaffolding Division
- Working Capital Loan from Kotak Mahindra Bank is secured against Lien of Specific Investments
- Export Packing Credit (Both Rupee & \$) Against L/Cs. Confirmed Orders From Kotak Mahindra Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future of Textile Division at Murbad
- Cash Credit From Kotak Mahindra Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future of Textile Division at Murbad
- Export Packing Credit (Both Rupee & \$) Against L/Cs. Confirmed Orders From ICICI Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future of Textile Division at Murbad
- Export Packing Credit (Both Rupee & \$) Against L/Cs. Confirmed Orders From HSBC Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future And Fixed Assets & Equitable Mortgage of the Companies Specific Immovable Properties of Scaffolding Division
- Export Packing Credit (Both Rupee & \$) Against L/Cs. Confirmed Orders From DBS Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future of Drum Closure Division at Murbad
- Export Packing Credit (Rupee) Against L/Cs. Confirmed Orders From BNP Paribas Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future of Drum Closure Division at Murbad



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note 12(b) : Other financial liabilities

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|--|------------------------|---------------|------------------------|---------------|
| | Current | Non - Current | Current | Non - Current |
| Security Deposits | 378.48 | 39.59 | 158.29 | 41.61 |
| Current Maturity on long term Loans | 1,936.24 | - | 1,203.89 | - |
| Liabilities For Expenses | 6,856.56 | - | 4,816.59 | - |
| Unclaimed Dividend | 11.26 | - | 18.95 | - |
| Total Other Financial Liabilities | 9,182.54 | 39.59 | 6,197.72 | 41.61 |

Note 12(c) : Trade payables

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Current | | |
| Amounts due to related parties | - | 151.31 |
| Total Outstanding dues to Micro & Small Enterprises | 41.11 | 134.42 |
| Others | 5,729.08 | 2,794.32 |
| Total Trade Payables | 5,770.19 | 3,080.05 |

Dues to Micro and Small Enterprises

The Company has certain dues to suppliers registered under Micro , Small and Medium Enterprises Development Act, 2006 ('MSMED Act') .The disclosures Pursuant to the said MSMED Act are as Follows

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| The Principal amount remaining unpaid to any supplier at the end of the year | 41.11 | 134.42 |
| Interest due remaining unpaid to any supplier at the end of the year | - | - |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act , 2006, along with the amount of the payment made to the Supplier beyond the appointed day during the year | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act , 2006. | - | - |
| The amount of Interest accrued and remaining unpaid at the end of each accounting year | - | - |
| The amount of further interest remaining due and payable even in the succeeding years , until such date when the Interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act , 2006 | - | - |

Note-Disclosure of payable to vendors as defined under the “Micro , Small and Medium Enterprise Development Act ,2006” is based on the information available with the Company regarding the Status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance sheet date .There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on Balance brought forward from previous year.



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note 13 : Provisions

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | Current | Non - Current | Current | Non - Current |
| Provision For Leave Salary Encashment | 54.78 | 292.66 | 41.69 | 263.93 |
| Provision For Gratuity | 150.64 | 1,555.01 | 129.04 | 1,303.13 |
| Total Employee Benefit Obligations * | 205.42 | 1,847.67 | 170.73 | 1,567.06 |

* Also refer Note No 31 of Employee Benefits

Note 14 : Deferred tax liabilities (Net)

The balance comprises temporary differences attributable to :

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Property , Plant & Equipment , Intangible Assets & Investment Properties | 805.41 | 1,042.97 |
| Employee Benefits | (516.72) | (607.25) |
| Investments | 671.29 | 840.40 |
| Others | (70.01) | 66.81 |
| Net Deferred Tax Liabilities | 889.97 | 1,342.93 |

Note 15 : Other Non-Current Liabilities

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Deferred Government Grant | 1,111.53 | 531.71 |
| Total Other Non Current Liabilities | 1,111.53 | 531.71 |

Note 16 : Current Tax Liabilities (Net)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Provision For Taxation | 26,158.38 | - |
| Less : Advance Tax | 26,100.83 | - |
| Total Current Tax Liabilities (Net) | 57.55 | - |

Note 17 : Other Current Liabilities

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Advance From Customers | 742.96 | 821.77 |
| Shreyan Infra & Power LLP- Current Account | - | 9.92 |
| Benten Technolgies LLP-Current Account | 0.04 | - |
| Deferred Government Grant | 216.00 | 124.07 |
| Other Liabilities | 620.27 | 253.73 |
| Total Other Current Liabilities | 1,579.27 | 1,209.49 |

Note 18 : Revenue From Operations

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|---|-------------------------------|-------------------------------|
| Sale of products | 1,07,557.22 | 1,03,269.62 |
| Rendering of Services | 2,281.70 | 2,380.24 |
| Other Operating Revenue | 9,037.50 | 9,455.44 |
| Total Revenue from Continuing Operations | 1,18,876.42 | 1,15,105.30 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Disaggregation of Revenue

Revenue based on Geography

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|--|-------------------------------|-------------------------------|
| Domestic | 36,387.64 | 24,536.21 |
| Export # | 82,488.78 | 90,569.09 |
| Total Revenue from Operations as per statement of Profit & Loss | 1,18,876.42 | 1,15,105.30 |

Export Incentives has been included in Export Revenue

Revenue based on Business Segment

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|--|-------------------------------|-------------------------------|
| Drum Closure | 33,466.01 | 33,317.64 |
| Scaffolding | 49,907.11 | 47,378.37 |
| Yarn | 20,235.40 | 20,337.99 |
| Fabric | 14,539.61 | 13,504.53 |
| Power | 728.29 | 566.77 |
| Total Revenue from Operations as per statement of Profit & Loss | 1,18,876.42 | 1,15,105.30 |

Contract Balances

| Particulars | As at 31st March 2020 | As at 31st March 2019 |
|--|--------------------------|--------------------------|
| Trade Receivables | 42,906.54 | 36,550.32 |
| Contract Liabilities (Advances from Customers) | 742.96 | 821.77 |

Reconciling the Amount of Revenue recognised in the statement of Profit & Loss with the Contracted Prices

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|--|-------------------------------|-------------------------------|
| Contract Price | 1,19,207.56 | 1,15,320.13 |
| Less Discount , rebates , Returns, Claims etc | 331.14 | 214.83 |
| Total Revenue from Operations as per statement of Profit & Loss | 1,18,876.42 | 1,15,105.30 |

Note 19 : Other Income and Other Gains/(Losses)

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|--|-------------------------------|-------------------------------|
| Rental Income | 165.31 | 104.08 |
| Other Interest Income | 394.24 | 384.95 |
| Dividend income from investments mandatorily measured at fair value through profit and loss | 0.03 | 0.02 |
| Net Gain on financial assets measured at fair value through profit and loss | 784.34 | 1,538.62 |
| Net Gain on Disposal of Investments mandatorily measured at fair value through Profit & Loss | 391.57 | 92.29 |
| Amortisation of Grant | 230.22 | 134.84 |
| Other Non-Operating Income | 290.98 | 747.04 |
| Net Foreign Exchange gain | 1,595.16 | 384.19 |
| Total Other Income | 3,851.85 | 3,386.03 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note 20 : Cost of materials consumed

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|--|-------------------------------|-------------------------------|
| Raw Materials at the Beginning of the year | 15,603.17 | 13,470.83 |
| Add : Purchases (net) # | 57,796.78 | 61,801.27 |
| | 73,399.95 | 75,272.10 |
| Less : Raw Material at the end of the Year | 14,023.01 | 15,603.17 |
| | 59,376.94 | 59,668.93 |
| Packing Material Consumed | 1,225.80 | 1,393.44 |
| Total Cost of Material Consumed | 60,602.74 | 61,062.37 |

Purchases are reported net of Trade Discounts , Returns , Goods & Service Tax (to the extent refundable / adjustable) & Sales (if any) made during the course of Business

Note 21 : Changes in inventories of finished goods, Stock - in -Trade and work - in - progress

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|---|-------------------------------|-------------------------------|
| Opening Balances | | |
| Work - in - Progress | 4,346.68 | 3,654.24 |
| Finished Goods | 7,517.31 | 5,983.04 |
| Scrap / Waste | 196.40 | 235.07 |
| Total Opening Balances | 12,060.39 | 9,872.36 |
| Closing Balances | | |
| Work - in - Progress | 4,919.29 | 4,346.68 |
| Finished Goods | 7,623.44 | 7,517.31 |
| Scrap / Waste | 315.34 | 196.40 |
| Total Closing Balances | 12,858.07 | 12,060.39 |
| Total Changes in inventories of finished goods, Stock-in -Trade and work-in-progress | (797.68) | (2,188.03) |

Note 22 : Employee benefits expenses

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|---|-------------------------------|-------------------------------|
| Salaries, Wages, Bonus etc | 7,479.57 | 6,311.35 |
| Contribution To Provident Fund , ESIC & Other Funds | 473.08 | 426.74 |
| Gratuity Expenses (Also Refer Note No 31 of Employee Benefits) | 237.36 | 201.81 |
| Gratuity Trust Fund Expenses | - | 0.02 |
| Staff Welfare Expenses | 500.14 | 331.51 |
| Directors Remuneration | 596.45 | 595.76 |
| Total Employee Benefits Expenses | 9,286.60 | 7,867.19 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note 23 : Finance costs

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|---|-------------------------------|-------------------------------|
| Interest | | |
| Interest Expenses (net) (Net of Subsidy ₹ 85.32 Lakhs P.Y ₹ 152.75 Lakhs) under TUF Scheme | 2,893.07 | 2,593.92 |
| Financial Cost | | |
| Bank Charges | 215.57 | 211.96 |
| Bank Guarantee Charges | 14.66 | 5.83 |
| Bank Processing Charges | 17.53 | 59.38 |
| L/C Charges | 31.38 | 32.05 |
| Finance Cost expensed in Profit or Loss | 3,172.21 | 2,903.14 |

Note 24 : Depreciation and amortisation expenses

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|---|-------------------------------|-------------------------------|
| Depreciation on Property, Plant and Equipment | 4,526.66 | 2,993.24 |
| Depreciation on Investment Properties | 45.46 | 42.20 |
| Amortisation of Intangible Assets | 50.83 | 37.92 |
| Total Depreciation and amortisation expenses | 4,622.95 | 3,073.36 |

Note 25 : Other expenses

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|---|-------------------------------|-------------------------------|
| Consumption of Stores and Spares & Other Consumable Items | 4,379.79 | 3,905.11 |
| Repairs & Maintenance | | |
| Plant & Machinery | 674.84 | 962.07 |
| Buildings | 262.04 | 533.61 |
| Others | 622.85 | 484.49 |
| Fuel And Oil Consumed | 1,054.44 | 1,042.36 |
| Power & Electricity | 1,287.79 | 1,476.93 |
| Job Work Charges | 6,268.43 | 5,275.66 |
| Labour Charges | 6,540.62 | 5,573.55 |
| Water Charges | 93.78 | 71.22 |
| Other Manufacturing Expenses | 991.06 | 868.75 |
| Freight & Other Export Charges | 3,044.11 | 2,899.94 |
| Selling & Distribution Expenses on Sales | 1,211.41 | 734.56 |
| Warehouse & Handling Charges | 111.08 | 120.38 |
| Commission/Brokerage | 911.57 | 890.65 |
| Sales Promotion / Advertisement Expenses | 183.54 | 113.73 |
| Travelling & Conveyance Expenses | 430.14 | 429.35 |
| Vehicle Expenses | 249.64 | 219.14 |
| Licence , Legal & Professional Expenses | 621.33 | 630.16 |
| Rent, Rates & Taxes | 254.68 | 250.97 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|--|-------------------------------|-------------------------------|
| Insurance Expenses | 88.50 | 61.89 |
| Director Fees | 4.40 | 3.40 |
| Engineering & Design Charges | 142.01 | 169.74 |
| Technical Training Expenses | 59.93 | 69.77 |
| Printing & Stationery | 85.22 | 61.67 |
| Postage, Telegram & Telephone Expenses | 146.70 | 113.19 |
| Miscellaneous Expenses | 23.64 | 24.14 |
| Donation | 12.00 | 0.11 |
| Expenditure incurred for Corporate Social Responsibility (CSR) (Refer Note No 37) | - | 7.50 |
| Payment to Auditors - Note 25(a) below | 16.98 | 10.82 |
| Sundry Balances written Off | 15.11 | 9.26 |
| Share of Loss from Shreyan Infra & Power LLP | 8.15 | 10.79 |
| Share of Loss from Benten Technologies LLP | 0.04 | - |
| Loss on Sale of Fixed Assets | 0.80 | - |
| Bad Debts | 72.17 | - |
| Total Other expenses | 29,868.79 | 27,024.91 |

Note 25 (a) : - Details of Payment to Auditors

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|----------------------------------|-------------------------------|-------------------------------|
| Payment to Auditors | | |
| As Auditor : | | |
| Audit Fees | 10.00 | 7.00 |
| Tax Audit Fees | 5.00 | 3.00 |
| In other capacities : | | |
| Certification Fees | 1.50 | 0.58 |
| Out of Pocket expenses | 0.48 | 0.24 |
| Total Payment to Auditors | 16.98 | 10.82 |

Note 26 : Tax Expenses

(a) Amounts recognised in profit or loss

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|---|-------------------------------|-------------------------------|
| Current tax expense (A) | | |
| Current year | 3,308.03 | 3,550.00 |
| Short / (Excess) Provision of Taxation for Earlier Years | - | 33.07 |
| Deferred tax expense (B) | | |
| Origination and reversal of temporary differences | (443.87) | 363.16 |
| Tax expense recognised in the income statement (A+B) | 2,864.16 | 3,946.23 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

(b) Amounts recognised in other comprehensive income

| Particulars | 2019-2020 | | | 2018-2019 | | |
|---|----------------|-------------------------|----------------|----------------|-------------------------|----------------|
| | Before tax | Tax expense / (benefit) | Net of tax | Before tax | Tax expense / (benefit) | Net of tax |
| Items that will not be reclassified to profit & loss | | | | | | |
| Remeasurements of the defined benefit plans | (36.13) | (9.09) | (27.04) | (72.86) | (25.46) | (47.40) |
| | (36.13) | (9.09) | (27.04) | (72.86) | (25.46) | (47.40) |

(c) Reconciliation of effective tax rate

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|--|-------------------------------|-------------------------------|
| Profit before tax | 13,133.30 | 14,181.39 |
| Applicable Tax Rate (Current year 25.168% and Previous Year 34.608%) | 3,305.39 | 4,955.54 |
| Tax effect of : | | |
| Tax effect of non deductible/ Allowable on Payment Basis expenses | 182.12 | 5.33 |
| Excess of Depreciation over books under Income Tax Act | (276.69) | (3.97) |
| Exempt Income | (0.01) | (0.01) |
| Deductions under Various sections of Income Tax Act | (24.13) | (293.08) |
| Effect of taxation of Capital Gains | (71.19) | (296.62) |
| Others | (251.33) | (454.04) |
| Taxation of Earlier Years | - | 33.07 |
| Tax expenses as per Statement of Profit & Loss | 2,864.16 | 3,946.23 |
| Effective tax rate | 21.808% | 27.827% |

(d) Movement in deferred tax balances

| Particulars | 31.03.2020 | | | |
|--|--|---|--------------------------------|---|
| | As at 1st April 2019 Deferred Tax Asset / (Liabilities) | Credit / (Charge) in Statement of profit or loss | Credit / (Charge) in OCI | As at 31st March 2020 Deferred Tax Asset / (Liabilities) |
| Deferred tax Asset/(Liabilities) | | | | |
| Depreciation | (1,042.97) | 237.56 | - | (805.41) |
| Expenses Allowed in the year of Payment | 607.25 | (99.62) | 9.09 | 516.72 |
| Investments | (840.40) | 169.11 | - | (671.29) |
| Others | (66.81) | 136.82 | - | 70.01 |
| Deferred Tax Assets/(Liabilities) - Net | (1,342.93) | 443.87 | 9.09 | (889.97) |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Particulars | 31.03.2019 | | | As at 31st March 2019 Deferred Tax Asset / (Liabilities) |
|--|---|--|--------------------------|--|
| | As at 1st April 2018 Deferred Tax Asset / (Liabilities) | Credit / (Charge) in Statement of profit or loss | Credit / (Charge) in OCI | |
| Deferred tax Asset/(Liabilities) | | | | |
| Depreciation | (622.56) | (420.41) | - | (1,042.97) |
| Expenses Allowed in the year of Payment | 524.00 | 57.78 | 25.46 | 607.25 |
| Investments | (1,028.38) | 187.98 | - | (840.40) |
| Others | 121.70 | (188.51) | - | (66.81) |
| Deferred Tax Assets/(Liabilities) - Net | (1,005.24) | (363.16) | 25.46 | (1,342.93) |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has opted for reduced tax rate as per Section 115BAA of the Income Tax Act, 1961 (introduced by the Taxation Laws (Amended) Ordinance, 2019). Accordingly the Company has recognised Provision for Income Tax for the year and re-measured its Deferred tax Liability basis at the rate prescribed in the said section.

Note 27 : Earnings per equity share:

| Particulars | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|---|----------------------------|----------------------------|
| Earnings Per share has been computed as under : | | |
| Net Profit after tax attributable to the Equity Shareholders (₹ in Lakhs) | 10,269.14 | 10,235.16 |
| Weighted Average No of shares Outstanding during the year | 2,44,61,687 | 2,44,61,687 |
| Earnings per Share -Basic & Diluted (Face Value of ₹ 10/- per Share)(in ₹) | 41.98 | 41.84 |

Note 28 : Contingent Liabilities & Commitments (to the extent not Provided for)

A. Contingent Liabilities

| S. No | Contingent Liabilities not provided For | As at 31st March, 2020 | As at 31st March, 2019 |
|-------|--|------------------------|------------------------|
| I. | Stand by Letter of Credit (SBLC) aggregating to Euro 17,50,000 (P.Y Euro 17,50,000) and USD 14,50,000 (P.Y USD 14,50,000) given to Banks on behalf of Technocraft Trading Spolka Z.O.O, Poland. | 2,545.62 | 2,362.02 |
| II | Stand by Letter of Credit (SBLC) aggregating to USD 40,00,000 (P.Y USD 40,00,000) given to Banks on behalf of Anhui Reliable Steel Technology Co.Ltd,China. | 3,026.60 | 2,766.20 |
| III. | Corporate Guarantee aggregating to Pounds 25,00,000 (P.Y Pounds 25,00,000) given to Bank on behalf of Technocraft International Ltd, UK. | 2,337.56 | 2,263.14 |
| IV. | Corporate Guarantee aggregating to USD 12,00,000 (P.Y USD 12,00,000) given to Banks on behalf of Technosoft Engineering Inc.,USA | 907.98 | 829.86 |
| V. | Corporate Guarantee aggregating to USD 1,00,00,000 (P.Y USD 1,00,00,000) given to Banks on behalf of AAIT/ Technocraft Scaffold Distribution LLC. | 7,566.50 | 6,915.50 |
| VI. | Bank Guarantee issued in favour of Suppliers , Customers & Other Statutory Authorities | 1,379.03 | 432.15 |
| VII. | Excise Duty Matters | ## 1,649.77 | ## 1,649.77 |
| VIII. | Service Tax Matters | ## 106.74 | ## 50.25 |
| IX. | Income Tax Matters | 366.67 | 11.83 |
| X | Labour Matters | - | 200.36 |
| XI. | Other Legal Matters | 2,760.54 | 2,122.52 |

includes Penal Amount also



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

B. Commitments

| S. No | Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|-------|---|---------------------------|---------------------------|
| I. | Estimated Amount of Capital Contracts remaining to be executed and not Provided for (net of capital advances) | 660.87 | 5,939.97 |
| II. | Future Export Obligations/ Commitments against EPCG Authorisations | 18,150.32 | 809.24 |

Note- 29 Assets Pledged as Security

The carrying amount of assets Pledged as security for Current & non current borrowings (including credit Limits sanctioned but not utilised) & also for SBLC / Corporate & Trade Guarantees are as below :

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Non Current Assets | | |
| Property, Plant & Equipment | | |
| Lease Hold Land | 339.92 | 325.21 |
| Free Hold Land | 55.16 | 55.16 |
| Factory Building | 7,193.31 | 2,255.69 |
| Plant & Machinery | 23,457.89 | 13,046.73 |
| Capital Work in Progress | 1,281.70 | 3,004.97 |
| Other Financial Assets | | |
| Fixed Deposits with Banks | 126.61 | 2,091.96 |
| Investments | - | 4,698.36 |
| Total Non Current Assets Pledged as security | 32,454.59 | 25,478.08 |
| Current Assets | | |
| Inventories | 28,218.64 | 28,742.06 |
| Other Financial Assets | | |
| Trade Receivables | 42,906.54 | 36,550.32 |
| Fixed Deposits with Banks | 2,633.11 | 633.28 |
| Investments | 5,129.62 | 1,987.86 |
| Total Current Assets Pledged as security | 78,887.91 | 67,913.52 |
| Total Assets Pledged as Security | 1,11,342.50 | 93,391.60 |

Note 30 : Related Party disclosures

The related Parties as per the terms of Ind AS-24, "Related Party Disclosures". (Specified under Section 133 of the Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules ,2015) are disclosed below

A. Name of the related Parties and description of relationship:

(i) Related Party where Control exists

Subsidiary Companies

1. Technocraft International Ltd
2. Technocraft Trading Spolka Z.O.O
3. Technocraft Australia Pty Ltd
4. Technosoft Engineering Projects Ltd



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

5. Anhui Reliable Steel Technology Co. Ltd
6. Shreyan Infra & Power LLP (upto 26th November 2019)
7. Techno Defence Pvt. Ltd
8. Technocraft NZ Limited
9. Shivale Infra Products Private Limited (w.e.f 28th November 2019)

Step Down Subsidiary Companies

1. Technosoft Engineering Inc.
(Formerly Known as Impact Engineering Solutions Inc.)
2. Swift Projects Inc. (upto 31st December 2019)
3. Technosoft Innovations Inc.
4. Technosoft GMBH
5. AAIT/ Technocraft Scaffold Distribution LLC
6. High Mark International Trading -F.Z.E
7. 2045690 Alberta Ltd (Step Engineering) (upto 31st December 2019)
8. Technosoft Services Inc.
9. Technosoft Engineering UK Limited

Joint Venture / Associate

1. Technocraft Tabla Formwork Systems Pvt. Ltd
2. Benten Technologies LLP (w.e.f 6th June 2019)

Name of other Related parties with whom transactions have taken place during the year

Key Managerial Personnel (KMP)

1. Shri Sharad Kumar Saraf
2. Shri Sudarshan Kumar Saraf
3. Shri Navneet Kumar Saraf
4. Shri Ashish Kumar Saraf
5. Shri Atanu Chaudhary
6. Shri Neeraj Rai (Company Secretary)

Relatives of KMP

1. Smt. Priyanka Saraf
2. Ms. Ritu Saraf

Enterprises in which KMP / Relatives of KMP are Interested

1. BMS Industries Ltd
2. S.K.Saraf HUF
3. Ashrit Holdings Limited
4. M.D.Saraf Securities Pvt Ltd
5. Paithan Eco Foods Pvt Ltd



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

6. Nutricraft Products Pvt Ltd
7. Ashrey International Trading Pvt Ltd
8. Hochstein International Trading & Consulting Pvt Ltd
9. Brand You Digital

Non Executive Directors

1. Shri Aubrey Ignatius Rebello
2. Shri Jagdeesh Mehta
3. Shri Vinod Agarwala
4. Shri Vishwambhar Saraf
5. Ms Vaishali Choudhari

Enterprise in which Non Executive Director is interested

1. Remi Edelstahl Tubular Ltd

Trust

1. Technocraft Industries (I) Ltd Employees Group Gratuity Trust

| Transactions during the Year | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|--|-------------------------------|-------------------------------|
| A. Sales of Goods, Materials & Services | | |
| Subsidiaries / Step down Subsidiaries | | |
| 1. Technocraft International Ltd | 1,750.12 | 3,563.09 |
| 2. Technocraft Trading Spolka Z.O.O | 3,349.12 | 1,992.49 |
| 3. High Mark International Trading -F.Z.E | - | 136.63 |
| 4. AAIT/ Technocraft Scaffold Distribution LLC | 17,994.01 | 16,385.13 |
| 5. Anhui Reliable Steel Technology Co. Ltd | 1,088.14 | 790.64 |
| 6. Technocraft Australia Pty Ltd | 909.02 | 374.30 |
| 7. Technocraft NZ Limited | 2,021.74 | 223.09 |
| Enterprises in which KMP are Interested | | |
| 1. BMS Industries Ltd | 837.24 | 778.31 |
| B. Interest Received | | |
| Subsidiaries / Step down Subsidiaries | | |
| 1. Anhui Reliable Steel Technology Co. Ltd | 70.73 | 68.92 |
| 2. Technocraft International Ltd | 29.43 | 84.06 |
| 3. Technocraft Australia Pty Ltd | 12.63 | - |
| 4. Technocraft NZ Limited | 10.42 | - |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Transactions during the Year | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|---|-------------------------------|-------------------------------|
| C. Fees Received against Issue of Guarantee | | |
| Subsidiaries / Step down Subsidiaries | | |
| 1. Technocraft International Ltd | 11.69 | 22.63 |
| 2. Technocraft Trading Spolka Z.O.O | 12.73 | 23.62 |
| 3. Anhui Reliable Steel Technology Co. Ltd | 15.13 | 27.66 |
| 4. AAIT/ Technocraft Scaffold Distribution LLC | 37.83 | 51.76 |
| 5. Technosoft Engineering Inc. | 4.54 | 8.30 |
| D. Rent Received | | |
| Relatives of KMP | | |
| 1. Smt. Priyanka Saraf | 12.00 | 12.00 |
| Subsidiaries / Step down Subsidiaries | | |
| 1. Technosoft Engineering Projects Ltd | 2.00 | - |
| 2. Techno Defence Pvt. Ltd | 0.01 | - |
| 3. Technocraft Tabla Formwork Systems Pvt. Ltd | 0.01 | - |
| Enterprises in which KMP are Interested | | |
| 1. BMS Industries Ltd | 2.00 | - |
| 2. M.D.Saraf Securities Pvt Ltd | 0.01 | - |
| 3. Ashrit Holdings Limited | 0.01 | - |
| 4. Paithan Eco Foods Pvt Ltd | 0.01 | - |
| 5. Nutricraft Products Pvt Ltd | 0.01 | - |
| 6. Ashrey International Trading Pvt Ltd | 0.01 | - |
| 7. Hochstein International Trading & Consulting Pvt Ltd | 0.01 | - |
| E. Advancement of Loan | | |
| Subsidiaries / Step down Subsidiaries | | |
| 1. Technocraft Australia pty Ltd | * 240.44 | - |
| 2. Technocraft NZ Limited | * 115.15 | - |
| * excluding the Year End Exchange rate effect | | |
| F. Recovery of Loan | | |
| Subsidiaries / Step down Subsidiaries | | |
| 1. Technocraft International Ltd | 449.54 | 423.64 |
| G. Engineering & Design Charges Paid | | |
| Subsidiaries / Step down Subsidiaries | | |
| 1. Technosoft Engineering Projects Ltd | 132.19 | 154.6 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Transactions during the Year | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|---|-------------------------------|-------------------------------|
| H. Commission Paid on Sales | | |
| Subsidiaries / Step down Subsidiaries | | |
| 1. Technocraft Trading Spolka Z.O.O | 39.82 | 43.25 |
| Enterprise in which Non Executive Director is Interested | | |
| 1. Remi Edelstahl Tubular Ltd | 93.46 | 69.13 |
| I. Sitting Fees | | |
| Non Executive Directors | | |
| Director Sitting Fees | 4.40 | 3.40 |
| J. Warehousing Charges Paid | | |
| Subsidiaries / Step down Subsidiaries | | |
| 1. AAIT/ Technocraft Scaffold Distribution LLC | 50.84 | - |
| K. Purchase of Materials / Assets / Stores & Spares / Traded Goods | | |
| Subsidiaries / Step down Subsidiaries | | |
| 1. High Mark International Trading -F.Z.E | 1,347.79 | 1,415.12 |
| 2. Anhui Reliable Steel Technology Co. Ltd | 2,123.71 | 3,256.93 |
| Enterprises in which KMP are Interested | | |
| 1. BMS Industries Ltd | 293.92 | 276.28 |
| Enterprise in which Non Executive Director is Interested | | |
| 1. Remi Edelstahl Tubular Ltd | 34.43 | - |
| L. Job Work Charges Paid | | |
| Enterprises in which KMP are Interested | | |
| 1. BMS Industries Ltd | 5,592.64 | 5,152.39 |
| M. Rent Paid | | |
| Enterprises in which KMP are Interested | | |
| 1. S.K.Saraf HUF | 24.00 | 24.00 |
| N. Professional fees Paid | | |
| Enterprises in which Relative of KPM are Interested | | |
| 1. Brand You Digital | 2.15 | - |
| O. Managerial Remuneration | | |
| Key Managerial Personnel | | |
| Salaries ,Wages ,Bonus , Commission & Other Benefits | * 612.66 | * 611.14 |
| Contribution towards P.F.,Family Pension etc | 0.62 | 0.69 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Transactions during the Year | Year Ended 31st March 2020 | Year Ended 31st March 2019 |
|--|----------------------------------|----------------------------------|
| P. Investment in equity shares / Capital Contribution Subsidiaries / Step down Subsidiaries / Associate | | |
| 1. Technocraft NZ Limited | - | 46.91 |
| 2. Shivale Infra Products Private Limited | 5.00 | - |
| 3. Benten Technologies LLP | 0.50 | - |
| Q. Sale of Investment in Equity Shares of Subsidiaries Enterprises in which KMP are Interested | | |
| Ashrit Holdings Limited | - | 2.00 |
| R. Guarantee issued Subsidiaries / Step down Subsidiaries | | |
| 1. AAIT/ Technocraft Scaffold Distribution LLC | - | 3,458.00 |
| 2. Technosoft Engineering Inc. | - | 276.64 |
| S. Trusts | | |
| Technocraft Industries (i) Ltd Employees Group Gratuity Trust | | |
| Gratuity Contribution | 273.49 | 274.67 |
| Reimbursement of Administration Charges | - | 0.02 |
| Gratuity Benefits Received | 47.42 | 67.65 |
| Amount due to / From Related Parties | As at 31st March 2020 | As at 31st March 2019 |
| A. Trade & Other Receivables | | |
| Subsidiaries / Step Down Subsidiaries | | |
| 1. Technocraft International Ltd | 696.33 | 2,199.93 |
| 2. Technocraft Trading Spolka Z.O.O | 3,206.78 | 1,543.26 |
| 3. AAIT/ Technocraft Scaffold Distribution LLC | 15,110.75 | 12,233.34 |
| 4. Anhui Reliable Steel Technology Co. Ltd | 1,224.51 | 670.60 |
| 5. Technosoft Engineering Inc. | 37.96 | 29.27 |
| 6. Technocraft Australia Pty Ltd | 925.55 | 231.11 |
| 7. Technocraft NZ Limited | 2,007.66 | 222.34 |
| Advancement of Loan | | |
| Subsidiaries / Step Down Subsidiaries | | |
| 1. Anhui Reliable Steel Technology Co. Ltd | 733.94 | 670.85 |
| 2. Technocraft International Ltd | - | 449.54 |
| 3. Technocraft Australia Pty Ltd | 230.38 | - |
| 4. Technocraft NZ Limited | 112.22 | - |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

B. Trade & Other Payables

Subsidiaries / Step Down Subsidiaries

| | | |
|--|-------|--------|
| 1. Technocraft Trading Spolka Z.O.O | 42.64 | 43.25 |
| 2. Anhui Reliable Steel Technology Co. Ltd | 7.57 | 158.23 |
| 3. Technocraft NZ Limited | - | 46.91 |

Enterprises in which KMP are Interested

| | | |
|--------------------|--------|--------|
| BMS Industries Ltd | 1561.5 | 933.63 |
|--------------------|--------|--------|

Commission & Bonus Payable

| | | |
|--------------------------|--------|--------|
| Key Managerial Personnel | 230.92 | 230.88 |
|--------------------------|--------|--------|

Guarantees Issued to Bank

| | | |
|---------------------------------------|-----------|-----------|
| Subsidiaries / Step Down Subsidiaries | 16,384.26 | 15,136.72 |
|---------------------------------------|-----------|-----------|

Gratuity Contribution & Administration Charges Payable

Trust

| | | |
|---|----------|----------|
| Technocraft Industries (I) Ltd Employees Group Gratuity Trust | 1,710.04 | 1,436.56 |
|---|----------|----------|

Note

- The transactions with related parties are made on terms equivalent to those that are Prevailing in arm's Length transaction Outstanding balances at the year end are unsecured .The Company has not recorded any impairment of receivables relating to amounts owned by the related Parties .This assessment is undertaken each Financial year through examining the Financial Position of the related party and the market in which the related Party operates
- Loan to Subsidiaries have been given for Working Capital Requirements & have been utilised for the same
- Guarantee Provided to the Lenders of the Subsidiaries are for availing working capital Facilities from the lender banks

* excludes Provision for Gratuity & Compensated leave for Key Managerial Personnel as Separate Actuarial Valuation is not available

Note 31 : Disclosure Pursuant to Ind AS - 19 "Employee Benefits"

[A] Post Employment Benefit Plans:

Defined Contribution Scheme

The Company contributes at a defined percentage of the employee salary out of the total entitlements on account of superannuation benefits under this scheme.

| Amount recognised in the Statement of Profit and Loss | 2019-2020 | 2018-2019 |
|---|-----------|-----------|
| Defined Contribution Scheme | # 374.08 | # 316.73 |

excluding ₹ 7.43 Lakhs (P.Y ₹ 11.95 Lakhs) Contributed by Government of India under PMRPY Scheme

Defined Benefit Plans

The Company has the following Defined Benefit Plans

Gratuity: In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes contribution to the gratuity fund administered by life Insurance Companies under their respective Group Gratuity Schemes.



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

The disclosure in respect of the defined Gratuity Plan are given below:

| Particulars | Defined Benefit Plans | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2020 | As at 31st March, 2019 |
| Present value of funded obligations | 1,954.62 | 1,717.78 |
| Fair Value of plan assets | 248.97 | 285.61 |
| Net (Asset)/Liability recognised | 1,705.65 | 1,432.17 |

Movements in plan assets and plan liabilities

| Particulars | Present value of obligations | Fair Value of Plan Assets |
|--|---------------------------------|------------------------------|
| As at 1st April 2019 | 1,717.78 | 285.61 |
| Current service cost | 132.73 | - |
| Interest Income | - | 13.75 |
| Interest Cost | 118.37 | - |
| Return on plan assets excluding amounts included in net finance income | - | (2.97) |
| Actuarial (gain)/loss arising from changes in financial assumptions | 40.93 | - |
| Contributions by Employer | - | - |
| Actuarial (gain)/loss arising from experience adjustments | (6.68) | - |
| Actuarial (gain) / loss arising from Demographic assumption | (1.09) | - |
| Benefit payments | (47.42) | (47.42) |
| As at 31st March 2020 | 1,954.62 | 248.97 |

| Particulars | Present value of obligations | Fair Value of Plan Assets |
|--|---------------------------------|------------------------------|
| As at 1st April 2018 | 1495.38 | 237.89 |
| Current service cost | 110.44 | - |
| Interest Income | - | 10.02 |
| Interest Cost | 101.40 | - |
| Return on plan assets excluding amounts included in net finance income | - | 5.35 |
| Actuarial (gain)/loss arising from changes in financial assumptions | (6.39) | - |
| Contributions by Employer | - | 100.00 |
| Actuarial (gain)/loss arising from experience adjustments | 84.60 | - |
| Benefit payments | (67.65) | (67.65) |
| As at 31st March 2019 | 1717.78 | 285.61 |

Statement of Profit and Loss

| Employee benefit expenses : | 2019-2020 | 2018-2019 |
|--|---------------|---------------|
| Current Service cost | 132.73 | 110.44 |
| Net Interest cost | 104.63 | 91.37 |
| Total amount recognised in Statement of P&L | 237.36 | 201.81 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Employee benefit expenses : | 2019-2020 | 2018-2019 |
|---|--------------|--------------|
| Remeasurement of the net defined benefit liability : | | |
| Return on plan assets excluding amounts included in Interest Income | 2.97 | (5.35) |
| Change in Financial Assumptions | 40.93 | (6.39) |
| Change in Demographic assumptions | (1.09) | - |
| Experience Adjustments | (6.68) | 84.60 |
| Total Expenses / (Income) recognised in Other Comprehensive Income | 36.13 | 72.86 |

Investment pattern for Fund as on

| Category of Asset | As at 31st March, 2020 | As at 31st March, 2019 |
|-----------------------------------|---------------------------|---------------------------|
| Government of India Securities | 0% | 0% |
| State Government Securities | 0% | 0% |
| High quality corporate bonds | 0% | 0% |
| Equity shares of listed companies | 0% | 0% |
| Property | 0% | 0% |
| Special Deposit Scheme | 0% | 0% |
| Policy of insurance | 100% | 100% |
| Bank Balance | 0% | 0% |
| Other Investments | 0% | 0% |
| Total | 100% | 100% |

Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

| Financial Assumptions | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------|---|---|
| Discount rate | 6.55% p.a | 7.65% p.a |
| Salary escalation rate | 0% for next 2 years & 5% thereafter | 5.00% |
| Withdrawal Rates | 2% at younger ages reducing to 1% at older ages | 2% at younger ages reducing to 1% at older ages |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Demographic Assumptions

Mortality in service : Indian Assured Lives Mortality (2006-08) Table

Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

| Particulars | As at | As at |
|--|---------------------------------------|---------------------------------------|
| | 31st March, 2020 | 31st March, 2019 |
| | Increase/ Decrease in liability | Increase/ Decrease in liability |
| <u>Discount rate varied by 0.5%</u> | | |
| 0.50% | 1,883.37 | 1,656.31 |
| -0.50% | 2,031.33 | 1,783.78 |
| <u>Salary growth rate varied by 0.5%</u> | | |
| 0.50% | 2032.45 | 1,784.97 |
| -0.50% | 1881.73 | 1,654.73 |

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

The expected future cash flows as at 31st March 2020 & as at 31st March 2019 were as follows:

| Expected contribution | As at | As at |
|--|------------------|------------------|
| | 31st March, 2020 | 31st March, 2019 |
| Projected benefits payable in future years from the date of reporting | | |
| 1st following year | 503.65 | 340.82 |
| 2nd following year | 117.69 | 191.35 |
| 3rd following year | 106.55 | 124.59 |
| 4th following year | 103.28 | 123.03 |
| 5th following year | 100.43 | 107.92 |
| Years 6 to 10 | 695.9 | 682.94 |

[B] Other Long term employee benefits

Leave Encashment:

The Employees are entitled to accumulate Earned Leave , which can be availed during the service period. Employees are also allowed to encash the accumulated earned leave during the service period. Further, the accumulated earned leave can be encashed by the employees on superannuation, resignation, and termination or by nominee on death.

| Particulars | Defined Benefit Plans | |
|---|-----------------------|---------------|
| | As at | As at |
| | 31-Mar-20 | 31-Mar-19 |
| Present value of unfunded obligations | 347.44 | 305.62 |
| Net (Asset)/Liability recognised | 347.44 | 305.62 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Reconciliation of balances of Defined Benefit Obligations.

| | Leave Encashment - Unfunded | |
|--|-----------------------------|---------------|
| | 2019-2020 | 2018-2019 |
| Defined Obligations at the beginning of the year | 305.62 | 256.61 |
| Current Service Cost | 36.08 | 30.85 |
| Interest Cost | 21.79 | 19.42 |
| Actuarial loss/(gain) due to change in financial assumptions | 14.34 | (1.48) |
| Actuarial loss/(gain) due to change in Demographic assumptions | (0.24) | - |
| Actuarial loss/ (gain) due to experience adjustments | (12.13) | 17.63 |
| Benefits paid | (18.02) | (17.41) |
| Defined Obligations at the end of the year | 347.44 | 305.62 |

Amount recognised in Statement of Profit and Loss

| | 2019-2020 | 2018-2019 |
|---|--------------|--------------|
| Current Service Cost | 36.08 | 30.85 |
| Net Interest Cost | 21.79 | 19.42 |
| Net value of remeasurements on the obligation and plan assets | 1.97 | 16.15 |
| Total amount recognised in Statement of P&L | 59.84 | 66.42 |
| Change in Financial Assumptions | 14.34 | (1.48) |
| Experience gains/(losses) | (12.37) | 17.63 |
| Net Actuarial Loss/(Gain) | 1.97 | 16.15 |

Major Actuarial Assumptions

| | 2019-2020 | 2018-2019 |
|----------------------------------|---|---|
| Discount Rate (%) | 6.55% p.a | 7.65% p.a |
| Salary Escalation/ Inflation (%) | 0% for 2 years and 5% p.a thereafter | 5% p.a |
| Withdrawal Rates | 2% at younger ages reducing to 1% at older ages | 2% at younger ages reducing to 1% at older ages |

Demographic Assumptions

Mortality in service : Indian Assured Lives Mortality (2006-08) Table

Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| | Increase/ Decrease in liability | Increase/ Decrease in liability |
| <u>Discount rate varied by 0.5%</u> | | |
| 0.50% | 330.75 | 291.42 |
| -0.50% | 365.66 | 321.05 |
| <u>Salary growth rate varied by 0.5%</u> | | |
| 0.50% | 365.97 | 321.38 |
| -0.50% | 330.34 | 291.01 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

The expected future cash flows as at 31st March 2020 & as at 31st March 2019 were as follows:

| Expected contribution | As at 31st March 2020 | As at 31st March 2019 |
|--|--------------------------|--------------------------|
| Projected benefits payable in future years from the date of reporting | | |
| 1st following year | 54.78 | 41.39 |
| 2nd following year | 16.36 | 12.95 |
| 3rd following year | 17.33 | 20.96 |
| 4th following year | 19.17 | 22.11 |
| 5th following year | 16.97 | 21.27 |
| Years 6 to 10 | 126.25 | 125.73 |

Note 32 : Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the management approach as defined in Ind AS 108, the chief operating decision maker (CODM) evaluates the companies performance and allocates resources based on an analysis of various performance indicators by business segment and geographic segment. Accordingly, information has been presented both along business segment and geographic segment. The accounting principle used in the preparation of financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

The Company has identified Drum Closures, Scaffoldings, Yarn, Fabric and Power as primary business segments of the Company.

The above business segments have been identified considering :

- i) The nature of the product
- ii) The deferring risk and returns
- iii) The internal financial reporting systems

The Geographical Segments considered for Disclosure are as Follows

- a) Revenue within India includes Revenue from Sales of Products (including Scrap) & Services to Customers Located within India and earnings in India.
- b) Revenue outside India includes Revenue from Sales of Products & Services to Customers Located outside India and earnings outside India and export Incentive benefits.

Revenue and expenses have been accounted for based on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable" Inter segment transfer, are accounted for at competitive market prices, charged to unaffiliated customer for similar goods.



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Particulars | Year Ended 31st March , 2020 | Year Ended 31st March , 2019 |
|---|---------------------------------|---------------------------------|
| Segment Revenue | | |
| a. Drum Closures Division | 33,595.65 | 33,408.34 |
| b. Scaffoldings Division | 50,124.07 | 48,456.94 |
| c. Yarn Division | 26,719.89 | 27,227.92 |
| d. Fabric Division | 14,997.92 | 13,540.07 |
| e. Power Division | 5,134.66 | 5,324.96 |
| Total | 1,30,572.19 | 1,27,958.23 |
| Less : Inter Segment Revenue | 11,695.77 | 12,852.93 |
| Total External Revenue from Operations | 1,18,876.42 | 1,15,105.30 |
| Results | | |
| Segment Result | | |
| a. Drum Closures Division | 8,695.76 | 8,775.07 |
| b. Scaffoldings Division | 7,763.00 | 7,756.46 |
| c. Yarn Division | (487.57) | (587.07) |
| d. Fabric Division | (677.00) | (895.46) |
| e. Power Division | 513.17 | 874.65 |
| Segment operating Profit | 15,807.36 | 15,923.65 |
| Reconciliation of Segment Operating Profit to Operating Profit | | |
| Unallocable Income / (Expenses) | | |
| Employee benefit Expenses | (854.46) | (814.60) |
| Depreciation & Amortisation | (227.05) | (59.93) |
| Other Expenses | (269.50) | (312.57) |
| Interest Income | 320.03 | 344.85 |
| Net Gain on Investments & Investment Property | 1,175.91 | 1,630.92 |
| Rental Income | 165.31 | 104.08 |
| Other Income | 187.91 | 268.15 |
| Operating Profit | 16,305.51 | 17,084.53 |
| Less | | |
| Finance Cost | 3,172.21 | 2,903.14 |
| Net Profit before tax | 13,133.30 | 14,181.39 |
| Less | | |
| Income Tax Expenses | 3308.03 | 3,583.07 |
| Deferred Tax Expenses (net) | (443.87) | 363.16 |
| Net Profit After Tax | 10,269.14 | 10,235.16 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Reconcillation to Amounts Reflected in the Financial Statements

| | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Segment Assets | | |
| a. Drum Closures Division | 18,847.80 | 19,107.63 |
| b. Scaffoldings Division | 46,737.29 | 44,285.81 |
| c. Yarn Division | 37,588.77 | 23,867.10 |
| d. Fabric Division | 14,834.92 | 13,276.06 |
| e. Power Division | 3,094.23 | 3,129.04 |
| Segment Operating Assets | 1,21,103.01 | 1,03,665.64 |
| Reconcillation of Segment Operating assets to Total Assets | | |
| Non Current Assets | | |
| Property ,Plant & Equipment | 346.21 | 254.59 |
| Capital Work in Progress | 218.07 | 176.85 |
| Investment Properties | 889.22 | 934.68 |
| Intangible Assets | 2.29 | 5.64 |
| Non Current Investments | 12,937.21 | 14,792.13 |
| Other Financial Assets | 153.32 | 2,180.36 |
| Other Non Current Assets | 71.25 | - |
| Current Assets | | |
| Current Investments | 14,617.80 | 12,370.99 |
| Cash & Cash Equivalent | 609.76 | 226.77 |
| Other Bank Balances | 2,601.26 | 568.95 |
| Loans | 1,076.54 | 1,120.39 |
| Other Financial Assets | 666.40 | 630.00 |
| Current Tax Assets (net) | - | 424.31 |
| Other Current Assets | 1,095.25 | 1,090.85 |
| Unallocable Assets | 35,284.58 | 34,776.51 |
| Total Assets | 1,56,387.59 | 1,38,442.15 |
| Segment Liabilities | | |
| a. Drum Closures Division | 4,851.64 | 3,133.69 |
| b. Scaffoldings Division | 4,358.97 | 3,152.23 |
| c. Yarn Division | 4,471.53 | 1,550.31 |
| d. Fabric Division | 1,443.77 | 1,153.63 |
| e. Power Division | 715.30 | 757.77 |
| Segment Operating Liabilities | 15,841.21 | 9,747.63 |
| Reconcillation of Segment Operating Liabilities to Total Liabilities | | |
| Non Current Liabilities | | |
| Non Current Borrowings | 13,538.24 | 5,579.42 |
| Other Financial Liabilities | 39.59 | 41.61 |
| Deferred Tax Liability (net) | 889.97 | 1,342.93 |
| Provisions | 1,555.02 | 1,303.13 |
| Current Liabilities | | |
| Current Borrowings (including Current Maturity on Long Term Borrowings) | 38,846.51 | 44,950.38 |
| Other Financial Liabilities | 208.87 | 359.51 |
| Provisions | 150.63 | 129.04 |
| Current Tax Liabilities (net) | 57.55 | - |
| Other Current Liabilities | 4.65 | 13.56 |
| Unallocable Liabilities | 55,291.03 | 53,719.58 |
| Total Liabilities | 71,132.24 | 63,467.21 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Capital Expenditure (excluding CWIP)

| | Year Ended 31st March , 2020 | Year Ended 31st March , 2019 |
|---------------------------|---------------------------------|---------------------------------|
| a. Drum Closures Division | 875.02 | 1,201.23 |
| b. Scaffoldings Division | 1,720.50 | 1,358.19 |
| c. Yarn Division | 15,230.02 | 1,360.75 |
| d. Fabric Division | 1,736.52 | 5,108.97 |
| e. Power Division | 74.04 | 112.72 |
| f. Unallocable | 10.26 | 456.61 |
| Total | 19,646.36 | 9,598.47 |

Depreciation & Amortization

| | Year Ended 31st March , 2020 | Year Ended 31st March , 2019 |
|---------------------------|---------------------------------|---------------------------------|
| a. Drum Closures Division | 630.42 | 523.48 |
| b. Scaffoldings Division | 704.59 | 552.52 |
| c. Yarn Division | 1,420.23 | 873.38 |
| d. Fabric Division | 1,490.18 | 903.05 |
| e. Power Division | 150.48 | 160.99 |
| f. Unallocable | 227.05 | 59.93 |
| Total | 4,622.95 | 3,073.36 |

Secondary Segment

Geographic Information

Revenue from External Customers

| | Year Ended 31st March , 2020 | Year Ended 31st March , 2019 |
|---------------|---------------------------------|---------------------------------|
| India | 36,387.64 | 24,536.21 |
| Outside India | 82,488.78 | 90,569.09 |
| Total | 1,18,876.42 | 1,15,105.30 |

Segment Assets (unallocable Assets)

| | As at 31st March , 2020 | As at 31st March , 2019 |
|---------------|----------------------------|----------------------------|
| India | 1,18,821.21 | 1,03,311.04 |
| Outside India | 37,566.38 | 35,131.11 |
| Total | 1,56,387.59 | 1,38,442.15 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note 33: Fair Value Measurements

A. Financial instruments by category and fair value hierarchy :

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

| 31st March 2020 | Carrying Value | | | | Fair value | | | |
|---|----------------------|-----------------------------|------------------|------------------|------------------|----------|----------|------------------|
| | Mandatorily at FVTPL | FVTOCI - designated as such | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value through Profit and loss : | | | | | | | | |
| Non-current : | | | | | | | | |
| Investment In Mutual Funds | 10,043.84 | - | - | 10,043.84 | 10,043.84 | - | - | 10,043.84 |
| Current : | | | | | | | | |
| Investment In Mutual Funds | 14,550.42 | - | - | 14,550.42 | 14,550.42 | - | - | 14,550.42 |
| Investment in Quoted Equity Instruments | 67.38 | - | - | 67.38 | 67.38 | - | - | 67.38 |
| Financial assets at amortised cost | | | | | | | | |
| Non-current : | | | | | | | | |
| Deposits | - | | 573.07 | 573.07 | - | - | - | - |
| Current : | | | | | | | | |
| Deposits | - | | 50.27 | 50.27 | - | - | - | - |
| Loan to Subsidiaries | - | - | 1,076.54 | 1,076.54 | - | - | - | - |
| Loan to Employees | - | - | 91.55 | 91.55 | - | - | - | - |
| Cash and cash equivalents | - | - | 4,459.01 | 4,459.01 | - | - | - | - |
| Other Bank Balances | - | - | 2,572.85 | 2,572.85 | - | - | - | - |
| Trade receivables | - | - | 42,906.54 | 42,906.54 | - | - | - | - |
| Others | - | - | 1,589.41 | 1,589.41 | - | - | - | - |
| | 24,661.64 | - | 53,319.24 | 77,980.88 | 24,661.64 | - | - | 24,661.64 |
| Financial liabilities at amortised cost | | | | | | | | |
| Non Current | | | | | | | | |
| Term loans | - | - | 13,538.24 | 13,538.24 | - | - | - | - |
| Deposits | - | - | 39.59 | 39.59 | - | - | - | - |
| Current | | | | | | | | |
| Borrowings | - | - | 36,910.27 | 36,910.27 | - | - | - | - |
| Trade and Other Payables | - | - | 5,770.19 | 5,770.19 | - | - | - | - |
| Deposits | - | - | 378.48 | 378.48 | - | - | - | - |
| Other Current Financial Liabilities (including current maturities of Long Term loans) | - | - | 8,804.06 | 8,804.06 | - | - | - | - |
| | - | - | 65,440.83 | 65,440.83 | - | - | - | - |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| 31st March 2019 | Carrying amount | | | | Fair value | | | |
|---|----------------------|-----------------------------|------------------|------------------|------------------|----------|----------|------------------|
| | Mandatorily at FVTPL | FVTOCI - designated as such | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value through Profit and loss : | | | | | | | | |
| Non-current : | | | | | | | | |
| Investment In Mutual Funds | 11,903.36 | - | - | 11,903.36 | 11,903.36 | - | - | 11,903.36 |
| Current : | | | | | | | | |
| Investment In Mutual Funds | 12,325.68 | - | - | 12,325.68 | 12,325.68 | - | - | 12,325.68 |
| Investment in Quoted Equity Instruments | 45.31 | - | - | 45.31 | 45.31 | | | 45.31 |
| Financial assets at amortised cost | | | | | | | | |
| Non-current : | | | | | | | | |
| Deposits | - | - | 2,519.80 | 2,519.80 | - | - | - | - |
| Current : | | | | | | | | |
| Deposits | - | - | 49.37 | 49.37 | - | - | - | - |
| Loan to Subsidiaries | - | - | 1,120.39 | 1,120.39 | - | - | - | - |
| Loan to Employees | - | - | 99.61 | 99.61 | - | - | - | - |
| Cash and cash equivalents | - | - | 3,219.92 | 3,219.92 | - | - | - | - |
| Other Bank Balances | - | - | 354.29 | 354.29 | - | - | - | - |
| Trade receivables | - | - | 36,550.32 | 36,550.32 | - | - | - | - |
| Others | - | - | 1,481.65 | 1,481.65 | - | - | - | - |
| | 24,274.35 | - | 45,395.35 | 69,669.70 | 24,274.35 | - | - | 24,274.35 |
| Financial liabilities at amortised cost | | | | | | | | |
| Non Current | | | | | | | | |
| Term loans | - | - | 5,579.42 | 5,579.42 | - | - | - | - |
| Deposits | - | - | 41.61 | 41.61 | - | - | - | - |
| Current | | | | | | | | |
| Borrowings | - | - | 43,746.49 | 43,746.49 | - | - | - | - |
| Trade and Other Payables | - | - | 3,080.05 | 3,080.05 | - | - | - | - |
| Deposits | - | - | 158.29 | 158.29 | - | - | - | - |
| Other Current Financial Liabilities (including current maturities of Long Term loans) | - | - | 6,039.43 | 6,039.43 | - | - | - | - |
| | - | - | 58,645.29 | 58,645.29 | - | - | - | - |

During the reporting period ended March 31, 2020 and March 31, 2019, there were no transfers between level 1 and level 2 fair value measurements.

B. Measurement of fair values

The following methods and assumptions were used to estimate the fair values of financial instruments :

- The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair values of the equity / Mutual Fund investments which are quoted, are derived from quoted market prices in active markets.



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note 34 : Financial Risk Management

Risk management framework

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of all the risk on its financial performance. The Board of Directors and the Audit Committee are responsible for overseeing the Company's risk assessment and management policies and processes.

The Company's has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Market risk ; and
- Liquidity risk

1. Credit Risk

The Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set and periodically reviewed on the basis of such Information .

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the company. The Company categorises a trade receivable for write off when a debtor fails to make contractual payments or on case to case basis. Where trade receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as Income in the statement of profit or loss.

The Company measures loss rate for trade receivables from Individual customers based on the historical trend, industry practices and the business environment in which the entity operates .Loss rates are based on Past Trends . Based on the historical data , no probable loss on collection of receivable is anticipated & hence no provision is considered .

In case of Credit risks from balances with banks and financial institutions , the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks and other counterparties. The Company's maximum exposure in this respect is the maximum amount that the Company would have to pay if the guarantee is called upon. The maximum exposure relating to financial guarantees instruments is disclosed in note no 28 (contingent liabilities).

Ageing of Account receivables

| Particulars | As at 31st March 2020 | As at 31st March 2019 |
|------------------|--------------------------|--------------------------|
| Not due | 21,006.60 | 22,683.26 |
| 0-90 days | 10,645.33 | 9,307.25 |
| 91-180 days | 7,531.20 | 3,763.51 |
| 181 to 270 days | 2,931.39 | 514.59 |
| 271 to 365 days | 453.40 | 134.74 |
| 365 days & Above | 338.62 | 146.97 |
| Total | 42,906.54 | 36,550.32 |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

2. Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly of currency risk and interest rate risk. Financial Instrument affected by Market risks includes loans and borrowings and foreign Currency Receivables and payables. The Company has set processes and policies to assess, control and monitor the effect of the risk on the financial performance of the company.

i) Currency Risk

This is the risk that the Company may suffer losses as a result of adverse exchange rate movement during the relevant period. The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. The senior management personnel are responsible for identifying the most effective and efficient ways of managing by entering into forward contracts and monitored by board of directors.

Unhedged Foreign Currency exposures

(a) Particulars of Unhedged Foreign Currency exposures as at the reporting date

As at 31st March 2020

Foreign Currency in Lakhs

| Particulars | USD | EURO | SGD | GBP | AUD | JPY | CHF | PLN | NZD |
|--|--------------|--------------|-------------|-------------|--------------|-------------|-------------|-------------|--------------|
| Trade Payables / Other Financial Liabilities | (6.02) | (1.46) | - | - | - | (0.51) | - | - | - |
| Trade Receivables / Other Financial Assets | 276.95 | 40.22 | 0.18 | 4.27 | 18.51 | 4.96 | 0.32 | 0.19 | 9.73 |
| Advances from Customers | (5.01) | (0.98) | - | (0.00) | (0.27) | (0.76) | - | - | - |
| Loans Given | 9.70 | - | - | - | 5.00 | - | - | - | 2.50 |
| Bank Loan Taken | (194.06) | - | - | - | - | - | - | - | - |
| Bank Balances | 18.18 | 6.17 | - | - | - | - | - | - | - |
| Net | 99.76 | 43.95 | 0.18 | 4.27 | 23.23 | 3.69 | 0.32 | 0.19 | 12.23 |

As at 31st March 2019

| Particulars | USD | EURO | SGD | GBP | AUD | JPY | CHF | PLN | NZD |
|--|---------------|--------------|-------------|-------------|-------------|-------------|----------|-------------|-------------|
| Trade Payables / Other Financial Liabilities | (5.35) | (2.23) | - | - | - | (0.57) | - | - | - |
| Trade Receivables / Other Financial Assets | 226.38 | 63.61 | 0.21 | 4.43 | 4.80 | 12.00 | - | 0.19 | 4.73 |
| Advances from Customers | (2.23) | (0.16) | - | - | (0.26) | (2.64) | - | - | - |
| Loans Given | 16.20 | - | - | - | - | - | - | - | - |
| Bank Balances | 27.00 | 3.48 | - | - | - | - | - | - | - |
| Net | 262.00 | 64.71 | 0.21 | 4.43 | 4.54 | 8.79 | - | 0.19 | 4.73 |

b) Foreign Currency Risk Sensitivity

A reasonably possible strengthening / (weakening) of the Indian Rupee against various below currencies at 31st March would have affected the measurement of financial instruments denominated in those currencies and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

A change in 1% in Foreign Currency would have following Impact on Profit before tax assuming that all other variables, in Particular interest rate remain constant & ignoring any impact of forecast Sales & Purchases.

| | 2019-2020 | | 2018-2019 | |
|--|---------------|-----------------|---------------|-----------------|
| | 1% increase | 1% Decrease | 1% increase | 1% Decrease |
| USD | 75.48 | (75.48) | 181.19 | (181.19) |
| EURO | 36.38 | (36.38) | 50.26 | (50.26) |
| GBP | 3.99 | (3.99) | 4.01 | (4.01) |
| Others | 16.60 | (16.60) | 4.65 | (4.65) |
| Increase / (Decrease) in Profit or Loss | 132.45 | (132.45) | 240.10 | (240.10) |

ii) Interest rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company has exposure to Interest rate risk, arising principally on changes in base lending rate/ LIBOR rates. As the Percentage of Borrowings with Floating Interest rate is very small as Compared to Total Borrowings & hence the interest rate risk for the Company as whole is very Low.

Exposure to interest rate risk

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| *Borrowings Bearing Variable rate of Interest | 15,474.48 | 6,783.31 |
| Borrowings bearing Fixed Rate of Interest | 36,910.27 | 43,746.49 |
| Total Borrowings | 52,384.75 | 50,529.80 |
| % of Borrowings bearing Variable rate of Interest | 29.54 | 13.42 |

* includes Current Maturity on Non Current Borrowings

Interest Rate Sensitivity

A change of 100 Basis Point In Interest rates would have following Impact on Profit before tax

| Particulars | 2019-2020 | 2018-19 |
|--------------------------|-----------|---------|
| 100 Basis Point Increase | (154.74) | (67.83) |
| 100 Basis Point Decrease | 154.74 | 67.83 |

Note-The above analysis is prepared for floating rate liabilities assuming the amount of the Liability outstanding at the end of the reporting Period was outstanding for the whole year.

3. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company maintains flexibility in funding by maintaining availability under committed credit lines. The Management monitors rolling forecasts of the Company's Liquidity position and cash and cash equivalents on the basis of the expected cash flows. The Company assessed the Concentration of risk with respect to its debt and concluded it to be low.



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Maturity patterns of borrowings

As at 31st March, 2020

| | 0-1 years | 1-5 years | Beyond 5 years | Total |
|--|------------------|------------------|-----------------|------------------|
| Long term borrowings (Including current maturity of long term debt) | 1,936.24 | 12,096.03 | 1,442.21 | 15,474.48 |
| Short term borrowings | 36,910.27 | - | - | 36,910.27 |
| Total | 38,846.51 | 12,096.03 | 1,442.21 | 52,384.75 |

As at 31st March, 2019

| | 0-1 years | 1-5 years | Beyond 5 years | Total |
|--|------------------|-----------------|----------------|------------------|
| Long term borrowings (Including current maturity of long term debt) | 1,203.89 | 4,760.25 | 819.17 | 6,783.31 |
| Short term borrowings | 43,746.49 | - | - | 43,746.49 |
| Total | 44,950.38 | 4,760.25 | 819.17 | 50,529.80 |

Maturity patterns of other Financial Liabilities

As at 31st March, 2020

| | 0-1 years | 1-5 years | Beyond 5 years | Total |
|---|------------------|--------------|----------------|------------------|
| Trade Payables | 5,770.19 | - | - | 5,770.19 |
| Other Financial Liabilities (Current & Non Current) (excluding Current Maturities on Long Term Debt) | 7,246.30 | 39.59 | - | 7,285.89 |
| Total | 13,016.49 | 39.59 | - | 13,056.08 |

As at 31st March, 2019

| | 0-1 years | 1-5 years | Beyond 5 years | Total |
|---|-----------------|--------------|----------------|-----------------|
| Trade Payables | 3,080.05 | - | - | 3,080.05 |
| Other Financial Liabilities (Current & Non Current) (excluding Current Maturities on Long Term debt) | 4,993.83 | 41.61 | - | 5,035.44 |
| Total | 8,073.88 | 41.61 | - | 8,115.49 |

Note 35 : Capital Risk Management

For the Purpose of Company's Capital management , Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The Primary Objective of the Company's Capital management is to ensure that it maintains an efficient capital Structure and maximise shareholder Value. The Company is monitoring capital using Net debt equity ratio as its base ,which is Net debt to equity.

The company's Policy is to keep Net debt equity ratio below 1.00 and infuse capital if and when required through better operational results and efficient working capital Management.

| | As at 31st March, 2020 | As at 31st March, 2019 |
|---------------------------------|---------------------------|---------------------------|
| Net Debt * | 47,925.74 | 47,309.88 |
| Total Equity | 85,255.35 | 74,974.94 |
| Net Debt to Total Equity | 0.56 | 0.63 |

*Net Debt= Non Current Borrowings (including Current Maturity on Borrowings) +Current Borrowings -Cash & Cash Equivalents



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note 36 Disclosure in respect of Leases

- i) The Company's lease asset primarily consist of office Building. Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.
- (ii) The following is the summary of practical expedients elected on initial application:
- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
 - Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
 - Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
 - Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
 - Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease
- (iii) Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020.

| Particulars | Right of Use Asset |
|--|--------------------|
| Balance as at April 1, 2019 | - |
| Transition impact on account of adoption of Ind AS 116 "Leases" (refer Note 3) | 259.60 |
| Total Right of Use on the date of transition | 259.60 |
| Additions during the year | - |
| Deletion during the year | - |
| Depreciation of Right of use assets | 159.95 |
| Balance as at March 31, 2020 | 99.65 |

- (iv) The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

| Particulars | Amount |
|---|---------------|
| Transition impact on account of adoption of Ind AS 116 "Leases" | 263.22 |
| Additions during the year | - |
| Finance cost accrued during the year | 23.08 |
| Deletions | - |
| Payment of Lease Liabilities | 183.40 |
| Balance as at March 31, 2020 | 102.90 |
| Current maturities of Lease liability | 102.90 |
| Non-Current Lease Liability | - |



Notes to the Standalone Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

- (v) The maturity analysis of lease liabilities are disclosed in Note 34(3)
- (vi) Rental expense recorded for short-term leases was ₹ 65.59 lakhs for the year ended March 31,2020.
- (viii)The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Note 37 : Disclosure in respect of Expenditure on Corporate Social Responsibility Activities

| Particulars | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| a) Amount required to be spent as per Section 135 of the Act | 289.82 | 286.53 |
| b) Amount Spent during the year on | | |
| (i) Construction / acquisition of an asset | - | - |
| (ii) On Purpose other than (i) above | - | 7.50 |

Note 38 : Other Accompanying Notes

- On account of the spread of COVID-19 virus, the Government of India had imposed a complete nation-wide lockdown on March 24, 2020 leading to shut down of the Company's facilities and operations. The Company has Since resumed its facilities and has scaled up its operations gradually. The Company believes that the pandemic is not likely to impact the recoverability of the Carrying value of its assets .The Company is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation.
- The Figures have been rounded off to the nearest lakhs of Rupees upto two decimal Places.
- Previous Years Figures have been regrouped / rearranged where ever necessary to make them Comparable with the Current year Figures
- Note 1 to 38 Forms an Intergral Part of the Financial Statements.

As per our report of even date

For Dhiraj & Dheeraj
Firm Reg.No.102454W
Chartered Accountants

For and on behalf of Board of Directors

(Pritesh Shah) Partner
M.No : 109573

Sharad Kumar Saraf
Chairman & Managing Director
DIN 00035843

Sudarshan Kumar Saraf
Co-Chairman & Managing Director
DIN 00035799

Place: Mumbai
Date : July 30, 2020

Neeraj Rai
Company Secretary

Navneet Kumar Saraf
Whole-time Director & CEO
DIN 00035686

Ashish Kumar Saraf
Whole-time Director & CFO
DIN 00035549



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TECHNOCRAFT INDUSTRIES (INDIA) LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of **TECHNOCRAFT INDUSTRIES (INDIA) LIMITED** ("the Holding Company), and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Company" or "the Group"), and its Associates, comprising of the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit & Loss (Including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and notes to the financial statements including a Summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group and its associates as at 31st March 2020, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of 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 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 financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 39 (1) to the accompanying Consolidated financial statements, which describes the effects of uncertainties relating to Covid-19 pandemic outbreak on the Company's operations and management's evaluation of its impact on the accompanying standalone financial statements as at 31st March 2020, the impact of which is dependent on future developments which are highly uncertain. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements for the financial year ended 31st March, 2020. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.



| Key Audit Matters | How our audit addressed the key audit matter |
|--|---|
| <p>1. Impact of COVID-19 pandemic on the future financial performance and position of the Company (as described in Note 39(1) of the Ind AS Financial Statements)</p> | <p>The extent to which the COVID-19 pandemic will impact the Company's financial performance and position will depend on future developments, which are highly uncertain.</p> <p>Our audit procedures considered the guidance laid down by the 'ICAI Accounting & Auditing Advisory March 2020 – Impact of Corona virus on Financial Reporting and the Auditors Consideration' highlighting few important areas which require particular attention in respect of the audit of the financial statements for the year 2019-20 including:</p> <ul style="list-style-type: none"> a) Impairment of Non-financial Assets b) Impairment Losses (ECL, Bad-debts etc.) c) Revenue d) Borrowing Costs e) Provisions, Contingent Liabilities and Contingent Assets f) Modifications or termination of Contracts or Arrangements g) Going Concern Assessment h) Post Balance Sheet Events i) Presentation of Financial Statements j) Changes in Internal Controls k) External Confirmations l) Audit evidences through electronic mode <p>We considered the above guidance and appropriately applied to our response to modification of our audit procedures to obtain sufficient appropriate audit evidence on the significant audit areas and reached appropriate conclusions thereon.</p> |
| <p>2. Revenue Recognition (Refer to the accounting policies in Note 3 to the Ind AS Financial statements)</p> | <p>Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised in the incorrect period for sales transactions occurring on and around the year-end, therefore revenue recognition has been identified as a key audit matter.</p> <ul style="list-style-type: none"> a) Our audit procedures included reading the Company's revenue recognition accounting policies to assess compliance with Ind AS 115 "Revenue from contracts with customers". b) We performed test of controls of management's process of recognizing the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers. c) We performed test of details of the sales transactions testing based on a representative sampling of the sales orders to test that the related revenues and trade receivables are recorded taking into consideration the terms and conditions of the sale orders, including the shipping terms. d) We also performed audit procedures relating to revenue recognition by agreeing deliveries occurring around the year end to supporting documentation to establish that sales and corresponding trade receivables are properly recorded in the correct period. e) Audit procedures relating to revenue recognition were extended to a longer period to ensure that there is no impact on the revenue numbers reported based on the possible effects of pandemic relating to Covid-19. |



Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the each entity.

Auditor's Responsibility

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:

1. Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



2. 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 Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated 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 Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended 31st March, 2020 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

We did not audit the financial statements / consolidated financial statements of **Five** subsidiaries, whose financial statements / consolidated financial statements reflects total assets of Rs. 15,151.29 Lakhs (before eliminating inter-company balances) as at 31st March 2020, total revenues of Rs 14,626.64 Lakhs (before eliminating inter-company balances) total net profit after tax of Rs.814.90 Lakhs (before eliminating inter-company balances), total comprehensive income of Rs. 818.18 Lakhs (before eliminating inter-company balances) and net cash inflow of Rs. 54.49 Lakhs (before eliminating inter-company balances) for the year ended on that date, as considered in the consolidated financial statements, whose financial statements / consolidated financial statements have not been audited by us. These financial statements / consolidated financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.



Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

We did not audit the financial information of **Fourteen** subsidiaries, whose financial information reflects total assets of Rs. 43,885.71 Lakhs (before eliminating inter-company balances) as at 31st March 2020, total revenue of Rs.42,206.93 Lakhs (before eliminating inter-company balances), total net profit/(loss) after tax of Rs.1,789.18 Lakhs (before eliminating inter-company balances), total comprehensive income of Rs.1,789.18 Lakhs (before eliminating inter-company balances) and net cash outflow of Rs.89.88 Lakhs for the year ended on that date, as considered in the consolidated financial statements, whose financial information have not been audited by us.

We did not audit the financial information of **One** Associate, whose financial information reflects, total net profit/(loss) after tax of Rs. 0.04 Lakhs (before eliminating inter-company balances), total comprehensive income of Rs. 0.04 Lakhs (before eliminating inter-company balances) as at 31st March 2020, as considered in the consolidated financial statements, whose financial statements have not been audited by us.

These financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, and matters identified and disclosed under key audit matters section above and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, are based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

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 the other auditors on separate financial statements / consolidated financial statements and other financial information of the subsidiaries and associates, we report, to the extent applicable, that:

- (a) We/the other auditor whose report we have relied upon have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.
- (e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and associate companies covered under the Act, none of the directors of the Group companies and its associate companies covered under the Act, are disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies and associate companies covered under the Act, 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 rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements / consolidated financial statements as also the other financial information of the subsidiaries and associates:

- i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the Consolidated Ind AS financial position of the Group. Refer Note No. 28 to the Consolidated Ind AS financial statements;
- ii. Provision has been made in the Consolidated Ind AS financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts to the consolidated Ind AS financial statements in respect of such items as it relates to the Group;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by Companies Incorporated in India.

**For Dhiraj & Dheeraj,
Firm Reg. No. 102454W
Chartered Accountants**

**(Pritesh Shah)
Partner**

Place of Signature: Mumbai

Date: 30th July, 2020

**Membership No. 109573
UDIN: 20109573AAAABD4609**



THE ANNEXURE – “A” REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF TECHNOCRAFT INDUSTRIES (INDIA) LIMITED FOR THE YEAR ENDED 31ST MARCH, 2020. WE REPORT THAT:

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

In conjunction with our audit of the consolidated Ind AS financial statement of the Company as of and for the year ended 31st March, 2020, We have audited the internal financial controls over financial reporting of **TECHNOCRAFT INDUSTRIES (INDIA) LIMITED** (“the Holding Company”) and its subsidiary and associate company which are incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For Dhiraj & Dheeraj,
Firm Reg. No. 102454W
Chartered Accountants**

(Pritesh Shah)

Partner

Membership No. 109573

UDIN: 20109573AAAABD4609

Place of Signature: Mumbai

Date: 30th July, 2020



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in lakhs)

| Particulars | Note No. | As at 31st March, 2020 | As at 31st March, 2019 |
|--|----------|---------------------------|---------------------------|
| ASSETS | | | |
| A) Non Current Assets | | | |
| a) Property, Plant and Equipment | 3 | 43,094.37 | 27,026.34 |
| b) Capital work-in-progress | 3 | 2,049.22 | 5,410.63 |
| c) Investment Properties | 4 | 4,137.46 | 4,109.47 |
| d) Goodwill on Consolidation | | 495.75 | 495.75 |
| e) Other Intangible assets | 5 | 287.82 | 302.70 |
| f) Financial Assets | | | |
| i) Non Current Investments | 6(a) | 11,735.37 | 13,221.00 |
| ii) Others Financial Assets | 6(b) | 675.11 | 2,750.59 |
| g) Other Non Current Assets | 7 | 244.61 | 895.49 |
| Total Non Current Assets | | 62,719.71 | 54,211.97 |
| B) Current Assets | | | |
| a) Inventories | 8 | 52,848.13 | 47,787.09 |
| b) Financial Assets | | | |
| i) Current Investments | 6(a) | 15,355.91 | 13,047.06 |
| ii) Trade receivables | 6(c) | 34,185.65 | 32,571.65 |
| iii) Cash and cash equivalents | 6(d) | 6,229.17 | 5,025.47 |
| iv) Other Bank Balances | 6(e) | 2,773.85 | 354.29 |
| v) Loans | 6(f) | 318.49 | 293.94 |
| vi) Other Financial Assets | 6(b) | 1,052.12 | 1,153.68 |
| c) Current Tax Assets (Net) | 9 | - | 230.33 |
| d) Other Current Assets | 10 | 6,119.46 | 7,882.37 |
| Total Current Assets | | 1,18,882.78 | 1,08,345.88 |
| Total Assets | | 1,81,602.49 | 1,62,557.85 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| a) Equity Share Capital | 11(a) | 2,446.17 | 2,446.17 |
| b) Other Equity | 11(b) | 91,982.54 | 80,267.43 |
| Equity attributable to equity holders of the parent Company | | 94,428.71 | 82,713.60 |
| Non - Controlling interests | | 788.74 | 628.46 |
| Total Equity | | 95,217.45 | 83,342.06 |



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in lakhs)

| Particulars | Note No. | As at 31st March, 2020 | As at 31st March, 2019 |
|--|----------|------------------------|------------------------|
| LIABILITIES | | | |
| A) Non Current Liabilities | | | |
| a) Financial Liabilities | | | |
| i) Non Current Borrowings | 12(a) | 13,577.57 | 5,642.02 |
| ii) Other Financial Liabilities | 12(b) | 327.62 | 313.93 |
| b) Provisions | 13 | 2,007.69 | 1,705.62 |
| c) Deferred tax liabilities (Net) | 14 | 633.97 | 1,058.77 |
| d) Other Non Current Liabilities | 15 | 1,111.53 | 531.71 |
| Total Non Current Liabilities | | 17,658.38 | 9,252.05 |
| B) Current Liabilities | | | |
| a) Financial Liabilities | | | |
| i) Current Borrowings | 12(a) | 49,930.66 | 56,889.95 |
| ii) Trade payables | 12(c) | | |
| Total outstanding dues of Micro & Small Enterprises | | 41.11 | 134.42 |
| Total outstanding dues of creditors other than Micro & Small Enterprises | | 6,636.88 | 4,260.30 |
| iii) Other Financial Liabilities | 12(b) | 9,534.73 | 6,670.99 |
| b) Provisions | 13 | 208.81 | 175.82 |
| c) Current Tax Liabilities (Net) | 16 | 251.22 | - |
| d) Other Current Liabilities | 17 | 2,123.25 | 1,832.26 |
| Total Current Liabilities | | 68,726.66 | 69,963.74 |
| Total Equity and Liabilities | | 1,81,602.49 | 1,62,557.85 |
| Significant Accounting Policies | 1 & 2 | | |

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date

For Dhiraj & Dheeraj

Firm Reg.No.102454W

Chartered Accountants

For and on behalf of Board of Directors

Pritesh Shah

Partner

M.NO : 109573

Sharad Kumar Saraf

Chairman & Managing Director

DIN 00035843

Sudarshan Kumar Saraf

Co-Chairman & Managing Director

DIN 00035799

Place: Mumbai

Date : July 30, 2020

Neeraj Rai

Company Secretary

Navneet Kumar Saraf

Whole-time Director & CEO

DIN 00035686

Ashish Kumar Saraf

Whole-time Director & CFO

DIN 00035549



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lakhs)

| Particulars | Note No. | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|--|----------|-----------------------------|-----------------------------|
| Income | | | |
| Revenue From Operations | 18 | 1,35,910.11 | 1,31,345.94 |
| Other Income | 19 | 4,229.09 | 3,737.52 |
| Total Income | | 1,40,139.20 | 1,35,083.46 |
| Expenditure | | | |
| Cost of materials consumed | 20 | 65,593.22 | 67,520.93 |
| Purchases of Stock-in-Trade | | 620.71 | 690.01 |
| Changes in inventories of finished Stock, Stock - in -Trade and work - in - progress | 21 | (6,576.25) | (6,166.14) |
| Employee benefits expenses | 22 | 18,687.59 | 17,017.59 |
| Finance costs | 23 | 3,748.99 | 3,240.39 |
| Depreciation and amortisation expenses | 24 | 5,388.55 | 3,835.24 |
| Other expenses | 25 | 36,558.73 | 32,534.81 |
| Total expenses | | 1,24,021.54 | 1,18,672.83 |
| Share of Profit / (Loss) in Associate | | (0.04) | - |
| Profit / (Loss) before tax | | 16,117.62 | 16,410.63 |
| Tax Expenses | | | |
| (1) Current tax | 26 | 3,919.44 | 4,111.12 |
| (2) Deferred tax | | (426.46) | 341.25 |
| (3) Tax in respect of earlier years | | 3.61 | 54.66 |
| Total Tax expenses | | 3,496.59 | 4,507.03 |
| Profit for the year after tax | | 12,621.03 | 11,903.60 |
| Other Comprehensive Incomes (Net of Taxes) | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| - Remeasurements of net defined Benefit Plans (net of tax) | | (23.75) | (41.64) |
| Items that will be reclassified to Profit & Loss | | | |
| Foreign Currency translation | | (558.17) | 214.85 |
| Other Comprehensive Income/ (Loss) for the year (net of tax) | | (581.92) | 173.21 |
| Total Comprehensive Income for the year after tax | | 12,039.11 | 12,076.81 |



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lakhs)

| Particulars | Note No. | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|---|----------|-----------------------------|-----------------------------|
| Profit for the year attributable to : | | | |
| Equity Holders of Parent | | 12,276.11 | 11,675.70 |
| Non - Controlling interest | | 344.92 | 227.90 |
| | | 12,621.03 | 11,903.60 |
| Other Comprehensive Income / (Loss) attributable to : | | | |
| Equity Holders of Parent | | (446.36) | 167.71 |
| Non - Controlling interest | | (135.56) | 5.50 |
| Other Comprehensive Income / (Loss) for the year | | (581.92) | 173.21 |
| Total Comprehensive Income attributable to : | | | |
| Equity Holders of Parent | | 11,829.75 | 11,843.41 |
| Non - Controlling interest | | 209.36 | 233.40 |
| Total Comprehensive Income for the year | | 12,039.11 | 12,076.81 |
| Earnings per equity share of Face Value of ₹ 10/- each | 27 | | |
| (1) Basic | | 50.19 | 47.73 |
| (2) Diluted | | 50.19 | 47.73 |
| Significant Accounting Policies | 1 & 2 | | |

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date

For Dhiraj & Dheeraj

Firm Reg.No.102454W
Chartered Accountants

Pritesh Shah

Partner

M.NO : 109573

Place: Mumbai

Date : July 30, 2020

Neeraj Rai

Company Secretary

For and on behalf of Board of Directors

Sharad Kumar Saraf

Chairman & Managing Director

DIN 00035843

Navneet Kumar Saraf

Whole-time Director & CEO

DIN 00035686

Sudarshan Kumar Saraf

Co-Chairman & Managing Director

DIN 00035799

Ashish Kumar Saraf

Whole-time Director & CFO

DIN 00035549



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lakhs)

| | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|--|--------------------------------|--------------------------------|
| A. CASH FLOW ARISING FROM OPERATING ACTIVITIES : | | |
| Profit before exceptional items & tax from continuing operations | 16,117.62 | 16,410.63 |
| Add / (Less) : Adjustments to reconcile profit before tax to net cash used in operating activities | | |
| Share of Loss in Associate | 0.04 | - |
| Depreciation and amortisation expenses | 5,388.55 | 3,835.24 |
| Government Grant Income | (230.22) | (134.84) |
| (Gain)/loss on sale of property, plant and equipment | (74.00) | (318.17) |
| Unrealised Forex Loss / (gain) | (625.08) | 251.32 |
| Interest income | (290.03) | (250.83) |
| Interest costs | 3,354.62 | 2,940.32 |
| Dividend Income | (0.03) | (0.02) |
| Rental Income | (583.72) | (657.01) |
| Net gain on sale/fair valuation of Investments through profit & loss | (1,290.98) | (1,740.60) |
| | 21,766.77 | 20,336.03 |
| Working capital adjustments | | |
| (Increase)/ Decrease in inventories | (5,061.04) | (8,678.83) |
| (Increase)/ Decrease in trade receivables | 135.95 | (5,660.96) |
| (Increase)/ Decrease in other receivables | 2,361.26 | 2,932.36 |
| Increase/ (Decrease) in trade and other payables | 4,476.62 | (944.53) |
| | 23,679.56 | 7,984.07 |
| Income Taxes paid | (3,535.15) | (5,335.18) |
| Net Cash Inflow/(Outflow) in the course of Operating Activities (A) | 20,144.41 | 2,648.89 |
| B. CASH FLOW ARISING FROM INVESTING ACTIVITIES : | | |
| Purchase of Property, Plant and equipment /Investment Properties / intangible assets including Capital Work in Progress | (17,384.72) | (11,154.11) |
| Purchase of Investments | (2,575.00) | (8,500.00) |
| Sale Proceeds of Property ,Plant and equipment | 110.26 | 418.94 |
| Proceeds from sale of Investments | 3,042.76 | 7,697.72 |
| Interest received | 206.35 | 364.07 |
| Refund/ (Investment) in bank deposits having original maturity of more than 3 Months | (33.98) | (998.56) |
| Dividend Received | 0.03 | 0.02 |
| Foreign Currency Translation Differences in respect of Property , Plant and Equipment / Investment Properties / Intangible assets including Capital Work In progress | (397.67) | (156.16) |
| Rent Received | 575.30 | 655.39 |
| Net Cash Inflow/(Outflow) in the course of Investing Activities (B) | (16,456.67) | (11,672.69) |



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lakhs)

| | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|--|--------------------------------|--------------------------------|
| C. CASH FLOW ARISING FROM FINANCING ACTIVITIES : | | |
| Net Proceeds from Long Term & Short Term Borrowings | 1,129.45 | 12,722.46 |
| Interest charges paid | (3,380.00) | (2,904.17) |
| Repayment of Lease Liabilities | (233.49) | - |
| Net Cash Inflow/(Outflow) in the course of Financing Activities (C) | (2,484.04) | 9,818.29 |
| Net increase / (decrease) in cash and cash equivalents | 1,203.70 | 794.49 |
| Cash and cash equivalents at the beginning of the year | 5,025.47 | 4,230.98 |
| Cash and cash equivalents at the end of the year | 6,229.17 | 5,025.47 |

Notes-

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Cash Flow Statements".
- Components of Cash & Cash Equivalents

| | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---|--------------------------------|--------------------------------|
| Balances with Banks - In current accounts | 6,217.62 | 4,941.16 |
| Cash on Hand | 11.55 | 84.31 |
| Cash and cash equivalents at the end of the year | 6,229.17 | 5,025.47 |

As per our report of even date

For Dhiraj & Dheeraj
Firm Reg.No.102454W
Chartered Accountants

For and on behalf of Board of Directors

Pritesh Shah
Partner
M.NO : 109573

Sharad Kumar Saraf
Chairman & Managing Director
DIN 00035843

Sudarshan Kumar Saraf
Co-Chairman & Managing Director
DIN 00035799

Place: Mumbai
Date : July 30, 2020

Neeraj Rai
Company Secretary

Navneet Kumar Saraf
Whole-time Director & CEO
DIN 00035686

Ashish Kumar Saraf
Whole-time Director & CFO
DIN 00035549

Consolidated Statement of Changes in Equity for the year ended 31st March, 2020

Share Capital

(₹ in lakhs)

| Particulars | Balance as at 1st April, 2018 | Changes in equity share capital during the year | Balance as at 31st March, 2019 | Changes in Equity Share Capital during the year. | Balance as at 31st March, 2020 |
|--|-------------------------------|---|--------------------------------|--|--------------------------------|
| Paid up Equity Capital (Equity Shares of ₹ 10/- each issued, Subscribed & Fully Paid Up) | 2,446.17 | - | 2,446.17 | - | 2,446.17 |

Other Equity

(₹ in lakhs)

| Particulars | Other Equity attributable to the Equity Shareholders of Parent Company | | | | | Non Controlling Interest | Total Other Equity | | |
|--|--|-----------------|--------------------|-----------------|-------------------|--------------------------|--------------------|--|-----------|
| | Capital Redemption Reserve | Capital Reserve | Securities Premium | General Reserve | Retained Earnings | | | Foreign Currency Translations Reserves | Total |
| Balance as at 1st April, 2018 | 709.01 | 76.53 | 459.12 | 13,632.44 | 53,554.25 | 1.18 | 68,432.53 | 395.06 | 68,827.59 |
| Additions : | | | | | | | | | |
| Profit for the year | - | - | - | - | 11,675.70 | - | 11,675.70 | 227.90 | 11,903.60 |
| Other Comprehensive Income | - | - | - | - | (42.55) | 210.26 | 167.71 | 5.50 | 173.21 |
| Other Adjustments | - | - | - | - | (8.51) | - | (8.51) | - | (8.51) |
| Balance as at 31st March, 2019 | 709.01 | 76.53 | 459.12 | 13,632.44 | 65,178.89 | 211.44 | 80,267.43 | 628.46 | 80,895.89 |
| Profit for the year | - | - | - | - | 12,276.11 | - | 12,276.11 | 344.92 | 12,621.03 |
| Other Comprehensive Income | - | - | - | - | (24.28) | (422.08) | (446.36) | (135.56) | (581.92) |
| Transfer of Minority Interest on disposal / sale of subsidiaries | - | - | - | - | - | - | - | 49.08 | 49.08 |
| Transitional Adjustments of Ind AS 116 | - | - | - | - | (9.56) | - | (9.56) | - | (9.56) |
| Other Adjustments | - | - | - | - | (97.08) | (8.00) | (105.08) | - | (105.08) |
| Balance as at 31st March, 2020 | 709.01 | 76.53 | 459.12 | 13,632.44 | 77,324.08 | (218.64) | 91,982.54 | 788.74 | 92,869.44 |

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date

For Dhiraj & Dheeraj

Firm Reg.No.102454W

Chartered Accountants

For and on behalf of Board of Directors

Pritesh Shah

Partner

M.NO : 109573

Sharad Kumar Saraf

Chairman & Managing Director

DIN 00035843

Sudarshan Kumar Saraf

Co-Chairman & Managing Director

DIN 00035799

Neeraj Rai

Company Secretary

Date : July 30, 2020

Navneet Kumar Saraf

Whole-time Director & CEO

DIN 00035686

Ashish Kumar Saraf

Whole-time Director & CFO

DIN 00035549





Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

1. Company Overview

Technocraft Industries (India) Limited (“the Company”), was incorporated on 28th October 1992, CIN L28120MH1992PLC069252. The company is a Public Limited company incorporated and domiciled in India and is having its registered office at Plot No-47, Opus Centre , 2nd floor , Opp Tunga Paradise Hotel , MIDC , Andheri (E), Mumbai -93, Maharashtra, India. The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

The Company and its subsidiaries & Joint Venture (collectively referred to as “the Group”) are well diversified having its business Interest in Drum Closures (2nd Largest in the World), Scaffolding & Formworks, Yarn, Fabrics & Garments & Engineering & Design. It has its own 15 MW Captive Thermal Power Plant.

Authorisation of Consolidated Financial Statements: The Consolidated Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 30th July 2020.

2. Statement of Significant Accounting Policies:

2.1 Basis of preparation of Consolidated Financial Statements:

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“Act”) read with Companies (Indian Accounting Standards) Rules, 2015; (as amended) and the other relevant provisions of the Act and Rules thereunder.

The Consolidated Financial Statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value (refer accounting policies for financial instruments).

2.2 Basis of Consolidation and Equity Accounting:

Subsidiary:

Subsidiaries include all the entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns through its involvement in the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date on which Group attains control and are deconsolidated from the date that control ceases to exist.

The Consolidated financial statements of the Group incorporate the assets, liabilities, equity, income, expenses and cash flows of the company and its subsidiaries and are presented as those of a single economic entity. The company has control of the subsidiaries as it has the rights to variable returns from its involvement and has the ability to affect those returns through its power over the subsidiaries.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation procedures principally followed are:

- (a) Like items of assets, liabilities, equity, income, expenses and cash flows of the company and those of its subsidiaries are combined;
- (b) The carrying amount of the parent’s investment in each subsidiary and the parent’s portion of equity of each subsidiary are eliminated;
- (c) Intragroup assets and liabilities, equity, income, expense, and cash flows relating to transactions between entities of the Group are eliminated in full.

Goodwill is recognized when a change in the Group’s ownership interest, (or otherwise), results in the Group acquiring control over a Company

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions.(i.e. transactions with owners in their capacity as owners)

Goodwill arising on consolidation is tested for impairment at each reporting date. If the recoverable amount of cash generating unit to which the goodwill is attributed is less than the carrying amount of the unit, an impairment loss is recognized, first to reduce the carrying amount of goodwill (and thereafter to the balance assets of the unit, pro rata to their carrying amounts).

Non-controlling interests are presented in the consolidated balance sheet within equity, separately from the equity of the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners and to the non-controlling interests (even if this results in the non-controlling interests having a deficit balance).



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the Voting Rights. Investment in associates are accounted for using the equity method of accounting, after initially being recognized at Cost.

Equity Method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group Share of the post-acquisition profit or losses of the investee in statement of profit and loss, and the Group's Share of other comprehensive Income. Dividends received or receivable from Associates are recognized as a reduction in the carrying amount of the Investment.

When the Group's Share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Group does not recognize further losses, until it has incurred obligations or made payments on behalf of other entity. Such further losses are disclosed as part of the Current Liabilities.

2.3 Business Combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisitions related costs are recognized in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized as their fair values at the acquisition date except deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements, which are recognized and measured in accordance with Ind AS 12- Income taxes and Ind AS 19- Employee Benefits, respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity instrument in the acquiree (if any) over the net of acquisition date fair value of identifiable assets acquired and liabilities assumed. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

2.4 Use of estimates:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.5 Fair Value Measurement:

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Group used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

2.6 Revenue Recognition

The Group recognizes revenue when Control over the promised goods is transferred to the customer at an amount that reflects the Consideration to which the Group expects to be entitled in exchange for goods. The Group considers whether there are other promises in the Contract that are separate Performance obligations to which a portion of the transaction price needs to be allocated .

The Group recognizes revenue from the sale of goods net of returns and allowances, trade discounts and Volume rebates. If the revenue cannot be reliably measured, Group defers revenue recognition until the uncertainty is resolved .Such Provisions give rise to variable Consideration and are estimated at Contract inception and updated thereafter.

Revenue from Rendering of services is recognized as & when the Customer receives the benefit of the Group performance and the Group has an enforceable right to payment for services Performed.

Revenue from Land Development activities is recognized when Performance obligation is satisfied, Customers executes the sales agreement and a reasonable amount of Sales Consideration is received from the Customer.

In respect of Short term advances from its customers, using the practical expedient in Ind AS-115, the Group does not adjust the Promised amount of Consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the Promised goods or services to the Customer and when the customer pays for that goods or services will be within the normal operating cycle ie one year.

Revenue is net of Goods & Service Tax Collected on behalf of the Government.

Contract Balances

Contract Asset

A contract asset is the right to consideration in exchange for goods or services transferred to the Customer. If the Group performs by transferring goods or services to a customer before the customer pays Consideration or before the payment is due, a contract asset is recognized for the earned consideration that is conditional

Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before the payment of the consideration is due).

Contract Liabilities

A Contract Liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of Consideration is due) from the Customer .If a customer pays consideration before the Group transfers goods or services to the customer, a contract Liability is recognized when the payment is made or the payment is due (whichever is earlier) .Contract Liabilities are recognized as revenue when the Group Performs under the Contract including Advances received from Customer .

Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the Customer and is measured at the amount the Group ultimately expects it will have to return to the Customer .The Group updates its estimates of refund Liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Other Income

Dividend Income is recognized when the right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income on all debt instruments measured at amortized cost is recorded using the effective interest rate (EIR).

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Group and the amount of the Income can be measured reliably.



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

2.7 Inventories

Inventories of Raw Materials, Finished Goods, Semi-Finished Goods, Trading Goods, Stores, Spares and other components, Packing Materials, Fuel and Oil are valued at cost or net realizable value, whichever is lower. Goods in transit are valued at cost or net realizable value, whichever is lower. Cost comprises of all cost of purchases, cost of conversion and other costs incurred in bringing the inventory to their present location and conditions. Cost is arrived at on FIFO basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

If payment terms for inventory are on deferred basis i.e. beyond normal credit terms, then cost is determined by discounting the future cash flows at an interest rate determined with reference to the market rates. The difference between total cost and deemed cost is recognized as interest expense over the period of financing under the effective interest method.

The inventories resulting from intra-group transactions have been stated at cost after deducting unrealized profit on such transactions.

2.8 Property, Plant and Equipment (PPE):

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any..

2.9 Capital Work in Progress

Cost of assets not ready for use at the balance sheet date is disclosed under capital work-in-progress. Expenditure during construction period is also included under Capital Work in Progress.

2.10 Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

2.11 Depreciation

Depreciation on Property, Plant and Equipment has been provided on the Written down Value method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Leasehold Land is amortized over the period of lease. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

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

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

2.12 Investment Property

Investment property applies to owner-occupied property and is held to earn rentals or for capital appreciation or both. Hence such properties are reclassified from Property, Plant and Equipment to Investment property. Investment property is measured at its cost, including related transaction cost less depreciation and impairment, if any. Investment properties are depreciated using the written down value method over their estimated useful life. Any transfer to or from Investment property is done at the carrying amount of the Investment Property.

2.13 Government Subsidy

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received.

Government grants relating to the purchase of property, plant and equipment are treated as deferred income and are recognized in net profit in the statement of profit and loss on a systematic and rational basis over the useful life of the asset.



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

Government grants related to revenue are recognized on a systematic basis in net profit in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

2.14 Borrowings

Borrowings are initially recognized at net of transaction Cost incurred and measured at amortized Cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of Profit & Loss over the period of borrowings using the effective Interest method.

2.15 Borrowing Cost

Interest and other borrowing cost attributable to qualifying assets are capitalized. Other interest and borrowing cost are charged to the statement of Profit & Loss

2.16 Income Tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

a) Current Tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

b) Deferred tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilized.

2.17 Leases

At inception of Contract, the Group assesses whether the Contract is or contains a Lease. 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 inception or on reassessment of a contract that contains a lease Component, the Group allocates Consideration in the contract to each lease component on the basis of their relative standalone price.

As a Lessee

i) Right of use assets

The Group recognizes right of use assets at the commencement date of the lease .Right of use assets are measured at cost less any accumulated depreciation and impairment Losses and adjusted for any re measurement of Lease Liabilities .The Cost of right to use assets include the amount of lease Liabilities recognized, initial direct cost incurred, Lease payments made at or before commencement date less any lease incentives received. Right of use assets are depreciated on a straight Line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Group presents right to use assets that do not meet the definition of Investment property in “Property, Plant and Equipment”

ii) Lease Liabilities

At the Commencement date of the Lease , the Group recognizes Lease Liabilities measured at the present value of lease payments to be made over the Lease term .In Calculating the present Value of lease payments , the Group generally uses its incremental borrowing rate at the Lease Commencement date if the discount rate implicit in the lease is not readily determinable .



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

Lease payments included in the measurement of the Lease Liability are made up of fixed payments (including in substance, fixed) and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

The Group presents lease Liabilities under Financial Liabilities in the Balance sheet .

The Group has elected to account for short term leases and Leases of Low Value assets using the exemption given under Ind AS 116, Leases . Instead of recognizing a right of use asset and Lease Liability, the payments in relation to these are recognized as an expense in the profit or loss on a straight Line basis over the Lease term or on another systematic basis if that basis is more representative of the pattern of the Group benefit

As a Lessor

Leases for which the Group is a Lessor is classified as Finance or operating Lease

Lease income from operating leases where the Group is a Lessor is recognized in income on a straight line basis over the Lease Term unless the receipts are structured to increase in line with expected general inflation to Compensate for the expected inflationary cost increases . The respective leased assets are included in the balance sheet based on their nature

2.18 Financial Assets

a) Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

b) Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(i) Debt instruments at amortised cost

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

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

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

(ii) Debt instruments at Fair value through Other Comprehensive Income (FVOCI)

A 'debt instrument' is measured at the fair value through other comprehensive income if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- 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, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of Profit & Loss. Other net gains and losses are recognised in other comprehensive Income.



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(iii) Debt instruments at Fair value through profit or loss (FVTPL)

Fair value through profit or loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL.

(iv) Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI).

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

c) De recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's Balance Sheet) when:

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

d) Impairment of financial assets

The Group 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.

e) Income Recognition

Interest Income from debt instruments is recognised using the effective interest rate method.

2.19 Financial Liabilities

a) Initial recognition and measurement

All financial liabilities are recognized initially at fair value net of transaction costs that are attributable to the respective liabilities.

b) Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. The measurement of financial liabilities depends on their classification as described below

(i) Financial Liabilities at fair value through profit or loss (FVTPL)

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit & Loss.

(ii) Financial Liabilities measured at amortised cost

After initial recognition, financial liabilities other than those which are classified as fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit & Loss.



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

c) De recognition

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

2.20 Offsetting of financial instruments

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

2.21 Fair Value of financial instruments

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair Value hierarchy:

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

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

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

2.22 Cash and cash Equivalents:

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Cash and cash equivalents comprise cash at banks and on hand and demand deposits with banks with an original maturity of three months or less.

2.23 Employee Benefits

➤ Short-term employee benefit

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit & Loss of the year in which the related services are rendered.

➤ Post-employment benefits

The Group's net obligation in respect of defined benefit plans such as gratuity is calculated separately for each plan by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the projected unit credit method.

The current service cost of the defined benefit plan, recognized in the Statement of Profit & Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit & Loss. 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 benefit expense in the Statement of Profit & Loss.



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

Re-measurements which comprise of actuarial gains and losses, the return on plan assets (excluding net interest) and the effect of the asset ceiling (if any, excluding net interest), are recognized immediately in other comprehensive income.

➤ **Other long-term employee benefits**

Liability towards other long term employee benefits - leave encashment is determined on actuarial valuation by qualified actuary by using Projected Unit Credit method.

The current service cost of other long terms employee benefits, recognized in the Statement of Profit & Loss as part of employee benefit expense, reflects the increase in the obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit & Loss. The interest cost is calculated by applying the discount rate to the balance of the obligation. This cost is included in employee benefit expense in the Statement of Profit & Loss. Re-measurements are recognised in the Statement of Profit & Loss.

2.24 Foreign Currency Transactions:

The presentation currency of the Group is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gain /losses arising on settlement as also on translation of monetary items are recognized in the Statement of Profit and Loss.

Exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation (having a functional currency other than Indian Rupee) are accumulated in foreign currency translation reserve.

For the preparation of the consolidated financial statements:

- (a) Assets and liabilities of foreign operations are translated to Indian Rupees at exchange rates prevailing at the reporting period end;
- (b) Income and expense items are translated at the average exchange rates prevailing during the period; when exchange rates fluctuate significantly the rates prevailing on the transaction date are used instead.

Differences arising on such translations are accumulated in foreign currency translation reserve and attributed to non-controlling interests proportionately.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation, attributable to the owners of the Group is reclassified to the Statement of Profit and Loss. In relation to a partial disposal, that does not result in losing control over the subsidiary, the proportionate exchange differences accumulated in equity is reclassified to the Statement of Profit and Loss.

2.25 Impairment of Non-Financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators

2.26 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.



The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.27 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

2.28 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares

2.29 Classification of Assets and Liabilities as Current and Non-Current

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act

2.30 Cash Flows:

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2.31 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

2.32 Significant accounting judgments, estimates and assumptions:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise Judgment in applying the Group accounting policies.

The estimates and judgments involves a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed .Detailed information about each of these estimates and judgments is included in relevant notes.

Critical estimates and judgments

The areas involving critical estimates or judgments are

- o Estimation of current tax expenses and payable
- o Estimated useful life of Intangible assets
- o Estimation of defined benefit obligation
- o Estimation of Provisions and Contingencies
- o Estimation of Incremental Borrowing rate –Leases

Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

Note 3 : Property, Plant and Equipment

(₹ in lakhs)

| Particulars | Leasehold Land | Free Hold Land | Building / Factory Building | Furniture & Fittings | Plant and Machinery | Office Equipments | Computers | Motor Car & Vehicles | Right to Use Assets | | Total | Capital Work in Progress |
|---|----------------|----------------|-----------------------------|----------------------|---------------------|-------------------|---------------|----------------------|---------------------|------------------|-----------------|--------------------------|
| | | | | | | | | | Lease | Hold Building | | |
| Year Ended 31st March, 2020 | | | | | | | | | | | | |
| Gross Carrying Amount | | | | | | | | | | | | |
| Opening Gross Carrying Amount | 871.91 | 687.43 | 8,505.80 | 419.28 | 25,638.04 | 281.62 | 602.02 | 447.37 | - | 37,453.47 | 5,410.63 | |
| Transitional Impact on account of adoption of Ind AS 116 "Leases" | - | - | - | - | - | - | - | - | 346.33 | 346.33 | - | |
| Adjustments due to Foreign Currency Translations | 11.24 | 1.92 | 60.57 | 2.83 | 51.25 | 4.43 | 5.15 | 5.34 | - | 142.73 | 40.70 | |
| Additions | 12.50 | - | 5,185.91 | 65.26 | 15,292.05 | 90.33 | 126.59 | 3.56 | - | 20,776.20 | 14,978.16 | |
| Disposals | - | - | 1.90 | 4.07 | 22.93 | 0.02 | 16.80 | 9.87 | - | 55.59 | - | |
| Transfers | - | - | - | - | 97.49 | - | 12.29 | - | - | 109.78 | 18,380.27 | |
| Closing Gross Carrying Amount | 895.65 | 689.35 | 13,750.38 | 483.30 | 40,860.92 | 376.36 | 704.67 | 446.40 | 346.33 | 58,553.36 | 2,049.22 | |
| Accumulated Depreciation | | | | | | | | | | | | |
| Opening Accumulated Depreciation | 50.02 | - | 1,716.53 | 179.57 | 7,635.76 | 186.65 | 387.03 | 271.57 | - | 10,427.13 | - | |
| Adjustments due to Foreign Currency Translations | 1.40 | - | 14.20 | 1.70 | 24.26 | 3.45 | 2.01 | 3.76 | - | 50.78 | - | |
| Depreciation charge during the year | 14.20 | - | 597.60 | 62.85 | 3,916.42 | 59.90 | 128.68 | 64.23 | 201.61 | 5,045.49 | - | |
| Disposals | - | - | 0.93 | 0.51 | 8.53 | - | 1.68 | 7.68 | - | 19.33 | - | |
| Transfers | - | - | - | - | 39.85 | - | 5.23 | - | - | 45.08 | - | |
| Closing Accumulated Depreciation | 65.62 | - | 2,327.40 | 243.61 | 11,528.06 | 250.00 | 510.81 | 331.88 | 201.61 | 15,458.99 | - | |
| Net Carrying Amount | 830.03 | 689.35 | 11,422.98 | 239.69 | 29,332.86 | 126.36 | 193.86 | 114.52 | 144.72 | 43,094.37 | 2,049.22 | |
| Year Ended 31st March, 2019 | | | | | | | | | | | | |
| Gross Carrying Amount | | | | | | | | | | | | |
| Opening Gross Carrying Amount | 812.75 | 696.01 | 6,893.00 | 321.41 | 18,508.23 | 203.00 | 482.49 | 412.88 | - | 28,329.77 | 5,345.27 | |
| Adjustments due to Foreign Currency Translations | 0.14 | (8.58) | (22.84) | 1.27 | (7.27) | 1.22 | 2.87 | 1.73 | - | (31.46) | 84.25 | |
| Additions | 59.02 | - | 1,682.68 | 106.77 | 7,235.82 | 80.02 | 134.70 | 56.00 | - | 9,355.01 | 8,145.91 | |
| Disposals | - | - | 6.33 | 10.17 | 98.74 | 2.62 | 18.04 | 23.24 | - | 159.14 | - | |
| Transfers | - | - | 40.71 | - | - | - | - | - | - | 40.71 | 8,164.80 | |
| Closing Gross Carrying Amount | 871.91 | 687.43 | 8,505.80 | 419.28 | 25,638.04 | 281.62 | 602.02 | 447.37 | - | 37,453.47 | 5,410.63 | |
| Accumulated Depreciation | | | | | | | | | | | | |
| Opening Accumulated Depreciation | 38.91 | - | 1,258.13 | 116.66 | 5,018.76 | 115.53 | 248.79 | 201.89 | - | 6,998.67 | - | |
| Adjustments due to Foreign Currency Translations | 0.24 | - | (4.63) | 0.59 | (1.58) | 0.91 | 0.84 | 0.83 | - | (2.80) | - | |
| Depreciation charge during the year | 10.87 | - | 475.91 | 66.61 | 2,647.27 | 70.36 | 148.90 | 84.99 | - | 3,504.91 | - | |
| Disposals | - | - | 6.33 | 4.29 | 28.69 | 0.15 | 11.50 | 16.14 | - | 67.10 | - | |
| Transfers | - | - | 6.55 | - | - | - | - | - | - | 6.55 | - | |
| Closing Accumulated Depreciation | 50.02 | - | 1,716.53 | 179.57 | 7,635.76 | 186.65 | 387.03 | 271.57 | - | 10,427.13 | - | |
| Net Carrying Amount | 821.89 | 687.43 | 6,789.27 | 239.71 | 18,002.28 | 94.97 | 214.99 | 175.80 | - | 27,026.34 | 5,410.63 | |

Notes

- i) All Property, Plant and equipment are held in the name of the Group Except Right to Use Asset
- ii) Refer to Note No 29 for information on Property, Plant & Equipment Pledged as Security by the Group
- iii) **Capital Work Work in Progress**
Capital Work in Progress is towards expansion of Various Business Units of the Group
- (iv) Previous Years Figures have been Regrouped / Rearranged to Confirm to the Current Period Reclassification



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note 4 : Investment Properties

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Gross Carrying Amount | | |
| Opening Gross Carrying Amount | 4,606.86 | 2,670.91 |
| Additions during the year | - | 1,797.33 |
| Transfer from Property Plant & Equipment | - | 40.71 |
| Adjustments due to Foreign Currency Translations | 288.57 | 97.91 |
| Closing Gross Carrying Amount | 4,895.43 | 4,606.86 |
| Accumulated Depreciation | | |
| Opening Accumulated Depreciation | 497.39 | 284.04 |
| Adjustments due to Foreign Currency Translations | 38.19 | 15.29 |
| Depreciation Charge for the year | 222.39 | 191.51 |
| Transfer from Property Plant & Equipment | - | 6.55 |
| Closing Accumulated Depreciation | 757.97 | 497.39 |
| Net Carrying Amount | 4,137.46 | 4,109.47 |

i) Amount recognised in profit and loss in respect of investment properties

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Rental Income | 551.57 | 622.44 |
| Direct Operating expenses from property that generated rental income | 65.79 | 53.06 |
| Profit from Investment Properties before Depreciation | 485.78 | 569.38 |
| Depreciation | 222.39 | 191.51 |
| Profit from Investment Properties | 263.39 | 377.87 |

ii) Fair Value

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|-----------------------|---------------------------|---------------------------|
| Investment Properties | 10,031.73 | 9,936.91 |

Estimation of Fair value :

The above valuation of the Investment Properties (except for Investment Property located at UAE) are in accordance with the Ready Reckoner rates as prescribed by the Government of Maharashtra for the Purpose of levying Stamp Duty. Since the valuation is based on the Published Ready Reckoner rates, the Group has classified the same under level -2. In case of Investment Property situated at UAE, the management is of the Opinion that, in absence of Comparable market prices , the fair value of Investment properties cannot be reasonably determined but are considered to be atleast equal to their carrying Values. The Investment Property situated at UAE is registered in the name of the directors and is held in trust for and on behalf of the Group.



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

iii) Leasing arrangements

The Group has entered in to various a non cancellable leasing agreements . There is an escalation clause in the lease agreement during the lease year in line with expected general inflation. There are no restrictions imposed by lease arrangements . There are no contingent rents. The Total Future minimum lease rentals receivable at the Balancesheet date are as Under

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Within one year | 544.33 | 428.64 |
| Later than one year but not later than 5 years | 679.30 | 941.11 |
| Later than 5 years | - | - |

Note 5 : Intangibe Assets

| Particulars | Non Competition Fees | Computer Software * | Goodwill | Total |
|--|-------------------------|------------------------|---------------|---------------|
| Year Ended 31st March, 2020 | | | | |
| Gross Carrying Amount | | | | |
| Opening Gross Carrying Amount | 34.58 | 634.56 | 143.62 | 812.76 |
| Adjustments due to Foreign Currency Translations | 3.26 | 0.76 | 13.22 | 17.24 |
| Additions during the year | - | 91.15 | - | 91.15 |
| Closing Gross Carrying Amount | 37.84 | 726.47 | 156.84 | 921.15 |
| Accumulated Amortisation | | | | |
| Opening Accumulated Amortisation | 17.87 | 492.19 | - | 510.06 |
| Amortisation charge for the year | 7.24 | 113.43 | - | 120.67 |
| Adjustments due to Foreign Currency Translations | 2.01 | 0.59 | - | 2.60 |
| Closing Accumulated Amortisation | 27.12 | 606.21 | - | 633.33 |
| Closing Net Carrying Amount | 10.72 | 120.26 | 156.84 | 287.82 |
| Year Ended 31st March, 2019 | | | | |
| Gross Carrying Amount | | | | |
| Opening Gross Carrying Amount | 32.59 | 528.67 | 135.54 | 696.80 |
| Adjustments due to Foreign Currency Translations | 1.99 | (0.14) | 8.08 | 9.93 |
| Additions during the year | - | 106.03 | - | 106.03 |
| Closing Gross Carrying Amount | 34.58 | 634.56 | 143.62 | 812.76 |
| Accumulated Amortisation and Impairment | | | | |
| Opening Accumulated Amortisation | 10.32 | 360.20 | - | 370.52 |
| Amortisation Charge for the year | 6.72 | 132.10 | - | 138.82 |
| Adjustments due to Foreign Currency Translations | 0.83 | (0.11) | - | 0.72 |
| Closing Accumulated Amortisation | 17.87 | 492.19 | - | 510.06 |
| Closing Net Carrying Amount | 16.71 | 142.37 | 143.62 | 302.70 |

* Computer Software includes expenditure on computer software which is not an integral part of hardware



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note - 6 : Financial Assets

Note -6(a) Non Current Investments

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Investment in Equity Instruments (Fully Paid up , unless otherwise stated) | | |
| Investment in Associates (Un Quoted) (Using Equity Method) | | |
| Capital Account in Benten Technologies LLP (At Cost) | 0.50 | - |
| Less Share of Loss for the Period ended 31st March 2020 | 0.04 | - |
| Carrying Amount of Investment | 0.46 | - |
| Partners 1) Technocraft Industries India Limited & 2) Mr Sanjeev Sinha Total Fixed Capital of the Firm is ₹ 1 Lakh. (% of Share in Profit / Loss is 50% of Technocraft Industries India Limited & 50% of Mr Sanjeev Sinha) | | |
| Investment In Equity Instrument of Co-operative Societies - (At Fair Value through Profit & Loss) | | |
| Unquoted | | |
| 30 (P.Y : 30) shares of Mittal Court Premises Co-Op. Society Ltd. | 0.02 | 0.02 |
| 15 (P.Y : 15) shares of Udit Mittal Court Industrial Premises Co-Op. Society Ltd. | 0.01 | 0.01 |
| 10 (P.Y: 10) shares of Green Lawns Co-op Society Ltd. | 0.01 | 0.01 |
| Total (Equity Instruments) | 0.04 | 0.04 |
| Investment In Mutual Funds (At Fair value through Profit and loss) | | |
| Quoted | | |
| NIL (P.Y 3,00,00,000) Units of ₹ 10/- each of HDFC FMP 1170D February - 2017 (1) # | - | 3,523.80 |
| NIL (P.Y 50,00,000) Units of ₹ 10/- each of FMP 1178D February 2017(1) # | - | 590.12 |
| NIL (P.Y 50,00,000) Units of ₹ 10/- each of HDFC FMP 1213D March 2017(1) # | - | 584.44 |
| 2,00,00,000 (P.Y 2,00,00,000) Units of ₹ 10/- each of of HDFC FMP 1208D March 2018 (1) | 2,322.25 | 2,139.34 |
| NIL (P.Y 10,00,000) Units of ₹ 10/- each of HDFC EOF-II-1100 D June 2017 | - | 104.37 |
| NIL (P.Y 10,00,000) Units of ₹ 10/- each of HDFC FMP 1170 D February 2017 | - | 117.46 |
| 50,00,000 (P.Y 50,00,000) Units of ₹ 10/- each of HDFC FMP 1133D JULY 2018 (1) | 575.83 | 533.20 |
| 60,00,000 (P.Y.60,00,000) Units of ₹ 10/- each of HDFC FMP 1105D AUGUST 2018 (2) | 698.03 | 638.21 |
| 50,00,000 (P.Y.50,00,000) Units of ₹ 10/- each of HDFC FMP 1141D AUGUST 2018 (1) | 564.96 | 523.79 |
| 70,00,000 (P.Y.70,00,000) Units of ₹ 10/- each of HDFC FMP 1487D AUGUST 2018 (1) | 803.26 | 734.28 |
| 2,00,00,000 (P.Y.2,00,00,000) Units of ₹ 10/- each of HDFC FMP 1146D APRIL 2018(1)-SER.40 | 2,267.91 | 2,121.26 |
| 50,00,000 (P.Y.50,00,000) Units of ₹ 10/- each of HDFC FMP 1190D JANUARY 2019 (1) | 565.46 | 514.92 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| 23,46,580.563 (P.Y NIL) Units of ₹ 10/- each of HDFC Corporate Bond Fund | 537.69 | - |
| 1,52,28,140.870 (P.Y NIL) Units of ₹ 10/- each of SBI Corporate Bond Fund | 1,708.45 | - |
| 20,00,000 (P.Y 20,00,000) units of ₹ 10/- each of HDFC FMP 1105D AUGUST 2018 (2) | 232.68 | 212.74 |
| 20,00,000 (P.Y 20,00,000) units of ₹ 10/- each of HDFC FMP 1126D MARCH 2019 (1) | 222.12 | 201.98 |
| 10,00,000 (P.Y 10,00,000) units of ₹ 10 /- each of HDFC FMP 1133D JULY 2018 (1) | 115.17 | 106.64 |
| 15,00,000 (P.Y 15,00,000) units of ₹ 10/- each of HDFC FMP 1141D AUGUST 2018 (1) | 169.49 | 157.14 |
| 20,00,000 (P.Y 20,00,000) units of ₹ 10/- each of HDFC FMP 1182D JANUARY 2019 (1) | 225.73 | 205.45 |
| 20,00,000 (P.Y 20,00,000) units of ₹ 10 /- each of HDFC FMP 1260D OCTOBER 2018(1) | 232.95 | 211.82 |
| 21,50,994.272 (P.Y NIL) units of ₹ 10/- each of HDFC Corporate Bond Fund -Growth | 492.89 | - |
| Total (Mutual Funds) | 11,734.87 | 13,220.96 |
| Total Non - Current Investments | 11,735.37 | 13,221.00 |
| Aggregate Amount of Quoted Investments | 11,734.87 | 13,220.96 |
| Aggregate Market value of Quoted Investments | 11,734.87 | 13,220.96 |
| Aggregate Amount of Unquoted Investments | 0.50 | 0.04 |

Lien with the Bank against the availment of Working Capital Loan .Total Non Current Investments Lien as on 31st March ,2020 is ₹ NIL (P.Y 4,698.36 Lakhs).Also Refer Note No 29 for details of Investments Pledged as Security.

Note 6(a) Current Investments

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Investment In Mutual Funds (At Fair value through Profit and loss) | | |
| Quoted | | |
| 29,04,528.315 (P.Y 29,04,528.315) units of ₹ 10/- Each of HDFC Monthly Income Plan. | 1,287.89 | 1,331.66 |
| 65,52,921.437 (P.Y 65 ,52,921.437) units of ₹ 10/- each of ICICI Prudential Regular Saving Fund | 2,851.91 | 2,791.80 |
| 64,08,727.430 (P.Y 64,08,727.430) units of ₹ 10/- each of HDFC Equity Saving Fund -Growth | 2,112.89 | 2,358.09 |
| 14,18,037.436 (P.Y 14,18,037.436) units of ₹ 10/- each of HDFC Equity Saving Fund -DG | 499.48 | 553.45 |
| 4,41,930.352 (P.Y 4,41,930.352) Units of ₹ 10/- each of ICICI Prudential Balanced Fund | 468.27 | 594.13 |
| 48,70,208.867 (P.Y 48,70,208.657) units of ₹ 10/- each of ICICI Prudential Equity Income Fund | 619.00 | 670.63 |
| NIL (P.Y 38,25,554.705) Units of ₹ 10 /-each of Aditya Birla Sunlife -Equity Saving Fund | - | 509.18 |
| 61,99,647.060 (P.Y 61,99,647.060) Units of ₹ 10/- each of HDFC Corporate Debt Opportunities Fund -Direct Growth | 1,081.42 | 986.90 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Particulars | As at | |
|---|------------------|------------------|
| | 31st March, 2020 | 31st March, 2019 |
| 39,39,396.27 (P.Y 39,39,396.27) Units of ₹ 10/- each of SBI Equity Saving Fund | 499.94 | 541.98 |
| NIL (P.Y 50,00,000) units of ₹ 10/- each of HDFC FMP 1114D March 2016 (1) # | - | 632.54 |
| NIL (P.Y 50,00,000) units of ₹ 10/- each of HDFC FMP 1190D March 2016 (1) # | - | 668.68 |
| NIL (P.Y 50,00,000) units of ₹ 10/- each of ICICI Prudential FMP Series 77-1473 D Plan # | - | 686.64 |
| 3,00,00,000 (P.Y NIL) Units of ₹ 10/- each of HDFC FMP 1170D February - 2017 (1) # | 3,845.04 | - |
| 50,00,000 (P.Y NIL) Units of ₹ 10/- each of FMP 1178D February 2017(1) # | 643.57 | - |
| 50,00,000 (P.Y NIL) Units of ₹ 10/- each of HDFC FMP 1213D March 2017(1) # | 641.01 | - |
| 22,351.513 (P.Y 22,351.513) Units of ₹ 10/- each of HDFC Equity Fund | 102.32 | 152.26 |
| 10,69,930.36 (P.Y 10,69,930.36) Units of ₹ 10/- each of HDFC Equity Saving Fund | 362.05 | 402.90 |
| NIL (P.Y 5,00,000) Units of ₹ 10/- each of HDFC FMP 1132 D February 2016 | - | 63.79 |
| 3,74,408.435 (P.Y 3,74,408.435) Units of ₹ 10/- each of HDFC Corporate Debt Opportunities Fund | 62.32 | 57.12 |
| 10,00,000 (P.Y NIL) Units of ₹ 10/- each of HDFC EOF-II-1100 D June 2017 | 83.25 | - |
| 10,00,000 (P.Y NIL) Units of ₹ 10/- each of HDFC FMP 1170 D February 2017 | 128.17 | - |
| Total (Mutual Funds) | 15,288.53 | 13,001.75 |
| Investment in Equity Instruments | | |
| Investment In Equity Shares (At Fair value through Profit and loss) | | |
| Quoted | | |
| 3,080 (P.Y 3,080) Shares of ₹ 10/- each of Avenue Supermarkets Limited | 67.38 | 45.31 |
| Total (Equity Instruments) | 67.38 | 45.31 |
| Total Current Investments | 15,355.91 | 13,047.06 |
| Aggregate Amount of Quoted Investments | 15,355.91 | 13,047.06 |
| Aggregate Market value of Quoted Investments | 15,355.91 | 13,047.06 |

Lien with the Bank against the availment of Working Capital Loan .Total Current Investments Lien as on 31st March, 2020 is ₹ 5,129.62 Lakhs (P.Y 1,987.86 Lakhs).Also Refer Note No 29 for details of Investments Pledged as Security.

Note - 6(b) : Other Financial Assets

| Particulars | As at 31st March, 2020 | | As at 31st March ,2019 | |
|--|------------------------|---------------|------------------------|-----------------|
| | Current | Non - Current | Current | Non - Current |
| Security Deposits | 131.07 | 548.50 | 168.34 | 457.62 |
| Fixed Deposit with Banks (Maturity more than 12 Months)* | - | 126.61 | - | 2,292.97 |
| Other Receivables | 921.05 | - | 985.34 | - |
| Total Other Financial Assets | 1,052.12 | 675.11 | 1,153.68 | 2,750.59 |

* Fixed Deposits are Pledged against Bank Overdraft/ Bank Guarantee.Also refer Note No 29 for details of Fixed deposits Pledged as Security.



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note - 6(c) : Trade Receivables

| Particulars | As at | |
|--|------------------|------------------|
| | 31st March, 2020 | 31st March, 2019 |
| Trade Receivables (other than related Parties) | 34,185.65 | 32,571.65 |
| Receivables from Related Parties | - | - |
| Trade Receivables which have significant increase in credit risk | - | - |
| Trade Receivables -Credit Impaired | - | - |
| Less : Allowance for doubtful trade Receivables | - | - |
| Total Receivables | 34,185.65 | 32,571.65 |
| Current Portion | 34,185.65 | 32,571.65 |
| Non - Current Portion | - | - |
| Break-up of Security details | | |
| Secured , Considered good | - | - |
| Unsecured , Considered good | 34,185.65 | 32,571.65 |
| Doubtful | - | - |
| Total | 34,185.65 | 32,571.65 |
| Allowances for doubtful debts | - | - |
| Total Trade Receivables | 34,185.65 | 32,571.65 |

No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Kindly refer Note No 29 regarding Hypotheciation of Debts to various banks against availing Working Capital Facilities

Note - 6(d) : Cash and Cash Equivalents

| Particulars | As at | |
|---|------------------|------------------|
| | 31st March, 2020 | 31st March, 2019 |
| Balances with Banks - In current accounts | 6,217.62 | 4,941.16 |
| Cash on Hand | 11.55 | 84.31 |
| Total Cash and Cash Equivalents | 6,229.17 | 5,025.47 |

Note - 6(e) : Other Bank Balances

| Particulars | As at | |
|--|------------------|------------------|
| | 31st March, 2020 | 31st March, 2019 |
| In Unclaimed Dividend Accounts | 11.26 | 18.95 |
| Fixed Deposit (Maturity Between 3 to 12 Months) (Also Refer Note No 29 for Fixed Deposits Pledged as Security) | 2,834.12 | 633.78 |
| Bank Balances (Temporary Overdrawn) | (71.53) | (298.44) |
| Total Other Bank Balances | 2,773.85 | 354.29 |

Note - 6(f) : Loans

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---|------------------------|---------------|------------------------|---------------|
| | Current | Non - Current | Current | Non - Current |
| Loans To Employees | 137.58 | - | 144.26 | - |
| Loans to Related Parties (Also Refer Note No 31 for Related Party Transactions) | 180.91 | - | 149.68 | - |
| Total Loans | 318.49 | - | 293.94 | - |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Break up | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Loan Considered good-Secured | - | - |
| Loan Considered good-Unsecured | 318.49 | 293.94 |
| Loans which have significant increase in credit risk | - | - |
| Loans -credit impaired | - | - |
| Total | 318.49 | 293.94 |
| Less Allowance for Doubtful Loans | - | - |
| Total Loans | 318.49 | 293.94 |

Note -7 : Other Non Current Assets

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---------------------------------------|---------------------------|---------------------------|
| Capital Advances | 238.62 | 884.19 |
| Other Assets | 5.99 | 11.30 |
| Total Other Non Current Assets | 244.61 | 895.49 |

Note - 8 : Inventories

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------|---------------------------|---------------------------|
| Raw Material | 14,961.84 | 16,378.43 |
| Work in Progress | 4,919.29 | 4,346.67 |
| Finished Stock (Goods) | 30,345.69 | 24,339.09 |
| Finished Stock * | - | 546.45 |
| Stores and Spares | 1,918.01 | 1,634.91 |
| Scrap | 315.34 | 196.40 |
| Fuel & Oil | 54.02 | 47.84 |
| Packing Materials | 333.94 | 297.30 |
| Total Inventories | 52,848.13 | 47,787.09 |

Also Refer Note No 29 for details of Inventories Pledged as Securities

* represents Unamortised Portion of Land Cost (as per Books) as at the year end

Note - 9 : Current Tax Asset (Net)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------------|---------------------------|---------------------------|
| Advance Tax | - | 24,283.58 |
| Less : Provision For Taxation | - | 24,053.25 |
| Net Current Tax Asset | - | 230.33 |

Note - 10 : Other Current Assets

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------------------|---------------------------|---------------------------|
| Prepaid Expenses | 622.39 | 419.43 |
| Balance with Statutory authorities | 3,424.14 | 4,969.73 |
| Others | 2,072.93 | 2,493.21 |
| Total Other Current Asset | 6,119.46 | 7,882.37 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note - 11 : Equity Share Capital & Other Equity

Note - 11 (a) : Equity Share Capital

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Authorised | | |
| 4,00,00,000 (P.Y. 4,00,00,000) Equity Shares of ₹10/- Each. | 4,000.00 | 4,000.00 |
| | 4,000.00 | 4,000.00 |
| Issued, Subscribed and Fully Paid Up | | |
| 2,44,61,687/- (P.Y 2,44,61,687) Equity Shares of ₹10/- Each Fully Paid Up | 2,446.17 | 2,446.17 |
| | 2,446.17 | 2,446.17 |

a). Terms / rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 10 /-per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation , the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b). Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period :

| Particulars | Equity Shares | | | |
|---|------------------------|------------|------------------------|------------|
| | As on 31st March, 2020 | | As on 31st March, 2019 | |
| | Number | ₹ in Lakhs | Number | ₹ in Lakhs |
| Shares outstanding at the beginning of the year | 2,44,61,687 | 2,446.17 | 2,44,61,687 | 2,446.17 |
| Shares Issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 2,44,61,687 | 2,446.17 | 2,44,61,687 | 2,446.17 |

c). Details of Shareholders holding more than 5% shares in the company:

| Name of the Sharholder | Equity Shares | | | |
|------------------------------|------------------------|-----------------|------------------------|-----------------|
| | As on 31st March, 2020 | | As on 31st March, 2019 | |
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Sudarshan Kumar Saraf | 67,94,903 | 27.78 | 67,94,903 | 27.78 |
| Shakuntala Saraf | 51,69,867 | 21.13 | 51,69,867 | 21.13 |
| Sharad Kumar Madhoprasad HUF | 22,05,366 | 9.02 | 22,05,366 | 9.02 |
| Navneet Kumar Saraf | 14,13,082 | 5.78 | 14,13,082 | 5.78 |

d). The Holding Company has not issued any equity shares as bonus or for Consideration other than cash and has bought back 70,65,063/- equity Shares during the Period of five years immediately preceeding 31st March 2020. The said equity shares were bought back on 1) 52,26,750 shares on 24th Feburary 2016. & 2) 18,38,313 Shares on 1st March 2018.



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

Note - 11 (b) : Other Equity

(₹ in lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---------------------------------------|---------------------------|---------------------------|
| Capital Redemption Reserve | 709.01 | 709.01 |
| Others : | | |
| Capital Reserve | 76.53 | 76.53 |
| Securities Premium | 459.12 | 459.12 |
| General Reserve | 13,632.44 | 13,632.44 |
| Retained Earnings | 77,324.08 | 65,178.89 |
| Foreign Currency Translation Reserves | (218.64) | 211.44 |
| Total Reserves and Surplus | 91,982.54 | 80,267.43 |

Capital Redemption Reserve

Represent Reserve created during the buyback of Equity Shares and it is non distributable Reserve

Capital Reserve

During amalgamation / merger approved by Honourable Court, the excess of net assets taken over the Consideration paid , if any, is treated as Capital Reserve .

Securities Premium

The amount received in excess of Face value of the equity shares is recognised in securities premium.

General Reserve

The reserve arises on transfer portion of the net profit pursuant to the earlier Provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act , 2013.

Retained Earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Foreign Currency translation reserve

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The Cumulative amount is reclassified to statement of profit and Loss when net investments is disposed off or Clasified as held for sale

Note - 12 (a) : Non Current Borrowings

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Secured | | |
| Term Loans | | |
| From banks | | |
| Bank of India Rupee Term Loan | - | 350.08 |
| ICICI Bank Rupee Term Loan (I) | 3,607.98 | 3,663.18 |
| ICICI Bank Rupee Term Loan (II) | 1,588.77 | 479.90 |
| HSBC Bank Rupee Term Loan | 426.50 | 230.70 |
| Kotak Mahindra Bank Rupee Term Loan | 7,914.99 | 855.56 |
| Royal Bank of Scotland ,Manchester Term Loan | 32.68 | 39.71 |
| De Lage Landen Financial Servics Inc. | 6.65 | 14.26 |
| Lease Corporation of America | - | 8.63 |
| Total Non Current Borrowings | 13,577.57 | 5,642.02 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

Nature of Security & Terms of Borrowing

1. Term Loan From Bank of India Is Secured Against Hypothecation of Plant & Machinery & Equipment acquired out of the said Loan & also by way of Equitable Mortgage over Specific Immovable Properties of Textile Division at Murbad (Yarn & Fabric) .It is Repayable in 10 Half yearly equal Installments starting from 31.3.2016 & ending on 30.9.2020. Rate of Interest is 9.70 % p.a as at the year end (31st March 2019 : 10.25% p.a) .The said rate of interest is without Considering Interest Subsidy under TUF Scheme.
2. Term Loan From ICICI Bank (I+II) Is Secured by way of Hypothecation over Plant & Machinery & Equipment acquired Out of the said Loan & also by way of pari passu charge over Specific Immovable Properties of Textile Division at Murbad . (Yarn & Fabric Division) by way of Equitable Mortgage shared with Bank of India. Term Loan from ICICI Bank (I) is Repayable in 20 Quarterly equal Installments starting from 31-3-2020 & ending on 28-2-2025 . Rate of Interest is 8.95 % p.a as at the year end.(31st March 2019 : 9.10 % p.a).Term Loan from ICICI Bank (II) is Repayable in 20 Quarterly equal Installments starting from 30-9-2020 & ending on 31-8-2025 . Rate of Interest is 9.05 % p.a as at the year end.(31st March 2019 : 9.10% p.a)
3. Term Loan from HSBC Bank is Secured by way of PariPassu Charge on Hypothecation of Stock & Book Debts Both Present & Future And Fixed Assets & Equitable Mortgage of the Specific Immovable Properties of Scaffolding Division at Murbad .It is Repayable in 20 Quarterly equal Installments starting from 27.09.2019 & ending on 27.06.2024 . Rate of Interest is 8.40 % p.a as at the year end.(31st March 2019: 8.80% p.a)
4. Term Loan From Kotak Mahindra Bank Is Secured by way of Hypothecation over Plant & Machinery & Equipment acquired out of the said Loan & also by way of Equitable Mortgage over Specific Immovable Properties of Textile Division at Amravati (Yarn Division).It is Repayable in 20 Quarterly equal Installments starting from 05.01.2021 & ending on 05.10.2025 . Rate of Interest is 8.40 % p.a as at the year end.(31st March 2019: 8.80% p.a)
5. Term Loan from Royal Bank of Scotland - Manchester is secured by first legal charge over the Group free hold property at UK. The Loan is repayable in monthly installments upto 30th June 2024. Rate of Interest 2.65% p.a.
6. Loan from Lease Corporation of America & De Lage Landen Financial Services Inc. are secured against the hypothecation of Forklift Case & Flat Bed Freight Liner Purchased out of the said Loan respectively. Terms of Repayment is 48 Months

Note 12(a) : Current Borrowings

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Secured | | |
| From banks | | |
| 1. H.D.F.C. Bank- Overdraft | 854.55 | 1,984.49 |
| 2. H.D.F.C Bank Working Capital Loan | 1,500.00 | - |
| 3. H.D.F.C. Bank - Rupee Packing Credit | 6,469.00 | 8,277.89 |
| 4. H.D.F.C Bank Foreign Currency (\$) Packing Credit | 1,967.42 | - |
| 5. CITI Bank Rupee Packing Credit | - | 3,169.16 |
| 6. CITI Bank Foreign Currency (\$) Packing Credit | 1,059.38 | - |
| 7. Kotak Mahindra Bank Working Capital Loan | 1,080.00 | 2,550.00 |
| 8. Kotak Mahindra Bank Rupee Packing Credit | 2,516.60 | 7,462.93 |
| 9. Kotak Mahindra Bank Foreign Currency (\$) Packing Credit | 2,186.86 | - |
| 10. Kotak Mahindra Bank Cash Credit | 24.08 | - |
| 11. ICICI Bank Rupee Packing Credit | 1,498.21 | 1,442.18 |
| 12. ICICI Bank Foreign Currency (\$) Packing Credit | 2,118.76 | - |
| 13. HSBC Rupee Packing Credit | 2,391.97 | 3,978.20 |
| 14. HSBC Foreign Currency (\$) Packing Credit | 1,563.34 | - |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| 15. DBS Bank Rupee Packing Credit | 2,945.54 | 3,015.67 |
| 16. DBS Bank Foreign Currency (\$) Packing Credit | 1,059.38 | - |
| 17. BNP Paribas Rupee Packing Credit | 2,983.09 | 2,298.51 |
| 18. Bank of India- Cash Credit | - | 2.25 |
| 19. Bank of India Rupee Packing Credit | - | 2,000.00 |
| 20. Industrial & Commercial Bank of China | 1,064.50 | 1,059.61 |
| 21. Citi Bank (Poland,China & USA) | 11,005.15 | 8,859.00 |
| 22. Bank of India , Manchester -Working Capital Loan | 0.08 | 1,033.32 |
| 23. HSBC Bank , Manchester -Working Capital Loan | 810.27 | |
| 24. Common Wealth Bank Australia | - | 821.32 |
| Unsecured | | |
| From banks | | |
| 1. First Strand Bank Foreign Currency (\$) Packing Credit | 4,729.38 | - |
| 2. IDFC Bank Rupee Packing Credit | - | 7,607.50 |
| From Others (Terms of Repayment -On Demand) | | |
| 1. From Directors (Also Refer Note No 31 for Related Parties) | - | 602.90 |
| 2. From Related Parties (Also Refer Note No 31 for Related Parties) | 17.84 | 705.43 |
| 3. From Others | 85.26 | 19.59 |
| Total Current Borrowings | 49,930.66 | 56,889.95 |

Nature of Security

- Overdraft From H.D.F.C Bank are Secured Against Fixed Deposits of the Company.
- Working Capital Loan From HDFC Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future And Fixed Assets & Equitable Mortgage of the Companies Specific Immovable Properties.
- Export Packing Credit (Both Rupee & \$) Against L/Cs. Confirmed Orders From HDFC Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future And Fixed Assets & Equitable Mortgage of the Companies Specific Immovable Properties of Scaffolding Division
- Export Packing Credit (\$) Against L/Cs. Confirmed Orders From CITI Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future And Fixed Assets & Equitable Mortgage of the Companies Specific Immovable Properties of Scaffolding Division
- Working Capital Loan from Kotak Mahindra Bank is secured against Lien of Specific Investments
- Export Packing Credit (Both Rupee & \$) Against L/Cs. Confirmed Orders From Kotak Mahindra Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future of Textile Division at Murbad
- Cash Credit From Kotak Mahindra Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future of Textile Division at Murbad
- Export Packing Credit (Both Rupee & \$) Against L/Cs. Confirmed Orders From ICICI Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future of Textile Division at Murbad
- Export Packing Credit (Both Rupee & \$) Against L/Cs. Confirmed Orders From HSBC Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future And Fixed Assets & Equitable Mortgage of the Companies Specific Immovable Properties of Scaffolding Division



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

10. Export Packing Credit (Both Rupee & \$) Against L/Cs. Confirmed Orders From DBS Bank Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future of Drum Closure Division at Murbad
11. Export Packing Credit (Rupee) Against L/Cs. Confirmed Orders From BNP Paribas Are Secured Against the Hypothecation of Stock & Book Debts Both Present & Future of Drum Closure Division at Murbad
12. Working Capital Loan from Industrial & Commercial Bank of China is secured by way of charge over Leasehold Land & Factory Building situated at China
13. Working Capital Loan From Citi Bank (Poland , China & USA) are secured by way of SBLC/Corporate Guarantee given by Parent Company. Loan from Citi Bank (USA) is also additionally secured against the Floating assets of the Company at USA .
14. Working Capital Loan from Bank of India - Manchester is secured by way of Mortgage and General Charge (Debentures) on the Group Fixed and Floating Assets situated at UK and also by way of Corporate Guarantee from parent Company.
15. Working Capital Loan from HSBC - Manchester is secured by way of Mortgage and General Charge (Debentures) on the Group Fixed and Floating Assets situated at UK and also by way of Corporate Guarantee from parent Company.

Note - 12 (b) : Other Non Current Financial Liabilities

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Security Deposits | 230.05 | 224.75 |
| Other Liabilities | 97.57 | 89.18 |
| Total Other Financial Liabilities | 327.62 | 313.93 |

Note - 12 (b) : Other Current Financial Liabilities

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Security Deposits | 432.54 | 382.26 |
| Current Maturity on long term Loans | 1,965.31 | 1,234.88 |
| Liabilities For Expenses | 7,125.62 | 5,034.90 |
| Unclaimed Dividend | 11.26 | 18.95 |
| Total Other Financial Liabilities | 9,534.73 | 6,670.99 |

Note - 12 (c) : Trade Payables

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Current | | |
| Amount due to related parties | - | - |
| Total outstanding dues of micro and small enterprises | 41.11 | 134.42 |
| Others | 6,636.88 | 4,260.30 |
| Total Trade Payables | 6,677.99 | 4,394.72 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Dues to Micro and Small Enterprises

The Group has certain dues to suppliers registered under Micro , Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures Pursuant to the said MSMED Act are as Follows.

| Particulars | As at | |
|---|------------------|------------------|
| | 31st March, 2020 | 31st March, 2019 |
| The Principal amount remaining unpaid to any supplier at the end of the year | 41.11 | 134.42 |
| Interest due remaining unpaid to any supplier at the end of the year | - | - |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act , 2006, along with the amount of the payment made to the Supplier beyond the appointed day during the year | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act , 2006. | - | - |
| The amount of Interest accrued and remaining unpaid at the end of each accounting year | - | - |
| The amount of further interest remaining due and payable even in the succeeding years , until such date when the Interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act , 2006 | - | - |

Note-Disclosure of payable to vendors as defined under the “Micro , Small and Medium Enterprise Development Act ,2006” is based on the information available with the Group regarding the Status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Group. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance sheet date .There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on Balance brought forward from previous year.

Note - 13 : Provisions

| Particulars | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---------------------------------------|------------------------|-----------------|------------------------|-----------------|
| | Current | Non - Current | Current | Non - Current |
| Provision For Leave Salary Encashment | 55.47 | 318.46 | 42.81 | 288.12 |
| Provision For Gratuity | 153.34 | 1,689.23 | 133.01 | 1,417.50 |
| Total Provisions | 208.81 | 2,007.69 | 175.82 | 1,705.62 |

Also Refer Note No 32 of Employee Benefits

Note - 14 : Deferred Tax Liabilities (net)

The balance comprises temporary differences attributable to :

| Particulars | As at | |
|---|------------------|------------------|
| | 31st March, 2020 | 31st March, 2019 |
| Property, Plant & Equipment , Intangible Assets & Investment Properties | 790.71 | 1,032.93 |
| Employee Benefits | (557.84) | (647.22) |
| Investments | 715.26 | 866.20 |
| Tax Loss | (226.33) | (226.70) |
| Others | (80.08) | 41.79 |
| MAT Credit Entitlement | (7.75) | (8.25) |
| Net Deferred Tax Liabilities | 633.97 | 1,058.77 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note - 15 : Other Non Current Liabilities

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Deferred Government Grant | 1,111.53 | 531.71 |
| Total Other Non Current Liabilities | 1,111.53 | 531.71 |

Note - 16 : Current Tax Liabilities (Net)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Provision For Taxation | 27,559.79 | - |
| Less : Advance Tax | 27,308.57 | - |
| Total Current Tax Liabilities (net) | 251.22 | - |

Note - 17 : Other Current Liabilities

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Advance From Customers | 1,029.93 | 1,212.08 |
| Deferred Government Grant | 216.00 | 124.06 |
| Other Liabilities | 877.32 | 496.12 |
| Total Other Current Liabilities | 2,123.25 | 1,832.26 |

Note - 18 : Revenue from Operations

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---|--------------------------------|--------------------------------|
| Sale of products | 1,14,487.06 | 1,08,738.77 |
| Revenue from Land development activities | 132.01 | 284.61 |
| Rendering of Services | 12,215.00 | 12,602.62 |
| Other Operating Revenue | 9,076.04 | 9,719.94 |
| Total Revenue from Continuing Operations | 1,35,910.11 | 1,31,345.94 |

Disaggregation of Revenue

Revenue based on Geography

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|--|--------------------------------|--------------------------------|
| Domestic | 36,568.21 | 24,862.92 |
| Export # | 99,341.90 | 1,06,483.02 |
| Total Revenue from operations as per statement of Profit & Loss | 1,35,910.11 | 1,31,345.94 |

Export incentives has been included in Export Revenue



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Revenue based on Business Segment

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|--|--------------------------------|--------------------------------|
| Drum Closure | 37,639.28 | 36,208.08 |
| Scaffolding | 52,335.55 | 48,366.10 |
| Yarn | 20,833.89 | 21,852.49 |
| Fabric | 14,539.61 | 13,504.53 |
| Power | 728.29 | 566.77 |
| Engineering & Design | 9,610.62 | 10,315.67 |
| Others | 222.87 | 532.30 |
| Total Revenue from operations as per statement of Profit & Loss | 1,35,910.11 | 1,31,345.94 |

Contract Balances

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|--|---------------------------|---------------------------|
| Trade Receivables | 34,185.65 | 32,571.65 |
| Contract Liabilities (Advances from Customers) | 1,029.93 | 1,212.08 |

Reconciling the Amount of Revenue recognised in the statement of Profit & Loss with the Contracted Prices

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|--|--------------------------------|--------------------------------|
| Contract Price | 1,36,866.81 | 1,31,606.08 |
| Less Discount , Claims , credits , Returns etc | 956.70 | 260.14 |
| Total Revenue from operations as per statement of Profit & Loss | 1,35,910.11 | 1,31,345.94 |

Note - 19 : Other Income

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|--|--------------------------------|--------------------------------|
| Rental Income | 583.72 | 657.01 |
| Dividend income from investments mandatorily measured at fair value through profit and loss | 0.03 | 0.02 |
| Interest income | 290.03 | 250.83 |
| Net Gain on financial assets measured at fair value through profit and loss | 808.56 | 1,654.73 |
| Net Gain on Disposal of Investments mandatorily measured at fair value through profit and loss | 19.20 | 96.42 |
| Gain on Sale of Interest in Subsidiary | 463.22 | - |
| Net Foreign Exchange Gain | 1,507.89 | 252.54 |
| Amortisation of Grant | 230.22 | 134.84 |
| Other Non-Operating Income | 326.22 | 691.13 |
| Total Other Income | 4,229.09 | 3,737.52 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note - 20 : Cost of Material Consumed & Engineering & Design Charges

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---|--------------------------------|--------------------------------|
| Raw Materials at the Beginning of the year | 16,378.43 | 14,236.62 |
| Add : Purchases (net) # | 62,294.48 | 67,647.83 |
| | 78,672.91 | 81,884.45 |
| Less : Raw Material at the end of the Year | 14,961.84 | 16,378.43 |
| Raw Materials Consumed during the year | 63,711.07 | 65,506.02 |
| Packing Material Consumed | 1,225.79 | 1,393.44 |
| Engineering & Design Charges | 656.36 | 621.47 |
| Total Cost | 65,593.22 | 67,520.93 |

Purchases are reported net of Trade discounts , Returns , Goods & Service Tax (to the extent refundable / adjustable) & Sales (if any) made during the course of business.

Note - 21 : Changes in inventories of finished Stocks, Stock-in -Trade and work-in-progress

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---|--------------------------------|--------------------------------|
| Opening Balance | | |
| Work - in - Progress | 4,346.67 | 3,655.02 |
| Finished Stock (Goods) | 24,339.09 | 18,581.45 |
| Scrap / Waste | 196.40 | 235.07 |
| Finished Stock * | 546.45 | 790.93 |
| Transfer of Finished Stock * on account of transfer of Interest in Subsidiary | (424.54) | - |
| Total | 29,004.07 | 23,262.47 |
| Closing Balance | | |
| Work - in - Progress | 4,919.29 | 4,346.67 |
| Finished Stock(Goods) | 30,345.69 | 24,339.09 |
| Scrap / Waste | 315.34 | 196.40 |
| Finished Stock * | - | 546.45 |
| Total Closing Balance | 35,580.32 | 29,428.61 |
| Total Changes in inventories of finished goods, Stock-in -Trade and work-in-progress | (6,576.25) | (6,166.14) |

* represents unamortised portion of Land Cost (as per books) as at the year end

Note 22 : Employee benefits expenses

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---|--------------------------------|--------------------------------|
| Salaries, Wages, Bonus etc | 16,616.19 | 15,194.19 |
| Contribution to Provident Fund , ESIC & Other Funds | 523.71 | 478.22 |
| Gratuity Expenses (Also Refer Note 32) | 273.17 | 233.27 |
| Gratuity Trust Fund Expenses | - | 0.02 |
| Staff Welfare Expenses | 678.07 | 516.13 |
| Directors Remuneration | 596.45 | 595.76 |
| Total Employee Benefits Expenses | 18,687.59 | 17,017.59 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note 23 : - Finance Cost

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|--|--------------------------------|--------------------------------|
| Interest | | |
| Interest Expenses (net) (Net of Subsidy ₹ 85.32 Lakhs P.Y ₹ 152.75 Lakhs) under TUF Scheme (Also Refer Note No 31 for Interest paid to Related Party) | 3,354.62 | 2,940.32 |
| Financial Cost | | |
| Bank Charges | 276.64 | 163.55 |
| Bank Guarantee Charges | 68.82 | 43.51 |
| Bank Processing Charges | 17.53 | 59.38 |
| L/C Charges | 31.38 | 32.05 |
| Cash Discount Paid | - | 1.58 |
| Finance Cost expensed in Profit or Loss | 3,748.99 | 3,240.39 |

Note - 24 : Depreciation and amortisation expense

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---|--------------------------------|--------------------------------|
| Depreciation on Property,Plant and Equipment | 5,045.49 | 3,504.91 |
| Depreciation on Investment Properties | 222.39 | 191.51 |
| Amortisation of Intangible Assets | 120.67 | 138.82 |
| Total Depreciation and amortisation expenses | 5,388.55 | 3,835.24 |

Note - 25 : Other Expenses

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|--|--------------------------------|--------------------------------|
| Consumption of Stores and Other Consumable Items | 4,918.92 | 3,707.48 |
| Repairs & Maintenance | | |
| Plant & Machinery | 724.32 | 969.09 |
| Buildings | 280.78 | 570.83 |
| Others | 790.04 | 656.92 |
| Fuel And Oil Consumed | 1,054.44 | 1,042.36 |
| Power & Electricity | 1,546.01 | 1,713.07 |
| Job Work Charges | 7,071.97 | 6,437.97 |
| Labour Charges | 6,543.81 | 5,593.90 |
| Water Charges | 100.14 | 74.66 |
| Other Manufacturing Expenses | 991.06 | 891.08 |
| Freight & Other Export Charges | 4,272.64 | 3,845.92 |
| Selling , Distribution Expenses on Sales | 1,378.72 | 824.41 |
| Advertisement Expenses | 161.32 | 95.73 |
| Warehouse & Handling Charges | 140.04 | 388.12 |
| Commission/Brokerage | 876.31 | 908.57 |
| Sales Promotion | 189.12 | 118.55 |
| Traveling & Conveyance Expenses | 1,164.54 | 1,246.33 |
| Vehicle Expenses | 306.12 | 257.75 |
| Licence , Legal , Professional and Management Expenses | 1,603.13 | 1,061.30 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|--|--------------------------------|--------------------------------|
| Rent, Rates & Taxes | 961.83 | 878.21 |
| Insurance expenses | 688.96 | 717.42 |
| Director Fees | 4.40 | 3.40 |
| Technical Training Expenses | 69.75 | 70.38 |
| Printing & Stationery | 109.49 | 98.41 |
| Postage, Telegram & Telephone Expenses | 274.08 | 232.94 |
| Miscellaneous Expenses | 38.75 | 37.92 |
| Expenditure incurred for Corporate Social Responsibility (CSR) (Refer Note No 38) | - | 7.50 |
| Donation | 13.62 | 0.30 |
| Payment to Auditors - Note 25 (a) below | 35.01 | 26.64 |
| Sundry Balances written Off | 15.30 | 12.03 |
| Loss on Sale of Fixed Assets | 13.96 | - |
| Loss on Sale of Subsidiary | - | 10.55 |
| Bad Debts | 220.15 | 35.07 |
| Total Other expenses | 36,558.73 | 32,534.81 |

Note 25 (a) : - Details of Payment to Auditors

| Particulars | Year ended 31st March, 2020 | Year ended 31st March, 2019 |
|---------------------------------------|--------------------------------|--------------------------------|
| Payment to Auditors | | |
| As Auditor : | | |
| Audit Fees | 26.84 | 22.05 |
| Tax Audit Fees | 6.00 | 3.59 |
| In other capacities : | | |
| Taxation matters / Certification Fees | 1.65 | 0.73 |
| Out of Pocket Expenses | 0.52 | 0.27 |
| Total Payment to Auditors | 35.01 | 26.64 |

Note 26 : Tax Expenses

(a) Amounts recognised in profit or loss

| Particulars | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|---|--------------------------------|--------------------------------|
| Current tax expense (A) | | |
| Current year tax | 3,919.44 | 4,111.12 |
| Short/(Excess) provision of taxation for earlier years | 3.61 | 54.66 |
| | 3,923.05 | 4,165.78 |
| Deferred tax expense (B) | | |
| Origination and reversal of temporary differences | (426.46) | 341.25 |
| Tax expense recognised in the income statement (A+B) | 3,496.59 | 4,507.03 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

(b) Amounts recognised in other comprehensive income

| Particulars | Year Ended 31st March , 2020 | | | Year Ended 31st March , 2019 | | |
|---|------------------------------|--------------------------|-----------------|------------------------------|--------------------------|---------------|
| | Before tax | Tax expense / (benefit) | Net of tax | Before tax | Tax expense / (benefit) | Net of tax |
| Items that will not be reclassified to profit & loss | | | | | | |
| Remeasurements of the defined benefit plans | (31.74) | (7.99) | (23.75) | (64.88) | (23.24) | (41.64) |
| Items that will be reclassified to Profit & Loss | | | | | | |
| Foreign Currency translation | (558.17) | - | (558.17) | 214.85 | - | 214.85 |
| Total Other Comprehensive Income | (589.91) | (7.99) | (581.92) | 149.97 | (23.24) | 173.21 |

(c) Reconciliation of effective tax rate

| Particulars | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|---|-----------------------------|-----------------------------|
| Profit before tax | 16,117.62 | 16,410.63 |
| Applicable Tax Rate (Current year 25.168 % and Previous Year 34.608%) | 4,056.48 | 5,734.53 |
| Tax effect of : | | |
| Tax effect on non-deductible/ Allowable on Payment Basis expenses | 191.34 | 8.60 |
| Excess of depreciation over books under Income Tax Act | (270.01) | 42.08 |
| Exempt income | (0.01) | (5.18) |
| Deductions under various sections of Income Tax Act | (56.93) | (323.87) |
| Effect of taxation of capital gains | (79.29) | (304.18) |
| Others | (235.39) | (499.87) |
| Taxation of Earlier years | 3.61 | 54.66 |
| Difference in Tax Rate | (113.21) | (199.74) |
| Tax expense as per Statement of Profit & Loss | 3,496.59 | 4,507.03 |
| Effective tax rate | 21.69% | 27.46% |

(d) Movement in deferred tax balances

| Particulars | 31.03.2020 | | | | |
|---|--|--|--|--------------------------|--|
| | As at 1st April 2019 Deferred Tax Asset / (Liabilities) | Credit / (Charge) in the Statement of Profit or Loss | Transfer due to Disposal/ Sale of Interest in Subsidiary | Credit / (Charge) in OCI | As at 31st March 2020 Deferred Tax Asset/ (Liabilities) |
| Deferred tax Asset/(Liabilities) | | | | | |
| Property, plant and equipment , Intangible assets & Investment Property | (1,032.93) | 242.22 | - | - | (790.71) |
| Employee Benefits | 647.22 | (97.37) | - | 7.99 | 557.84 |
| Investments | (866.20) | 150.94 | - | - | (715.26) |
| Tax Loss | 226.70 | 9.17 | 9.54 | - | 226.33 |
| Others | (41.79) | 121.50 | (0.37) | - | 80.08 |
| MAT Credit Entitlement | 8.25 | - | 0.5 | - | 7.75 |
| Deferred tax Asset/(Liabilities)-Net | (1,058.77) | 426.46 | 9.67 | 7.99 | (633.97) |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Particulars | 31/03/2019 | | | As at 31st March 2019 Deferred Tax Asset/ (Liabilities) |
|--|---|--|--------------------------|---|
| | As at 1st April 2018 Deferred Tax Asset / (Liabilities) | Credit / (Charge) in the Statement of Profit or Loss | Credit / (Charge) in OCI | |
| Deferred tax Asset/ (Liabilities) | | | | |
| Property , Plant and Equipment , Intangible assets & Investment Property | (592.14) | (440.79) | - | (1,032.93) |
| Employee Benefits | 556.02 | 67.96 | 23.24 | 647.22 |
| Investments | (1,058.40) | 192.20 | - | (866.20) |
| Tax Loss | 219.14 | 7.56 | - | 226.70 |
| Others | 126.39 | (168.18) | - | (41.79) |
| MAT Credit Entitlement | 8.25 | - | - | 8.25 |
| Deferred Tax Assets/ (Liabilities) | (740.74) | (341.25) | 23.24 | (1,058.77) |

The Group has opted for reduced tax rate as per Section 115BAA of the Income Tax Act , 1961(introduced by the Taxation Laws (Amended) Ordinance, 2019).Accordingly the Group has recognised Provision for Income Tax for the year and re-measured its Deferred tax Liability basis at the rate prescribed in the said section .

Note 27 : Earnings per equity share:

| Particulars | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|---|-----------------------------|-----------------------------|
| Earnings Per share has been computed as under : | | |
| Net Profit after tax attributable to the Equity Shareholders (₹ in Lakhs) | 12,276.11 | 11,675.70 |
| Weighted Average No of shares Outstanding during the year | 2,44,61,687 | 2,44,61,687 |
| Earnings per Share -Basic & Diluted (Face Value of ₹ 10/- per Share)(in ₹) | 50.19 | 47.73 |

Note 28 : Contingent Liabilities & Commitments (to the extent not Provided for)

A-Contingent Liabilities

| S. No | Contingent Liabilities not provided For | As at 31st March, 2020 | As at 31st March, 2019 |
|-------|---|------------------------|------------------------|
| I. | Stand by Letter of Credit (SBLC) aggregating to Euro 17,50,000 (P.Y Euro 17,50,000) and USD 14,50,000 (P.Y USD 14,50,000) given to Banks on behalf of Technocraft Trading Spolka Z.O.O, Poland. | 2,545.62 | 2,362.02 |
| II | Stand by Letter of Credit (SBLC) aggregating to USD 40,00,000 (P.Y USD 40,00,000) given to Banks on behalf of Anhui Reliable Steel Technology Co.Ltd,China. | 3,026.60 | 2,766.20 |
| III. | Corporate Guarantee aggregating to Pounds 25,00,000 (P.Y Pounds 25,00,000) given to Bank on behalf of Technocraft International Ltd, UK. | 2,337.56 | 2,263.14 |
| IV. | Corporate Guarantee aggregating to USD 12,00,000 (P.Y USD 12,00,000) given to Banks on behalf of Technosoft Engineering Inc. ,USA | 907.98 | 829.86 |
| V. | Corporate Guarantee aggregating to USD 1,00,00,000 (P.Y USD 1,00,00,000) given to Banks on behalf of AAIT/ Technocraft Scaffold Distribution LLC. | 7,566.50 | 6,915.50 |
| VI. | Bank Guarantee issued in Favour of Suppliers, Customers & Other Statutory Authorities | 1,397.03 | 432.15 |
| VII. | Excise Duty Matters | ## 1649.77 | ## 1649.77 |
| VIII. | Service Tax Matters | ## 106.74 | ## 50.25 |
| IX. | Income Tax Matters | 368.31 | 13.47 |
| X. | Labour Matters | - | 200.36 |
| XI. | Other Legal Matters | 2,764.54 | 2126.52 |

includes Penal Amount also.



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

B. Commitments

| S. No | Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|-------|---|---------------------------|---------------------------|
| I. | Estimated Amount of Capital Contracts remaining to be executed and not Provided for (net of advances) | 660.87 | 5,939.97 |
| II. | Future Export Obligations/ Commitments against EPCG Authorisations | 18,150.32 | 809.24 |

Note- 29 Assets Pledged as Security

The carrying amount of assets Pledged as security for Current & non current borrowings (including credit Limits sanctioned but not utilised) & also for SBLC / Corporate & Trade Guarantees are as below :

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Non Current Assets | | |
| Property, Plant & Equipment | | |
| Lease Hold Land | 548.54 | 531.89 |
| Free Hold Land | 55.16 | 55.16 |
| Investment Property | 419.41 | 417.42 |
| Building / Factory Building | 8,937.21 | 3,997.87 |
| Plant & Machinery | 23,469.85 | 13,063.22 |
| Capital Work in Progress | 1,281.70 | 3,004.97 |
| Other Financial Assets | | |
| Fixed Deposits with Bank | 126.61 | 2,292.96 |
| Investments | - | 4,698.36 |
| Total Non Current Assets Pledged as security | 34,838.48 | 28,061.85 |
| Current Assets | | |
| Inventories | 47,257.03 | 44,073.11 |
| Other Financial Assets | | |
| Trade Receivables # | 28,698.07 | 28,355.42 |
| Fixed Deposits with Banks | 2,834.11 | 633.28 |
| Investments | 5,129.62 | 1,987.86 |
| Total Current Assets Pledged as security | 83,918.83 | 75,049.67 |
| Total Assets Pledged as Security | 1,18,757.31 | 1,03,111.52 |

excluding Inter Company debtors

Note 30 : Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the management approach as defined in Ind AS 108, the chief operating decision maker (CODM) evaluates the group performance and allocates resources based on an analysis of various performance indicators by business segment and geographic segment. Accordingly, information has been presented both along business segment and geographic segment. The accounting principle used in the preparation of financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

The Group has identified Drum Closures, Scaffoldings, Yarn, Fabric , Power , Engineering & Design & Others as primary business segments of the Group.



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

The above business segments have been identified considering :

- i) The nature of the product
- ii) The deferring risk and returns
- iii) The internal financial reporting systems

The Geographical Segments considered for Disclosure are as Follows

- a) Revenue within India includes Revenue from Sales of Products (including Scrap) & Services to Customers Located within India and earnings in India.
- b) Revenue outside India includes Revenue from Sales of Products & Services to Customers Located outside India and earnings outside India and export Incentive benefits.

Revenue and expenses have been accounted for based on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable" Inter segment transfer, are accounted for at competitive market prices, charged to unaffiliated customer for similar goods.

| Particulars | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|---|--------------------------------|--------------------------------|
| Segment Revenue | | |
| a. Drum Closures Division | 37,768.92 | 36,298.78 |
| b. Scaffoldings Division | 52,552.51 | 49,444.67 |
| c. Yarn Division | 27,318.38 | 28,742.43 |
| d. Fabric Division | 14,997.92 | 13,540.07 |
| e. Power Division | 5,134.66 | 5,324.96 |
| f. Engineering & Design | 9,717.68 | 10,470.28 |
| g. Others | 222.87 | 532.30 |
| Total | 1,47,712.94 | 1,44,353.49 |
| Less : Inter Segment Revenue | | |
| a. Drum Closures Division | 129.64 | 90.70 |
| b. Scaffoldings Division | 216.96 | 1,078.57 |
| c. Yarn Division | 6,484.49 | 6,889.93 |
| d. Fabric Division | 458.31 | 35.54 |
| e. Power Division | 4,406.37 | 4,758.19 |
| f. Engineering & Design | 107.06 | 154.62 |
| g. Others | - | - |
| | 11,802.83 | 13,007.55 |
| Total External Revenue from Operations | | |
| a. Drum Closures Division | 37,639.28 | 36,208.08 |
| b. Scaffoldings Division | 52,335.55 | 48,366.10 |
| c. Yarn Division | 20,833.89 | 21,852.50 |
| d. Fabric Division | 14,539.61 | 13,504.53 |
| e. Power Division | 728.29 | 566.77 |
| f. Engineering & Design | 9,610.62 | 10,315.66 |
| g. Others | 222.87 | 532.30 |
| | 1,35,910.11 | 1,31,345.94 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Particulars | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|---|-----------------------------------|-----------------------------------|
| Results | | |
| Segment Result | | |
| a. Drum Closures Division | 9,385.59 | 9,150.68 |
| b. Scaffoldings Division | 10,185.79 | 9,009.29 |
| c. Yarn Division | (475.82) | (610.74) |
| d. Fabric Division | (677.00) | (895.46) |
| e. Power Division | 513.17 | 874.65 |
| f. Engineering & Design | 121.34 | 763.70 |
| g. Others | 12.83 | 15.75 |
| Segment operating Profit | 19,065.90 | 18,307.87 |
| Reconciliation of Segment Operating Profit to Operating Profit | | |
| Unallocable Income / (Expenses) | | |
| Employee benefit Expenses | (854.46) | (815.29) |
| Depreciation & Amortisation | (403.99) | (209.23) |
| Other Expenses | (118.31) | (355.99) |
| Interest Income | 196.82 | 191.87 |
| Net Gain on Investments & Investment Property | 827.76 | 1,751.15 |
| Net Gain on Sale of Interest in Subsidiary | 463.22 | (10.55) |
| Rental Income | 583.72 | 657.01 |
| Other Income | 105.99 | 134.18 |
| Operating Profit | 19,866.65 | 19,651.02 |
| Less | | |
| Finance Cost | 3,748.99 | 3,240.39 |
| Share of Loss in Associate | 0.04 | - |
| Net Profit before tax | | |
| Less | | |
| Income Tax Expenses | 3,923.05 | 4,165.78 |
| Deferred Tax Expenses | (426.46) | 341.25 |
| Net Profit After Tax | 12,621.03 | 11,903.60 |
| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
| Segment Assets | | |
| a. Drum Closures Division | 23,366.61 | 24,255.71 |
| b. Scaffoldings Division | 61,087.58 | 55,774.11 |
| c. Yarn Division | 38,561.26 | 24,688.03 |
| d. Fabric Division | 14,834.92 | 13,276.06 |
| e. Power Division | 3,094.23 | 3,129.04 |
| f. Engineering & Design | 4,126.32 | 4,532.70 |
| g. Others | 3.91 | 888.66 |
| Segment Operating Assets | 1,45,074.83 | 1,26,544.31 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| Reconciliation of Segment Operating assets to Total Assets | | |
| Non Current Assets | | |
| Property ,Plant & Equipment | 346.21 | 254.59 |
| Capital WIP | 218.07 | 886.53 |
| Investment Properties | 4,137.46 | 4,109.47 |
| Intangible Assets | 2.29 | 5.64 |
| Non Current Investments | 11,735.37 | 13,221.00 |
| Other Financial Assets | 153.32 | 2,180.35 |
| Other Non Current Assets | 71.25 | - |
| Current Assets | | |
| Current Investments | 15,355.91 | 13,047.06 |
| Cash & Cash Equivalent | 609.76 | 226.77 |
| Other Bank Balances | 2,601.26 | 568.95 |
| Other Financial Assets | 20.60 | 42.33 |
| Loans | 180.91 | 149.67 |
| Current Tax Assets (net) | - | 230.33 |
| Other Current Assets | 1,095.25 | 1,090.85 |
| Unallocable Assets | 36,527.66 | 36,013.54 |
| Total Assets | 1,81,602.49 | 1,62,557.85 |
| Segment Liabilities | | |
| a. Drum Closures Division | 5,131.92 | 4,030.65 |
| b. Scaffoldings Division | 4,454.44 | 3,590.62 |
| c. Yarn Division | 4,659.67 | 1,388.67 |
| d. Fabric Division | 1,443.77 | 1,153.63 |
| e. Power Division | 715.30 | 757.77 |
| f. Engineering & Design | 1,461.13 | 1,100.70 |
| g. Others | 0.16 | 322.72 |
| Segment Operating Liabilities | 17,866.39 | 12,344.76 |
| Reconciliation of Segment Operating Liabilities to Total Liabilities | | |
| Non Current Liabilities | | |
| Non Current Borrowings | 13,577.57 | 5,642.02 |
| Other Financial Liabilities | 185.66 | 287.92 |
| Deferred Tax Liability (net) | 633.97 | 1,058.77 |
| Provisions | 1,555.02 | 1,303.13 |
| Other Non Current Liabilities | - | - |
| Current Liabilities | | |
| Current Borrowings (including Current maturity on Long Term Borrowings) | 51,895.97 | 58,124.83 |
| Other Financial Liabilities | 263.96 | 311.76 |
| Provisions | 150.63 | 129.04 |
| Current Tax Liabilities (net) | 251.22 | - |
| Other Current Liabilities | 4.65 | 13.56 |
| Unallocable Liabilities | 68,518.65 | 66,871.03 |
| Total Liabilities | 86,385.04 | 79,215.79 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

Capital Expenditure (excluding CWIP)

| Particulars | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|---------------------------|--------------------------------|--------------------------------|
| a. Drum Closures Division | 1,916.75 | 1,270.61 |
| b. Scaffoldings Division | 1,843.87 | 1,403.61 |
| c. Yarn Division | 15,230.02 | 1,360.75 |
| d. Fabric Division | 1,736.52 | 5,108.97 |
| e. Power Division | 74.04 | 112.72 |
| f. Engineering & Design | 55.89 | 182.86 |
| g. Others | - | - |
| h. Unallocable | 10.26 | 1,818.85 |
| Total | 20,867.35 | 11,258.37 |

Depreciation & Amortization

| Particulars | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|---------------------------|--------------------------------|--------------------------------|
| a. Drum Closures Division | 809.52 | 660.24 |
| b. Scaffoldings Division | 858.35 | 716.87 |
| c. Yarn Division | 1,420.23 | 883.2 |
| d. Fabric Division | 1,490.18 | 903.05 |
| e. Power Division | 150.48 | 160.99 |
| f. Engineering & Design | 255.80 | 301.66 |
| g. Others | - | - |
| h. Unallocable | 403.99 | 209.23 |
| Total | 5,388.55 | 3,835.24 |

Secondary Segment

Geographic Information

Revenue from External Customers

| Particulars | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|---------------|--------------------------------|--------------------------------|
| India | 36,568.21 | 24,862.92 |
| Outside India | 99,341.90 | 1,06,483.02 |
| Total | 1,35,910.11 | 1,31,345.94 |

Segment Assets (including unallocable assets)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---------------|---------------------------|---------------------------|
| India | 1,23,179.23 | 1,07,850.89 |
| Outside India | 58,423.26 | 54,706.96 |
| Total | 1,81,602.49 | 1,62,557.85 |

Note

1. No single Customer Contributed 10% or more to the Group revenue for the year ended 31st March 2020 & 31st March 2019.
2. Rental Income from IT Park is considered as Unallocable Income



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note 31 : Related Party disclosures

The related Parties as per the terms of Ind AS-24, "Related Party Disclosures". (Specified under Section 133 of the Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules ,2015) are disclosed below

Name of Related parties with whom transactions have taken place during the year

Key Managerial Personnel (KMP)

1. Shri Sharad Kumar Saraf
2. Shri Sudarshan Kumar Saraf
3. Shri Navneet Kumar Saraf
4. Shri Ashish Kumar Saraf
5. Shri Atanu Chaudhary
6. Shri Neeraj Rai (Company Secretary)

Enterprises in which KMP / Relatives of KMP are Interested

1. BMS Industries Ltd
2. S.K.Saraf HUF
3. Ashrit Holdings Limited
4. Marigold International Limited
5. Topline International Trading Company (FZE)
6. Paithan Eco Foods Pvt Ltd (Formerly known as Technocraft Closures Pvt Ltd)
7. Brand You Digital
8. M.D.Saraf Securities Pvt Ltd
9. Nutricraft Products Pvt Ltd
10. Ashrey International Trading Pvt Ltd
11. Hochstein International Trading & Consulting Pvt Ltd

Relatives of KMP

1. Smt. Priyanka Saraf
2. Ms. Ritu Saraf

Non Executive Directors

1. Shri Aubrey Ignatius Rebello
2. Shri Jagdeesh Mehta
3. Shri Vinod Agarwala
4. Shri Vishwambhar Saraf
5. Ms Vaishali Choudhari

Enterprise in which Non Executive Director is interested

1. Remi Edelstahl Tubular Ltd

Trust

Technocraft Industries (I) Ltd Employees Group Gratuity Trust



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Transactions during the Year | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|---|--------------------------------|--------------------------------|
| A. Sales of Goods & Services | | |
| Enterprises in which KMP are Interested | | |
| BMS Industries Ltd | 884.91 | 819.24 |
| Paithan Eco Foods Pvt Ltd | 0.34 | 0.65 |
| Brand You Digital | 0.55 | - |
| B. Rent Received | | |
| Relatives of KMP | | |
| Smt. Priyanka Saraf | 12.00 | 12.00 |
| Enterprises in which KMP are Interested | | |
| 1. BMS Industries Ltd | 2.00 | - |
| 2. M.D.Saraf Securities Pvt Ltd | 0.01 | - |
| 3. Ashrit Holdings Limited | 0.01 | - |
| 4. Paithan Eco Foods Pvt Ltd | 0.01 | - |
| 5. Nutricraft Products Pvt Ltd | 0.01 | - |
| 6. Ashrey International Trading Pvt Ltd | 0.01 | - |
| 7. Hochstein International Trading & Consulting Pvt Ltd | 0.01 | - |
| C. Professional Fees Paid | | |
| Relatives of KMP | | |
| Ms. Ritu Saraf | - | 15.00 |
| Enterprises in which KMP / Relatives of KMP are Interested | | |
| Brand You Digital | 2.15 | - |
| D. Commission Paid on Sales | | |
| Enterprise in which Non Executive Director is Interested | | |
| Remi Edelstahl Tubular Ltd | 93.46 | 69.13 |
| E. Sitting Fees | | |
| Non Executive Directors | | |
| Director Sitting Fees | 4.40 | 3.40 |
| F. Job Work Charges Paid | | |
| Enterprises in which KMP are Interested | | |
| BMS Industries Ltd | 5,592.64 | 5,152.39 |
| G. Purchase of Materials / Assets / Stores & Spares | | |
| Enterprises in which KMP are Interested | | |
| BMS Industries Ltd | 293.92 | 276.28 |
| Enterprise in which Non Executive Director is interested | | |
| 1. Remi Edelstahl Tubular Ltd | 34.43 | - |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Transactions during the Year | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|--|--------------------------------|--------------------------------|
| H. Rent Paid | | |
| Enterprises in which KMP are Interested | | |
| S.K.Saraf HUF | 24.00 | 24.00 |
| I. Managerial Remuneration | | |
| Key Managerial Personneel | | |
| Salaries ,Wages ,Bonus , Commission & Other Benefits | * 612.66 | * 611.14 |
| Contribution towards P.F.,Family Pension Etc | 0.62 | 0.69 |
| J. Interest Paid | | |
| Enterprises in which KMP are Interested | | |
| Ashrit Holdings Limited | 37.80 | 72.72 |
| K. Loan taken from | | |
| 1. Enterprises in which KMP are Interested | | |
| Ashrit Holdings Limited | 1,958.05 | 4,310.46 |
| L. Loan Repaid | | |
| Enterprises in which KMP are Interested | | |
| Ashrit Holdings Limited | 2,645.64 | 4,575.07 |
| Key Managerial Personnel | | |
| Shri Ashish Kumar Saraf | 344.67 | - |
| Shri Sharad Kumar Saraf | 258.23 | - |
| M. Advancement of Loan | | |
| Enterprises in which KMP are Interested | | |
| Marigold International Limited | 7.00 | 2.73 |
| Topline International Trading Company (FZE) | 24.23 | 8.67 |
| N. Sale of Investment in Equity Shares of Subsidiaries | | |
| Enterprises in which KMP are Interested | | |
| Ashrit Holdings Limited | - | 2.00 |
| O. Trust | | |
| Technocraft Industries (I) Ltd Employees Group Gratuity Trust | | |
| Gratuity Contribution | 273.49 | 274.67 |
| Reimbursement of Administration Charges | - | 0.02 |
| Gratuity Benefits received | 47.42 | 67.65 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Amount due to / From Related Parties | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
|---|--------------------------------|--------------------------------|
| Loans Receivable | | |
| Marigold International Limited | 53.68 | 46.68 |
| Topline International Trading Company (FZE) | 127.23 | 103.00 |
| Trade Payables / Other Financial Liabilities | | |
| Enterprises in which KMP are Interested | | |
| BMS Industries Ltd | 1,561.50 | 933.63 |
| Loans Payable | | |
| 1. Key Managerial Personnel | | |
| Shri Ashish Kumar Saraf | - | 344.67 |
| Shri Sharad Kumar Saraf | - | 258.23 |
| 2. Enterprises in which KMP are Interested | | |
| Ashrit Holdings Limited | 17.84 | 705.43 |
| Commission & Bonus Payable | | |
| Key Managerial Personnel | 230.92 | 230.88 |
| Gratuity Contribution & Administration Charges Payable | | |
| Trust | | |
| Technocraft Industries (I) Ltd Employees Group Gratuity Trust | 1,710.04 | 1,436.56 |

Note

1) The transactions with related parties are made on terms equivalent to those that Prevail in arm's Length transactions Outstanding balances at the year end are unsecured .The Group has not recorded any impairment of receivables relating to amounts owned by the related Parties .This assessment is undertaken each Financial year through examining the Financial Position of the related party and the market in which the related Party operates

* excludes Provision for gratuity & Compensated leave for Key Managerial Personnel as Separate Actuarial Valuation is not available

Note 32 : Disclosure Pursuant to Ind AS - 19 "Employee Benefits"

[A] Post Employment Benefit Plans:

Defined Contribution Plans

The Group contributes at a defined percentage of the employee salary out of the total entitlements on account of superannuation benefits under this scheme.

| Amount recognised in the Statement of Profit and Loss | 2019-20 | 2018-19 |
|---|----------|----------|
| Defined Contribution Scheme | # 416.03 | # 356.33 |

excluding ₹ 7.43 Lakhs (P.Y ₹ 11.95 Lakhs) Contributed by Government of India under PMRPY Scheme



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Defined Benefit Plans

The Group has the following Defined Benefit Plans:

Gratuity: In accordance with the applicable laws, the Group provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Group makes contribution to the gratuity fund administered by life Insurance Companies under their respective Group Gratuity Schemes.

The disclosure in respect of the defined Gratuity Plan are given below:

| a) Reconciliation of balances of Defined Benefit Obligations. | 2019-20 | | 2018-19 | |
|--|-----------------|---------------|-----------------|---------------|
| | Funded | Unfunded | Funded | Unfunded |
| Present value of funded obligations | 1,954.62 | 136.92 | 1,717.78 | 118.34 |
| Fair Value of plan assets | 248.97 | - | 285.61 | - |
| Net (Asset) / Liability recognised in the balance sheet | 1,705.65 | 136.92 | 1,432.17 | 118.34 |

Movements in plan assets and plan liabilities

| Particulars | Present value of obligations | | Fair Value of plan assets | |
|--|------------------------------|---------------|---------------------------|----------|
| | Funded | Unfunded | Funded | Unfunded |
| As at 1st April 2019 | 1,717.78 | 118.34 | 285.61 | - |
| Current service cost | 132.73 | 26.73 | - | - |
| Interest Cost | 118.37 | 9.08 | - | - |
| Interest Income | - | - | 13.75 | - |
| Return on plan assets excluding amounts included in net finance income | - | - | (2.97) | - |
| Actuarial (gain)/loss arising from changes in financial assumptions | 40.93 | 16.10 | - | - |
| Actuarial (gain)/loss arising from experience adjustments | (6.68) | (20.35) | - | - |
| Actuarial (gain)/loss arising from Demographic assumptions | (1.09) | (0.14) | - | - |
| Contributions by Employer | - | - | - | - |
| Benefit payments | (47.42) | (12.84) | (47.42) | - |
| As at 31st March 2020 | 1,954.62 | 136.92 | 248.97 | - |

| Particulars | Present value of obligations | | Fair Value of plan assets | |
|--|------------------------------|---------------|---------------------------|----------|
| | Funded | Unfunded | Funded | Unfunded |
| As at 1st April 2018 | 1,495.38 | 95.51 | 237.89 | - |
| Current service cost | 110.44 | 24.19 | - | - |
| Interest Cost | 101.40 | 7.27 | - | - |
| Interest Income | - | - | 10.02 | - |
| Return on plan assets excluding amounts included in net finance income | - | - | 5.35 | - |
| Actuarial (gain)/loss arising from changes in financial assumptions | (6.39) | (1.63) | - | - |
| Actuarial (gain)/loss arising from experience adjustments | 84.60 | (6.34) | - | - |
| Contributions by Employer | - | - | 100.00 | - |
| Benefit payments | (67.65) | (0.64) | (67.65) | - |
| As at 31st March 2019 | 1,717.78 | 118.34 | 285.61 | - |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| b) Amount recognised in Statement of Profit and Loss | 2019-20 | | 2018-19 | |
|---|---------------|---------------|---------------|---------------|
| | Funded | Unfunded | Funded | Unfunded |
| Current Service Cost | 132.73 | 26.73 | 110.44 | 24.19 |
| Interest Cost | 104.63 | 9.08 | 91.37 | 7.27 |
| Total amount recognised in Statement of P&L | 237.36 | 35.81 | 201.81 | 31.46 |
| -Changes in financial assumptions | 40.93 | 16.10 | (6.39) | (1.63) |
| Changes in Demographic assumptions | (1.09) | (0.14) | - | - |
| -Experience gains/(losses) | (6.68) | (20.35) | 84.60 | (6.34) |
| Return on plan assets excluding amounts included in net finance income/(cost) | 2.97 | - | (5.35) | - |
| Total Expenses / (Income) recognised in Other Comprehensive Income | 36.13 | (4.39) | 72.86 | (7.97) |

Investment pattern for Fund as on

| Category of Asset | As at 31st March, 2020 | | As at 31st March, 2019 | |
|-----------------------------------|------------------------|----------|------------------------|----------|
| | Funded | Unfunded | Funded | Unfunded |
| Government of India Securities | 0% | - | 0% | - |
| State Government Securities | 0% | - | 0% | - |
| High quality corporate bonds | 0% | - | 0% | - |
| Equity shares of listed companies | 0% | - | 0% | - |
| Property | 0% | - | 0% | - |
| Special Deposit Scheme | 0% | - | 0% | - |
| Policy of insurance | 100% | - | 100% | - |
| Bank Balance | 0% | - | 0% | - |
| Other Investments | 0% | - | 0% | - |
| Total | 100% | - | 100% | - |

Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

| Financial Assumptions | 2019-2020 | | 2018-19 | |
|----------------------------------|---|---|---|---|
| | Funded | Unfunded | Funded | Unfunded |
| Discount Rate (%) | 6.55% | 6.90% | 7.65% | 7.70% |
| Salary Escalation/ Inflation (%) | 0% for next 2 years & 5% thereafter | 5.00% | 5.00% | 5.00% |
| Withdrawal rates | 2% at younger ages reducing to 1% at older ages | 2% at younger ages reducing to 1% at older ages | 2% at younger ages reducing to 1% at older ages | 2% at younger ages reducing to 1% at older ages |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Demographic Assumptions

Mortality in service : Indian Assured Lives Mortality (2006-08)

Sensitivity analysis

Sensitivity analysis for each significant actuarial assumption as stated above, showing how the defined benefit obligation would be affected, considering increase/decrease as at 31.03.2020 and 31.03.2019 is as below:

| Particulars | Increase/Decrease in liability | | Increase/Decrease in liability | |
|-----------------------------------|--------------------------------|----------|--------------------------------|----------|
| | 2019-20 | | 2018-19 | |
| | Funded | Unfunded | Funded | Unfunded |
| Discounting rate varied by 0.5% | | | | |
| + 0.5% | 1,883.37 | 127.65 | 1,656.31 | 110.61 |
| - 0.5% | 2,031.33 | 147.12 | 1,783.78 | 126.82 |
| Salary growth rate varied by 0.5% | | | | |
| + 0.5% | 2,032.45 | 147.26 | 1,784.97 | 127.01 |
| - 0.5% | 1,881.73 | 127.45 | 1,654.73 | 110.38 |

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

The expected future cash flows as at 31st March 2020 & as at 31st March 2019 were as follows:

| Expected contribution | As at 31st March 2020 | | As at 31st March 2019 | |
|--|-----------------------|----------|-----------------------|----------|
| | Funded | Unfunded | Funded | Unfunded |
| Projected benefits payable in future years from the date of reporting | | | | |
| 1st following year | 503.65 | 2.71 | 340.82 | 3.97 |
| 2nd following year | 117.69 | 3.05 | 191.35 | 2.94 |
| 3rd following year | 106.55 | 3.41 | 124.59 | 3.27 |
| 4th following year | 103.28 | 3.74 | 123.03 | 3.59 |
| 5th following year | 100.43 | 10.28 | 107.92 | 3.91 |
| Years 6 to 10 | 695.90 | 38.60 | 682.94 | 27.78 |

[B] Other Long term employee benefits

Leave Encashment:

The Employees are entitled to accumulate Earned Leave , which can be availed during the service period. Employees are also allowed to encash the accumulated earned leave during the service period. Further, the accumulated earned leave can be encashed by the employees on superannuation, resignation, and termination or by nominee on death.

The Employees are entitled to accumulate Earned Leave , which can be availed during the service period. Employees are also allowed to encash the accumulated earned leave during the service period. Further, the accumulated earned leave can be encashed by the employees on superannuation, resignation, and termination or by nominee on death.

| Particulars | 2019-20 | 2018-19 |
|---|---------------|---------------|
| Present value of unfunded obligations | 373.93 | 330.93 |
| Net (Asset)/Liability recognised | 373.93 | 330.93 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Reconciliation of balances of Defined Benefit Obligations.

| Particulars | 2019-20 | 2018-19 |
|---|---------------|---------------|
| Defined Obligations at the beginning of the year | 330.93 | 277.31 |
| Current Service Cost | 55.00 | 47.50 |
| Interest Cost | 23.73 | 20.98 |
| Actuarial loss/(gain) due to change in financial assumptions | 17.37 | (1.82) |
| Actuarial loss/ (gain) due to Change in Demographic assumptions | (0.27) | - |
| Actuarial loss/ (gain) due to experience adjustments | (26.91) | 8.35 |
| Benefits paid | (25.92) | (21.39) |
| Defined Obligations at the end of the year | 373.93 | 330.93 |

Amount recognised in Statement of Profit and Loss

| Particulars | 2019-20 | 2018-19 |
|---|---------------|--------------|
| Current Service Cost | 55.00 | 47.50 |
| Net Interest Cost | 23.73 | 20.98 |
| Net value of remeasurements on the obligation and plan assets | (9.81) | 6.53 |
| Total amount recognised in Statement of P&L | 68.92 | 75.01 |
| Change in Financial Assumptions | 17.37 | (1.82) |
| Experience gains/(losses) | (27.18) | 8.35 |
| Net Actuarial Loss/(Gain) | (9.81) | 6.53 |

Major Actuarial Assumptions

| Particulars | 2019-20 | 2018-19 |
|----------------------------------|---|---|
| Discount Rate (%) | 6.65% | 7.65% |
| Salary Escalation/ Inflation (%) | 0% for next 2 years & 5% thereafter | 5.00% |
| Withdrawal Rates | 2% at younger ages reducing to 1% at older ages | 2% at younger ages reducing to 1% at older ages |

Sensitivity analysis

Sensitivity analysis for each significant actuarial assumption as stated above, showing how the defined benefit obligation would be affected, considering increase/decrease as at 31.03.2020 and 31.03.2019 is as below:

| Particulars | 2019-20 | 2018-19 |
|-----------------------------------|---------|---------|
| Discounting rate varied by 0.5% | | |
| + 0.5% | 355.48 | 315.14 |
| - 0.5% | 394.06 | 348.12 |
| Salary growth rate varied by 0.5% | | |
| + 0.5% | 394.40 | 348.49 |
| - 0.5% | 355.03 | 314.68 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

The expected future cash flows as at 31st March 2020 & as at 31st March 2019 were as follows:

| Expected contribution | 2019-20 | 2018-19 |
|--|---------|---------|
| Projected benefits payable in future years from the date of reporting | | |
| 1st following year | 55.46 | 42.51 |
| 2nd following year | 17.06 | 13.70 |
| 3rd following year | 18.05 | 21.72 |
| 4th following year | 19.91 | 22.90 |
| 5th following year | 20.89 | 22.09 |
| Years 6 to 10 | 131.56 | 132.80 |

Note 33: Fair Value Measurements

A. Financial instruments by category and fair value hierarchy :

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

| 31st March 2020 | Carrying Value | | | | Fair value | | | |
|--|----------------------|-----------------------------|------------------|------------------|------------------|----------|----------|------------------|
| | Mandatorily at FVTPL | FVTOCI - designated as such | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value through Profit and loss : | | | | | | | | |
| Non-current : | | | | | | | | |
| Investment in unquoted Equity Instruments | | - | - | - | - | - | - | - |
| Investment In Mutual Funds | 11,734.87 | - | - | 11,734.87 | 11,734.87 | - | - | 11,734.87 |
| Current : | | | | | | | | |
| Investment In Mutual Funds | 15,288.53 | - | - | 15,288.53 | 15,288.53 | - | - | 15,288.53 |
| Investment in Quoted Equity Instruments | 67.38 | - | - | 67.38 | 67.38 | - | - | 67.38 |
| Financial assets at amortised cost | | | | | | | | |
| Non-current : | | | | | | | | |
| Deposits | - | - | 675.11 | 675.11 | - | - | - | - |
| Current : | | | | | | | | |
| Deposits | - | - | 131.07 | 131.07 | - | - | - | - |
| Loan to Employees & Others | - | - | 318.49 | 318.49 | - | - | - | - |
| Cash and cash equivalents | - | - | 6,229.17 | 6,229.17 | - | - | - | - |
| Other Bank Balances | - | - | 2,773.85 | 2,773.85 | - | - | - | - |
| Trade receivables | - | - | 34,185.65 | 34,185.65 | - | - | - | - |
| Others | - | - | 921.05 | 921.05 | - | - | - | - |
| | 27,090.78 | - | 45,234.39 | 72,325.17 | 27,090.78 | - | - | 27,090.78 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

| 31st March 2020 | Carrying Value | | | | Fair value | | | |
|---|----------------------|-----------------------------|------------------|------------------|------------|---------|---------|-------|
| | Mandatorily at FVTPL | FVTOCI - designated as such | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial liabilities at amortised cost | | | | | | | | |
| Non Current | | | | | | | | |
| Term Loan | - | - | 13,577.57 | 13,577.57 | - | - | - | - |
| Deposits | - | - | 230.05 | 230.05 | - | - | - | - |
| Other Non Current Financial Liabilities | - | - | 97.57 | 97.57 | - | - | - | - |
| Current | | | | | | | | |
| Borrowings | - | - | 49,930.66 | 49,930.66 | - | - | - | - |
| Trade and Other Payables | - | - | 6,677.99 | 6,677.99 | - | - | - | - |
| Deposits | - | - | 432.54 | 432.54 | - | - | - | - |
| Other Current Financial Liabilities (including current maturities of loans) | - | - | 9,102.19 | 9,102.19 | - | - | - | - |
| | - | - | 80,048.57 | 80,048.57 | - | - | - | - |

| 31st March 2019 | Carrying Value | | | | Fair value | | | |
|--|----------------------|-----------------------------|------------------|------------------|------------------|---------|---------|------------------|
| | Mandatorily at FVTPL | FVTOCI - designated as such | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at fair value through Profit and loss : | | | | | | | | |
| Non-current : | | | | | | | | |
| Investment in unquoted Equity Instruments | - | - | - | - | - | - | - | - |
| Investment In Mutual Funds | 13,220.96 | - | - | 13,220.96 | 13,220.96 | - | - | 13,220.96 |
| Current : | | | | | | | | |
| Investment In Mutual Funds | 13,001.75 | - | - | 13,001.75 | 13,001.75 | - | - | 13,001.75 |
| Investment in Quoted Equity Instruments | 45.31 | - | - | 45.31 | 45.31 | - | - | 45.31 |
| Financial assets at amortised cost | | | | | | | | |
| Non-current : | | | | | | | | |
| Deposits | - | - | 2,750.59 | 2,750.59 | - | - | - | - |
| Current : | | | | | | | | |
| Deposits | - | - | 168.34 | 168.34 | - | - | - | - |
| Loan to Employees & Others | - | - | 293.94 | 293.94 | - | - | - | - |
| Cash and cash equivalents | - | - | 5,025.47 | 5,025.47 | - | - | - | - |
| Other Bank Balances | - | - | 354.29 | 354.29 | - | - | - | - |
| Trade receivables | - | - | 32,571.65 | 32,571.65 | - | - | - | - |
| Others | - | - | 985.34 | 985.34 | - | - | - | - |
| | 26,268.02 | - | 42,149.62 | 68,417.64 | 26,268.02 | - | - | 26,268.02 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| 31st March 2019 | Carrying Value | | | | Fair value | | | |
|---|----------------------|-----------------------------|------------------|------------------|------------|---------|---------|-------|
| | Mandatorily at FVTPL | FVTOCI - designated as such | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial liabilities at amortised cost | | | | | | | | |
| Non Current | | | | | | | | |
| Term Loans | - | - | 5,642.02 | 5,642.02 | - | - | - | - |
| Deposits | - | - | 224.75 | 224.75 | - | - | - | - |
| Other Non Current Financial Liabilities | - | - | 89.18 | 89.18 | - | - | - | - |
| Current | | | | | | | | |
| Borrowings | - | - | 56,889.95 | 56,889.95 | - | - | - | - |
| Trade and Other Payables | - | - | 4,394.72 | 4,394.72 | - | - | - | - |
| Deposits | - | - | 382.26 | 382.26 | - | - | - | - |
| Other Current Financial Liabilities (including current maturities of loans) | - | - | 6,288.73 | 6,288.73 | - | - | - | - |
| | - | - | 73,911.61 | 73,911.61 | - | - | - | - |

During the reporting period ended March 31, 2020 and March 31, 2019, there were no transfers between levels of fair value measurements.

B. Measurement of fair values

The following methods and assumptions were used to estimate the fair values of financial instruments :

- The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair values of the Equity/ Mutual Fund investment which are quoted, are derived from quoted market prices in active markets.

Note 34 : Financial Risk Management

Risk management framework

The Group activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group primary risk management focus is to minimize potential adverse effects of all the risk on its financial performance. The Board of Directors and Senior Management of the Group are responsible for overseeing the Group risk assessment and management policies and processes.

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Market risk ; and
- Liquidity risk



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

1. Credit Risk

The Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set and periodically reviewed on the basis of such Information .

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the group. The Group categorises a trade receivable for write off when a debtor fails to make contractual payments or on case to case basis. Where trade receivables have been written off, the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as Income in the statement of profit or loss.

The Group measures loss rate for trade receivables from Individual customers based on the historical trend, industry practices and the business environment in which the entity operates .Loss rates are based on Past Trends . Based on the historical data , no probable loss on collection of receivable is anticipated & hence no provision is considered.

In case of Credit risks from balances with banks and financial institutions , the Group attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks and other counterparties. The Group's maximum exposure in this respect is the maximum amount that the Group would have to pay if the guarantee is called upon. The maximum exposure relating to financial guarantees is disclosed in Note 28 (Contingent Liability)

Ageing of Account Receivables

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------|---------------------------|---------------------------|
| Not due | 21,955.59 | 21,547.32 |
| 0-90 days | 8,202.41 | 9,499.68 |
| 91-180 days | 3,438.46 | 1,145.81 |
| 181 to 270 days | 452.69 | 192.29 |
| 271 to 365 days | 7.31 | 102.80 |
| 365 days & Above | 129.19 | 83.75 |
| Total | 34,185.65 | 32,571.65 |

2. Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly of currency risk and interest rate risk. Financial Instrument affected by Market risks includes loans and borrowings and foreign Currency Receivables and payables .The Group has set processes and policies to assess, control and monitor the effect of the risk on the financial performance of the Group.

i) Currency Risk

This is the risk that the Group may suffer losses as a result of adverse exchange rate movement during the relevant period.The Group is exposed to currency risk on account of its operating and financing activities. The senior management personnel are responsible for identifying the most effective and efficient ways of managing the risk & the same is closely monitored by the Board of Directors



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

(a) Particulars of Unhedged Foreign Currency exposures as at the reporting date

As as 31st March 2020

Foreign Currency in Lakhs

| Particulars | USD | EURO | SGD | GBP | AUD | JPY | CHF | CAD |
|--|----------------|--------------|-------------|-------------|---------------|-------------|-------------|-------------|
| Trade Payables / Other Financial Liabilities | (5.92) | (0.95) | - | - | - | (0.51) | - | - |
| Trade Receivables / Other Financial Assets | 115.32 | 23.12 | 0.18 | 0.38 | - | 4.96 | 0.32 | 0.86 |
| Advances from Customers | (4.35) | (0.98) | - | - | (0.27) | (0.76) | - | - |
| Bank Loan Taken | (194.06) | - | - | - | - | - | - | - |
| Bank Balances | 18.50 | 6.17 | - | - | 0.05 | - | - | - |
| Net | (70.50) | 27.37 | 0.18 | 0.38 | (0.23) | 3.69 | 0.32 | 0.86 |

As as 31st March 2019

| Particulars | USD | EURO | SGD | GBP | AUD | JPY | CAD |
|--|---------------|--------------|-------------|-------------|---------------|-------------|-------------|
| Trade Payables / Other Financial Liabilities | (5.25) | (1.67) | - | - | - | (0.57) | - |
| Trade Receivables / Other Financial Assets | 165.10 | 53.61 | 0.21 | 4.43 | 0.08 | 12.00 | 0.39 |
| Advances from Customers | (2.20) | (0.16) | - | - | (0.26) | (2.64) | - |
| Bank Balances | 27.27 | 3.48 | - | - | 0.06 | - | - |
| Net | 184.92 | 55.26 | 0.21 | 4.43 | (0.12) | 8.79 | 0.39 |

(b) Foreign Currency Risk Sensitivity

A change in 1% in Foreign Currency would have following Impact on Profit before tax assuming that all other variables, in Particular interest rate remain constant & ignoring any impact of forecast Sales & Purchases.

| | 2019-2020 | | 2018-19 | |
|--|----------------|--------------|---------------|-----------------|
| | 1% increase | 1% Decrease | 1% increase | 1% Decrease |
| USD | (53.35) | 53.35 | 127.88 | (127.88) |
| EURO | 22.65 | (22.65) | 42.92 | (42.92) |
| GBP | 0.35 | (0.35) | 4.00 | (4.00) |
| Others | 0.72 | (0.72) | 0.31 | (0.31) |
| Net Increase / (Decrease) in Profit or Loss | (29.62) | 29.62 | 175.11 | (175.11) |

ii) Interest rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group has exposure to Interest rate risk, arising principally on changes in base lending rate/ LIBOR rates. As the Percentage of Borrowings with Floating Interest rate is small as Compared to Total Borrowings & hence the interest rate risk for the Group as whole is very Low.

Exposure to interest rate risk

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------------------|---------------------------|
| *Borrowings Bearing Variable rate of Interest | 15,542.88 | 6,876.90 |
| Borrowings other than Variable Rate of Interest | 49,930.66 | 56,889.95 |
| Total Borrowings | 65,473.54 | 63,766.85 |
| % of Borrowings bearing Variable rate of Interest | 23.74 | 10.78 |

* includes Current Maturity on Non Current Borrowings



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Interest Rate Sensitivity

A change of 100 Basis Point In Interest rates would have following Impact on Profit before tax

| Particulars | 2019-20 | 2018-19 |
|--------------------------|----------|---------|
| 100 Basis Point Increase | 155.43 | (68.77) |
| 100 Basis Point Decrease | (155.43) | 68.77 |

Note-The above analysis is prepared for floating rate liabilities assuming the amount of the Liability outstanding at the end of the reporting Period

was outstanding for the whole year

3. Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time, or at a reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Group maintains flexibility in funding by maintaining availability under committed credit lines. The Management monitors rolling forecasts of the Group's Liquidity position and cash and cash equivalents on the basis of the expected cash flows. The Group assessed the Concentration of risk with respect to its debt and concluded it to be low.

Maturity patterns of borrowings

As at 31st March 2020

| Particulars | 0-1 years | 1-5 years | Beyond 5 years | Total |
|---|------------------|------------------|-----------------|------------------|
| Long term borrowings (Including current maturity of long term debt) | 1,936.24 | 12,164.43 | 1,442.21 | 15,542.88 |
| Short term borrowings | 49,930.66 | - | - | 49,930.66 |
| Total | 51,866.90 | 12,164.43 | 1,442.21 | 65,473.54 |

As at 31st March 2019

| Particulars | 0-1 years | 1-5 years | Beyond 5 years | Total |
|---|------------------|-----------------|----------------|------------------|
| Long term borrowings (Including current maturity of long term debt) | 1,234.88 | 4,820.82 | 821.20 | 6,876.90 |
| Short term borrowings | 56,889.95 | - | - | 56,889.95 |
| Total | 58,124.83 | 4,820.82 | 821.20 | 63,766.85 |

Maturity patterns of other Financial Liabilities

As at 31st March 2020

| Particulars | 0-1 years | 1-5 years | Beyond 5 years | Total |
|--|------------------|---------------|----------------|------------------|
| Trade Payables | 6,677.99 | - | - | 6,677.99 |
| Other Financial Liabilities (Current & Non Current) (excluding Current Maturity on Long Term Loan) | 7,569.42 | 327.62 | - | 7,897.04 |
| Total | 14,247.41 | 327.62 | - | 14,575.03 |

As at 31st March 2019

| Particulars | 0-1 years | 1-5 years | Beyond 5 years | Total |
|--|-----------------|---------------|----------------|------------------|
| Trade Payables | 4,394.72 | - | - | 4,394.72 |
| Other Financial Liabilities (Current & Non Current) (excluding Current Maturity on Long Term Loan) | 5,436.11 | 313.93 | - | 5,750.04 |
| Total | 9,830.83 | 313.93 | - | 10,144.76 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

Note 35 : Capital Risk Management

For the Purpose of Group Capital management , Capital includes equity attributable to the equity holders of the Group and all other equity reserves. The Primary Objective of the Group Capital management is to ensure that it maintains an efficient capital Structure and maximise shareholder Value. The Group is monitoring capital using Net debt equity ratio as its base ,which is Net debt to equity.

The Group Policy is to keep Net debt equity ratio below 1.00 and infuse capital if and when required through better operational results and efficient working capital Management

| Particulars | 31-Mar-20 | 31-Mar-19 |
|-------------------------------------|-------------|-------------|
| Net Debt * | 59,244.37 | 58,741.38 |
| Equity attributable to Shareholders | 94,428.71 | 82,713.60 |
| Net Debt to Total Equity | 0.63 | 0.71 |

* Net Debt= Non Current Borrowings (including Current Maturity on Borrowings) +Current Borrowings -Cash & Cash Equivalents

Note 36 : Interest In Other Entities

The Consolidated Financial Statements present the Consolidated Accounts of Technocraft Industries (India) Limited with its following Subsidiaries (and its Subsidiaries), Joint Ventures & Associate.

| Name of the Company | Country of Incorporation | Year Ended | Proportion of Ownership of Interest | |
|---|--------------------------|------------|-------------------------------------|---------------------|
| | | | As at 31st March 20 | As at 31st March 19 |
| A. Subsidiaries | | | | |
| I. Indian Subsidiaries: | | | | |
| Technosoft Engineering Projects Limited | India | 31st Mar | 84.02% | 84.02% |
| Shreyan Infra & Power LLP. | India | 31st Mar | - | 90.00% |
| Techno Defence Private Limited | India | 31st Mar | 70.00% | 70.00% |
| Shivale Infra Products Private Limited | India | 31st Mar | 100.00% | - |
| II. Foreign Subsidiaries: | | | | |
| Technocraft Trading Spolka Z.O.O | Poland | 31st Dec | 100.00% | 100.00% |
| Technocraft International Limited | United Kingdom | 31st Dec | 100.00% | 100.00% |
| Technocraft Australia Pty Limited | Australia | 31st Mar | 100.00% | 100.00% |
| Technocraft NZ Limited | New Zealand | 31st Mar | 100.00% | - |
| Anhui Reliable Steel Technology Co. Ltd. | China | 31st Dec | 100.00% | 100.00% |
| Swift Projects Inc. + | U.S.A. | 31st Mar | - | 100.00% |
| Highmark International Trading –F.Z.E. @ | U.A.E. | 31st Mar | 100.00% | 100.00% |
| AAIT/Technocraft Scaffold Distribution LLC. @ | U.S.A. | 31st Dec | 85.00% | 85.00% |
| Technosoft Engineering Inc. ++ | U.S.A. | 31st Dec | 100.00% | 100.00% |
| [Formerly Known as Impact Engineering Solutions Inc.] | | | | |
| Technosoft GMBH ++ | Germany | 31st Dec | 90.00% | 90.00% |
| [Erstwhile CAE Systems GMBH] | | | | |
| Step Engineering Inc. * | Canada | 31st Dec | - | 66.70% |
| Technosoft Services Inc. +++ | U.S.A. | 31st Dec | 100.00% | 100.00% |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

| Name of the Company | Country of Incorporation | Year Ended | Proportion of Ownership of Interest | |
|---|--------------------------|------------|-------------------------------------|---------------------|
| | | | As at 31st March 20 | As at 31st March 19 |
| Technosoft Engineering UK Limited ++ | United Kingdom | 31st Dec | 100.00% | 100.00% |
| Technosoft Innovations Inc, +++ ++ Held by Technosoft Engineering Projects Limited @ Held by Technocraft International Limited +++ Held by Techhnosoft Engineering Inc. + Was held by Step Engineering Inc. * Was held by Technosoft Engineering Inc | U.S.A. | 31st Dec | 100.00% | 100.00% |
| B. Joint Venture Technocraft Tabla Formwork Systems Pvt. Ltd. | India | 31st Mar | 65.00% | 65.00% |
| C. Associate Benten Technologies LLP | India | 31st Mar | 50.00% | - |

Note 37 Disclosure on Leases

- i) The Groups lease asset primarily consist of leases for office buildings having the various lease terms. Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.
- (ii) The following is the summary of practical expedients elected on initial application:
 - (a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
 - (b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
 - (c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
 - (d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
- (e) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease
- (iii) Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020

| Particulars | Right of Use Asset |
|--|--------------------|
| Balance as at April 1, 2019 | - |
| Transition impact on account of adoption of Ind AS 116 "Leases" (refer Note 3) | 346.33 |
| Total Right of Use on the date of transition | 346.33 |
| Additions during the year | - |
| Deletion during the year | - |
| Depreciation of Right of use assets | 201.61 |
| Balance as at March 31, 2020 | 144.72 |



Notes to the Consolidated Financial Statements for the Year Ended 31st March, 2020

(₹ in lakhs)

- (iv) The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

| Particulars | Amount |
|---|---------------|
| Transition impact on account of adoption of Ind AS 116 "Leases" | 355.89 |
| Additions during the year | - |
| Finance cost accrued during the year | 25.46 |
| Deletions | - |
| Payment of Lease Liabilities | 233.49 |
| Balance as at March 31, 2020 | 147.86 |
| Current maturities of Lease liability | 138.04 |
| Non-Current Lease Liability | 9.82 |

- (v) The maturity analysis of lease liabilities are disclosed in Note 34(3)
- (vi) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Note 38 : Disclosure in respect of Expenditure on Corporate Social Responsibility Activities

| Particulars | 2019-20 | 2018-19 |
|---|---------|---------|
| a) Amount required to be spent by the group as per Section 135 of the Act | 301.71 | 294.56 |
| b) Amount Spent during the year on | | |
| (i) Construction / acquisition of an asset | - | - |
| (ii) On Purpose other than (i) above | - | 7.50 |

Note 39 : Other Accompanying Notes

- On account of the spread of COVID-19 virus, the Government of India had imposed a complete nation-wide lockdown on March 24, 2020 leading to shut down of the Group facilities and operations. The Group has Since resumed its facilities and has scaled up its operations gradually. The Group believes that the pandemic is not likely to impact the recoverability of the Carrying value of its assets .The Group is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation.
- The Figures have been rounded off to the nearest lakhs of Rupees upto two deimal Places.
- Previous Years Figures have been regrouped / rearranged where ever necessary to make them Comparable with the Current year Figures
- Note 1 to 39 Forms an Intergral Part of the Financial Statements.

As per our report of even date

For Dhiraj & Dheeraj
Firm Reg.No.102454W
Chartered Accountants

For and on behalf of Board of Directors

Pritesh Shah
Partner
M.NO : 109573

Sharad Kumar Saraf
Chairman & Managing Director
DIN 00035843

Sudarshan Kumar Saraf
Co-Chairman & Managing Director
DIN 00035799

Place: Mumbai
Date : July 30, 2020

Neeraj Rai
Company Secretary

Navneet Kumar Saraf
Whole-time Director & CEO
DIN 00035686

Ashish Kumar Saraf
Whole-time Director & CFO
DIN 00035549

Additional information mandated by Schedule III of the Companies Act, 2013



| Sr. No. | Name of the Entities | Net Assets, ie Total Assets minus Total Liabilities | | Share in Profit & Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|----------|---|---|-----------|--------------------------------------|-----------|---|-----------|---|-----------|
| | | As a % of Consolidated Net Assets | ₹in Lakhs | As a % of Consolidated Profit & Loss | ₹in Lakhs | As a % of Consolidated Comprehensive Income | ₹in Lakhs | As a % of Consolidated Total Comprehensive Income | ₹in Lakhs |
| A | Parent Company | | | | | | | | |
| 1 | Technocraft Industries (India) Limited | 85.78 | 81,681.82 | 79.95 | 10,090.32 | 4.65 | (27.04) | 83.59 | 10,063.28 |
| B | Indian Subsidiaries | | | | | | | | |
| 2 | Technosoft Engineering Projects Limited | 4.10 | 3,902.76 | 2.87 | 362.79 | (0.48) | 2.77 | 3.04 | 365.56 |
| 3 | Technocraft Tabla Formworks Systems Pvt. Ltd. | 0.01 | 13.73 | (0.00) | (0.14) | - | - | (0.00) | (0.14) |
| 4 | Techno Defence Private Limited | 0.00 | 0.11 | (0.00) | (0.18) | - | - | (0.00) | (0.18) |
| 5 | Shivale Infra Products Pvt Limited | 0.00 | 3.18 | (0.01) | (1.82) | - | - | (0.02) | (1.82) |
| | Limited Liability Partnership | | | | | | | | |
| 6 | Shreyan Infra & Power LLP | - | - | (0.06) | (8.15) | - | - | (0.07) | (8.15) |
| | Associate | | | | | | | | |
| 7 | Benten Technologies LLP | 0.00 | 0.46 | (0.00) | (0.04) | - | - | (0.00) | (0.04) |
| C | Foreign Subsidiaries | | | | | | | | |
| 8 | Technocraft International, UK | 1.58 | 1,500.48 | 0.34 | 42.78 | (2.02) | 11.74 | 0.45 | 54.52 |
| 9 | Technocraft Trading Spolka, Z o.o., Poland | 0.55 | 528.40 | (0.12) | (15.34) | 0.70 | (4.06) | (0.16) | (19.40) |
| 10 | Technocraft Australia Pty Limited, Australia | 0.49 | 464.52 | (2.48) | (312.71) | (10.20) | 59.37 | (2.10) | (253.34) |
| 11 | Technocraft NZ Limited | (0.09) | (90.24) | (1.47) | (185.96) | (8.58) | 49.91 | (1.13) | (136.05) |
| 12 | Anhui Reliable Steel Company Ltd, China | 1.94 | 1,849.92 | 3.14 | 396.43 | 4.11 | (23.89) | 3.09 | 372.54 |



| Sr. No. | Name of the Entities | Net Assets, ie Total Assets minus Total Liabilities | | Share in Profit & Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---------|--|---|------------------|--------------------------------------|------------------|---|-----------------|---|------------------|
| | | As a % of Consolidated Net Assets | ₹ in Lakhs | As a % of Consolidated Profit & Loss | ₹ in Lakhs | As a % of Consolidated Comprehensive Income | ₹ in Lakhs | As a % of Consolidated Total Comprehensive Income | ₹ in Lakhs |
| | Step Down Subsidiaries | | | | | | | | |
| 13 | Technosoft Engineering Inc. USA (Erstwhile Impact Eng. Solution Inc.), | 0.77 | 734.73 | 0.08 | 9.68 | (8.14) | 47.37 | 0.47 | 57.05 |
| 14 | Highmark International Trading, UAE | 2.82 | 2,686.12 | 2.66 | 335.91 | (37.12) | 216.02 | 4.58 | 551.93 |
| 15 | Technosoft Innovations Inc | (0.32) | (301.29) | (0.54) | (68.77) | 3.87 | (22.52) | (0.76) | (91.29) |
| 16 | Technosoft GMBH | (0.08) | (75.78) | (0.45) | (57.03) | 0.46 | (2.67) | (0.50) | (59.70) |
| 17 | AAIT/ Technocraft Scaffold Distribution LLC | 1.49 | 1,416.68 | 12.92 | 1,630.90 | | (776.66) | 7.10 | 854.24 |
| 18 | Technosoft Services Inc | 0.12 | 116.96 | 0.37 | 46.70 | (3.70) | 21.54 | 0.57 | 68.24 |
| 19 | Technosoft Engineering UK Limited | (0.00) | (3.85) | 0.01 | 0.76 | 0.03 | (0.15) | 0.01 | 0.61 |
| 20 | Swift Projects Inc USA | - | - | (0.02) | (3.14) | 0.11 | (0.64) | (0.03) | (3.78) |
| 21 | Step Engineering Inc | - | - | 0.10 | 13.12 | (0.44) | 2.55 | 0.13 | 15.67 |
| | Sub Total -1 (Owner of Equity) | 99.17 | 94,428.71 | 97.27 | 12,276.11 | 76.70 | (446.36) | 98.26 | 11,829.75 |
| | Non Controlling Interest in all Subsidiaries | | | | | | | | |
| | Indian | 0.57 | 543.09 | 0.45 | 56.90 | (0.09) | 0.52 | 0.48 | 57.42 |
| | Foreign | 0.26 | 245.65 | 2.28 | 288.02 | 23.38 | (136.08) | 1.26 | 151.94 |
| | Sub Total -2 (Minority Interest) | 0.83 | 788.74 | 2.73 | 344.92 | 23.30 | (135.56) | 1.74 | 209.36 |
| | Total (1+2) | 100.00 | 95,217.45 | 100.00 | 12,621.03 | 100.00 | (581.92) | 100.00 | 12,039.11 |

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

| Sr. No. | Name of the subsidiary | Date Since when Subsidiary acquired | Reporting period | Reporting currency | Exchange rate as on last day of financial year | Share Capital | Reserves & Surplus | Total assets | Total Liabilities | Investments (Excluding Investment in Subsidiaries) | Turnover | Profit before Tax | Provision for Tax | Profit after Tax | Proposed Dividend | Extent of Shareholding |
|------------|---|-------------------------------------|--------------------------|--------------------|--|---------------|--------------------|--------------|-------------------|--|-----------|-------------------|-------------------|------------------|-------------------|------------------------|
| ₹ in Lakhs | | | | | | | | | | | | | | | | |
| A | Indian Subsidiaries | | | | | | | | | | | | | | | |
| 1 | Technosoft Engineering Projects Limited | 28.02.2000 | 01.04.2019 To 31.03.2020 | INR | - | 59.50 | 5,079.93 | 6,570.05 | 1,430.62 | 2,429.10 | 3,165.07 | 555.81 | 135.13 | 420.68 | - | 84.02% |
| 2 | Technocraft Tabla Formwork Systems Pvt. Ltd. | 25.03.2010 | 01.04.2019 To 31.03.2020 | INR | - | 100.00 | (78.87) | 21.19 | 0.06 | - | - | (0.21) | - | (0.21) | - | 65% |
| 3 | Techno Defence Private Limited | 25.10.2016 | 01.04.2019 To 31.03.2020 | INR | - | 1.00 | (0.84) | 0.22 | 0.06 | - | - | (0.24) | 0.01 | (0.25) | - | 70% |
| 4 | Shivale Infraproducts Private Limited | 28.11.2019 | 28.11.2019 To 31.03.2020 | INR | - | 5.00 | (1.82) | 3.24 | 0.06 | - | - | (2.43) | (0.61) | (1.82) | - | 100% |
| 5 | Benten Technologies LLP | 06-06-2019 | 6-6-2019 to 31-3-2020 | INR' | - | 1.00 | (0.08) | 0.92 | - | - | - | (0.08) | - | (0.08) | - | 50% |
| B | Direct Foreign Subsidiaries | | | | | | | | | | | | | | | |
| 6 | Technocraft International Limited, UK # | 02.04.1993 | 01.01.2019 To 31.12.2019 | GBP | 93.5025 | 1,224.14 | 310.38 | 4,316.16 | 2,781.64 | - | 3,707.73 | 44.17 | 1.39 | 42.78 | - | 100% |
| 7 | Technocraft Trading Spolka, Z o.o., Poland # | 14.05.1998 | 01.01.2019 To 31.12.2019 | PLN | 18.3125 | 265.07 | 263.33 | 3,483.91 | 2,955.51 | - | 2,867.79 | (1.47) | 13.87 | (15.34) | - | 100% |
| 8 | Technocraft Australia Pty Limited, Australia | 29.03.2006 | 01.04.2019 To 31.03.2020 | AUD | 46.0750 | 93.47 | 371.05 | 3,199.18 | 2,734.66 | - | 2,181.21 | (312.71) | - | (312.71) | - | 100% |
| 9 | Anhui Reliable Steel Company Ltd, China # | 10.04.2008 | 01.01.2019 To 31.12.2019 | RMB | 10.6450 | 1,080.16 | 769.24 | 8,577.34 | 6,727.94 | - | 11,461.57 | 511.80 | 115.37 | 396.43 | - | 100% |
| 10 | Technocraft NZ Ltd, Newzealand | 07.12.2018 | 01.04.2019 To 31.03.2020 | NZD | 44.8875 | 46.91 | (137.14) | 2,037.88 | 2,128.11 | - | 455.04 | (185.96) | - | (185.96) | - | 100% |
| C | Step Down Subsidiaries | | | | | | | | | | | | | | | |
| 11 | Technosoft Engineering Inc. USA # (Erstwhile Impact Eng. Solution Inc.) | 31.08.2006 | 01.01.2019 To 31.12.2019 | USD | 75.6650 | 426.80 | 317.80 | 2,427.58 | 1,682.98 | - | 6,422.77 | 83.01 | - | 83.01 | - | 100% |





| Sr. No. | Name of the subsidiary | Date Since when Subsidiary acquired | Reporting period | Reporting currency | Exchange rate as on last day of financial year | Share Capital | Reserves & Surplus | Total assets | Total Liabilities | Investments (Excluding Investment in Subsidiaries) | Turnover | Profit before Tax | Provision for Tax | Profit after Tax | Proposed Dividend | Extent of Shareholding |
|---------|---|-------------------------------------|--------------------------|--------------------|--|---------------|--------------------|--------------|-------------------|--|-----------|-------------------|-------------------|------------------|-------------------|------------------------|
| 12 | Technosoft Engineering UK Ltd.# | 10.05.2017 | 01.01.2019 To 31.12.2019 | GBP | 93.5025 | 0.00 | (3.86) | 128.31 | 132.17 | - | 439.06 | 0.76 | - | 0.76 | - | 100% |
| 13 | Technosoft GMBH, Germany # [Erstwhile CAE Systems GMBH] | 01.09.2005 | 01.01.2019 To 31.12.2019 | EURO | 82.7700 | 38.62 | (119.50) | 72.66 | 153.54 | - | 134.89 | (63.36) | - | (63.36) | - | 90% |
| 14 | Highmark International Trading FZE, UAE | 22.09.2014 | 01.04.2019 To 31.03.2020 | AED | 20.6000 | 34.04 | 2,652.07 | 4,032.74 | 1,346.63 | - | 2,677.87 | 335.91 | - | 335.91 | - | 100% |
| 15 | AAIT/ Technocraft Scaffold Distribution LLC, USA # | 12.10.2016 | 01.01.2019 To 31.12.2019 | USD | 75.6650 | 0.07 | 1,667.34 | 22,948.92 | 21,281.51 | - | 20,213.00 | 2,272.11 | 353.41 | 1,918.70 | - | 85% |
| 16 | Technosoft Innovations Inc, USA # | 01.06.2016 | 01.01.2019 to 31.12.2019 | USD | 75.6650 | 3.35 | (304.64) | 1,064.80 | 1,366.09 | - | 915.00 | (68.77) | - | (68.77) | - | 100% |
| 17 | Technosoft Services Inc, USA # | 23.06.2017 | 01.01.2019 to 31.12.2019 | USD | 75.6650 | 6.52 | 110.44 | 173.57 | 56.61 | - | 1,089.38 | 46.70 | - | 46.70 | - | 100% |

Company having 31st December as reporting date.

- 1 Name of the Subsidiary which are yet to commence Operation: Details provided in Board Report
- 2 Name of the Subsidiary which have been liquidated or sold during the year: Details provided in Board Report

As per our report of even date

For Dhiraj & Dheeraj
Firm Reg.No.102454W
Chartered Accountants

Pritesh Shah
Partner
M.NO : 109573

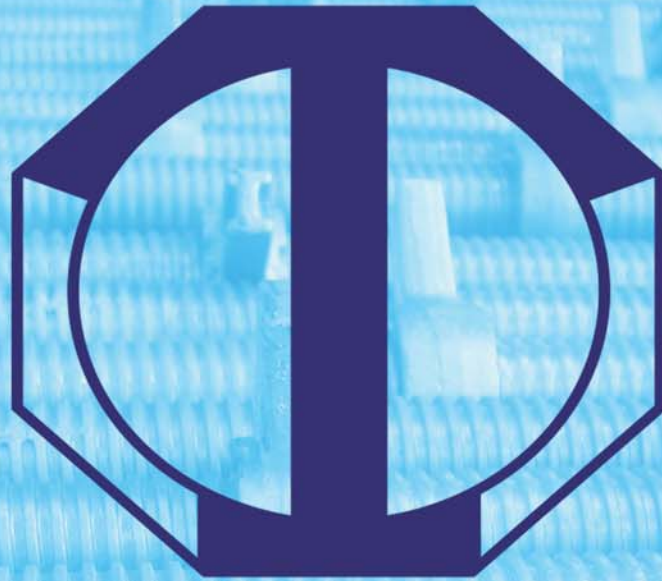
Sharad Kumar Saraf
Chairman & Managing Director
DIN 00035843

Sudarshan Kumar Saraf
Co-Chairman & Managing Director
DIN 00035799

Place: Mumbai
Date : July 30, 2020

Neeraj Rai
Company Secretary
Whole-time Director & CEO
DIN 00035686

Ashish Kumar Saraf
Whole-time Director & CFO
DIN 00035549



TECHNOCRAFT INDUSTRIES (INDIA) LTD.

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