



Modern Insulators Limited

Registered Office : Talheti, Village : Karoli, Tehsil : Abu Road
District : Sirohi - 307510 (Rajasthan) India
Phone: 02974-228044 to 228047, Fax : 02974-228043
www.moderninsulators.com CIN- L31300RJ1982PLC002460
Email : compliance@moderninsulators.com

Date: - 07/09/2020

BSE Ltd.
Department of Corporate Services

1st Floor, New Trading Ring,
Rotunda Building
P J Towers, Dalal Street,
Fort Mumbai – 400 001

Dear Sir,

Sub: - Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-Annual Report for the financial year ended 31st March 2020 including Notice of the 35th Annual General Meeting.

Scrip Code: BSE 515008

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the Annual Report for the financial year ended 31st March 2020 including Notice of the 35th Annual General Meeting (AGM) of the Company to be held on Wednesday, 30th September 2020 at 11.00 a.m. at the registered office of the Company.

The Annual Report for the financial year ended 31st March 2020 and the Notice of the 35th AGM are being dispatched electronically to the members whose email IDs are registered with the Company/ Depositories/Registrar & Share Transfer Agent.

The Notice of 35th AGM and the Annual Report for the financial year ended 31st March 2020 is also uploaded on the Company's website and can be accessed at https://www.moderninsulators.com/wp-content/uploads/2019/09/annualreport_2019-20.pdf

This is for your information and record please.

Thanking you

Yours Faithfully
For Modern Insulators Limited


Gaurav Goyal
Company Secretary

Encl: - As above

ANNUAL REPORT
2019-2020



Modern
INSULATORS LIMITED

NOTICE

NOTICE is hereby given that the 35th Annual General Meeting of the Members of Modern Insulators Limited will be held on Wednesday the 30th September, 2020 at 11.00 A.M. at Registered Office of the Company at Modern Insulators Limited, Talheti, Village Karoli, Tehsil Abu Road, Dist. Sirohi - 307510 to transact the following business:

A. ORDINARY BUSINESS

- (1) To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2020 and the reports of the Board of Directors and Auditors thereon.
- (2) To appoint a director in place of Shri Shreyans Ranka (DIN: 06470710), who retires by rotation and being eligible, offers himself for re-appointment.

B. SPECIAL BUSINESS

- (3) **To increase the overall managerial remuneration and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Section 197 of the Companies Act, 2013 as amended from time to time, read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee, approval of the members be and is hereby accorded to increase the overall limit of managerial remuneration payable by the Company in respect of any financial year from 11% (eleven per cent) to 20% (twenty per cent) of the net profits of the Company computed the manner laid down in Section 198 of the Companies Act, 2013.

“RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and are hereby authorized to take such steps and to do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.

- (4) **To appoint Shri Pradeep Kumar Gokhroo as an Executive Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 152, 161 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Pradeep Kumar Gokhroo (DIN : 06810797) who was appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013 with effect from 1st August 2020 by the Board of Directors and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Director of the Company whose office shall be liable to retire by rotation.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the

recommendation of the Nomination and Remuneration Committee and Board of Directors, approval of the Company be and is hereby accorded for appointment and payment of remuneration to Shri Pradeep Kumar Gokhroo (DIN: 06810797) as an Executive Director of the Company for a period of three years with effect from 01.08.2020 whose office shall be liable to retire by rotation, on the terms and conditions of his remuneration as specified in the explanatory statement annexed thereto.”

- (5) **To appoint Shri Swapan Nath as an Executive Director & CEO of textile division of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 152, 161 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Swapan Nath (DIN : 00806810) who was appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013 with effect from 1st August 2020 by the Board of Directors and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Director of the Company whose office shall be liable to retire by rotation.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors, approval of the Company be and is hereby accorded for appointment and payment of remuneration to Shri Swapan Nath (DIN : 00806810) as an Executive Director & CEO of textile division of the Company for a period of three years with effect from 01.08.2020 whose office shall be liable to retire by rotation, on the terms and conditions of his remuneration as specified in the explanatory statement annexed thereto.”

- (6) **To appoint Shri Rahul Singhvi as an Independent Director of the Company**

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 Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, approval of the members of the company be and is hereby given to the appointment of Shri Rahul Singhvi (DIN: 08816920), who was appointed by the Board of Directors as an Additional Director (Non Executive Independent) of the Company with effect from August 01, 2020 pursuant to the provisions of section 161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the company, and who holds office upto the date of this Annual General

Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the independent directorship as provided in section 149(6) of the Act, who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Non Executive Director of the Company, who shall hold office for a period of five years from the date of appointment and whose office shall not, henceforth, be liable to retire by rotation.

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

Resolution:

(7) To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2021

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Rajesh & Company, Cost Accountants (Firm Registration No. 000031), the Cost Auditors appointed by the Board of Directors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021, be paid the remuneration of Rs. 50,000/- and reimbursement of expenses upto Rs, 25,000/- be and is hereby ratified and approved.”

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

By the Order of the Board

Place : Abu Road
 Date : 30th July, 2020

(Gaurav Goyal)
 Company Secretary

Notes:

- The Explanatory Statement pursuant to Section 102 and/or any other applicable provisions of the Companies Act, 2013 setting out the material facts in respect of Item No. 3 to 7 set out in the Notice and the details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of Secretarial Standards on the General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of the person(s) seeking appointment/ re-appointment as Director at the Annual General Meeting, is annexed hereto.
- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself and the proxy need not be a member of the Company. In terms of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members holding in the aggregate, not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.
- The proxy form duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.
- Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
- Details of Directors retiring by rotation/seeking re-appointment at the ensuing Meeting are provided in the “Annexure” to the Notice.
- The Share transfer books and Register of members shall remain closed from 23rd September, 2020 to 30th September, 2020 (both days inclusive) in connection with the Annual General Meeting.
- In compliance with the MCA Circulars and the Securities and Exchange Board of India (“SEBI”) Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the 35th AGM along with the Annual Report for Financial Year 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / National Securities Depository Limited and Central Depository Services (India) Limited (“the Depositories”). A copy of this Notice along with the Annual Report for Financial Year 2019-20 is uploaded on the Company's website www.moderninsulators.com, websites of the BSE Limited at www.bseindia.com and on the website of Central Depository Services Limited (CDSL) at www.evotingindia.com.
- As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH - 13. Members are requested to submit the said details to their depository participants (“DPs”) in case the shares are held by them in electronic form and to Beetal in case the shares are held by them in physical form.
- Members holding shares in physical mode are requested to dematerialize their shares by surrendering their share certificates to their Depository Participants (DPs). Members are requested to quote ISIN: INE219W01012 of the Company for dematerialization of the shares.
- Members holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to our Registrar and Share Transfer Agent, Beetal Financial & Computer Service Pvt. Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind LSC, New Delhi-110062.
- Members who have not registered their email addresses so far are requested to register their e-mail ID's with M/s. Beetal Financial &

Computer Services Pvt. Ltd, the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective DPs in case the same is still not registered.

14. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Company's Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the share transfer form SH-4 for this purpose.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the registrar and Share Transfer Agent.
16. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
17. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
18. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately of:
 - a. The change in the residential status on return to India for permanent settlement.
 - b. The particulars of the NRE account with a Bank in India, if not furnished earlier.
19. The Statutory Registers maintained under the provisions of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
20. Members are requested to send all communications relating to shares and unclaimed dividends, change of address etc. to the Registrar and Share Transfer Agents at the following address:
Beetal Financial & Computer Service Pvt. Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind LSC, New Delhi-110062
21. A Member desirous of getting any information on the accounts of the Company is requested to forward his request to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.
22. A route map showing directions to reach the venue of the Annual General Meeting is given with the Annual Report.
23. **Voting**

All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. 23rd September, 2020 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.

Voting through Electronic means

1. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015, the Company is pleased to provide its members the facility of "remote e-voting" (e-voting from a place other than venue of the AGM) to exercise their right to vote at the AGM. The business may be transacted through e-voting services provided by Central Depository Services limited ("CDSL").
2. The facility for voting through Ballot/Poll Paper shall also be made available at the AGM and the members attending the meeting, who have not already cast their vote through remote e-voting, shall be able to exercise their right at the AGM.
3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
4. The remote e-voting period commences on Sunday, 27th September, 2020 (9:00 am) and ends on Tuesday, 29th September, 2020 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 23rd September, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
5. The Board of Directors of the Company has appointed Shri Jyoti Soni, Practicing Company Secretary as Scrutinizer for scrutinizing the voting and remote e-voting process in a fair and transparent manner.
6. The Results shall be declared within 48 hours after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the company's website www.moderninsulators.com and on the website of CDSL www.evotingindia.com and the same shall also be communicated to BSE Limited.
7. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. 23rd September, 2020 may obtain the User ID and password in the manner as mentioned below.

Instructions to members for voting electronically are as under:-

1. The voting period begins on 27th September, 2020 (9:00 am) and ends on 29th September, 2020 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (Record Date) of 23rd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The shareholders should log on to the e-voting website www.evotingindia.com.
3. Click on Shareholders.
4. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

7. If you are a first time user follow the steps given below:

PAN	For Members holding shares in Demat Form and Physical Form Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number instruction (iv).

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent

- to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 3

As per Section 197 of the Companies Act, 2013 as amended, total managerial remuneration payable by the Company to its directors, including managing director and whole-time director and its manager in respect of any financial year may exceed 11% (eleven per cent) of the net profits of the Company calculated as per the Section 198 of the Companies Act, 2013, provided that the same has been approved by the shareholders of the Company by way of Special Resolution.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 30.07.2020 recommended to increase in overall limit of managerial remuneration payable by the Company in respect of any financial year from 11 % to 20% of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013.

Accordingly, the Board recommends the special resolution set out at item no. 3 for approval of members.

Except Shri Sachin Ranka, Managing Director, Shri Shreyans Sachin Ranka, Executive Director none of the other Directors or Key Managerial Personnel of the Company including their relatives is concerned or interested in the

Resolution, financially or otherwise, except to the extent of their shareholding, if any, in the Company.

Item No. 4

Pursuant to provisions of Section 161 of the Companies Act, 2013, the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on 30th July, 2020, appointed Shri Pradeep Kumar Gokhroo (DIN 06810797), as an Additional Director of the Company, w.e.f. 1st August, 2020.

As an Additional Director, Shri Pradeep Kumar Gokhroo holds office upto the date of this Annual General Meeting (AGM) and is eligible to be appointed as a Director of the Company. Pursuant to the provisions of Section 160 of the Act, the Company has received a notice in writing to appoint Shri Pradeep Kumar Gokhroo, signifying his candidature for the office of the Executive Director of the Company.

Shri Pradeep Kumar Gokhroo is a member of Institute of Chartered Accountants of India, Member of Institute of Company Secretaries of India and also member of Institute of Institute of Cost Accountants of India. He

has 35 years of rich experience in the field of Finance, Taxation, Administration and Management and has consented to act as an Executive Director of the Company.

The term and conditions of remuneration to Shri Pradeep Kumar Gokhroo are as under:-

i) Basic Salary:-

Rs.3,90,000/- per month from 01.08.2020 with such increments as the Board may decide from time to time.

ii) Perquisites and allowances:-

- a) Special Allowance Rs. 48000/- per month.
- b) Residential accommodation with water, electricity etc. monetary value of which will be evaluated as per rule 3(a) of the Income Tax Rules, 1962, subject to an amount equivalent to 10% of basic salary deductible every month.
- c) Company's contribution towards Provident Fund as per Company's Rules but not exceeding 12% of the basic salary.
- d) Company's contribution towards National Pension System (NPS) as per Company's rules but not exceeding 10% of the basic salary.
- e) Encashment of leaves as per Company's Rules.
- f) Free use of car with driver, for Company's business.
- g) Gratuity not exceeding half month's salary for each completed year of service as provided in Gratuity Act.
- h) Performance Linked Variable pay upto Rs. 2.70 Lacs per annum.

iii) He shall not be paid any sitting fees for attending the meetings of Board of Directors or any Committee thereof.

iv) Shri Pradeep Kumar Gokhroo shall be subject to retire by rotation during his tenure as the Executive Director of the Company.

The disclosure relating to Shri Pradeep Kumar Gokhroo, as required under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, is set out as an Annexure to the Notice.

The Board recommends the Special Resolutions set out at Item No. 4 of this Notice for the approval by the Members.

Except himself, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 4 of the Notice.

Item No. 5

Pursuant to provisions of Section 161 of the Companies Act, 2013, the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on 30th July, 2020, appointed Shri Swapan Nath (DIN 00806810), as an Additional Director of the Company, w.e.f. 1st August, 2020.

As an Additional Director, Shri Swapan Nath holds office upto the date of this Annual General Meeting (AGM) and is eligible to be appointed as a Director of the Company. Pursuant to the provisions of Section 160 of the Act, the Company has received a notice in writing to appoint Shri Swapan Nath, signifying his candidature for the office of the Executive Director of the Company.

Shri Swapan Nath is a Gold Medalist in B. Tech, University of Calcutta and also fellow member of Textile Institute, Manchester, UK. He has vast and rich experience in the field of Textile Business and Product Development. and has consented to act as a Executive Director of the Company.

The term and conditions of remuneration to Shri Swapan Nath are as under:-

i) Basic Salary:-

Rs.5,20,000/- per month from 01.08.2020 with such increments as the Board may decide from time to time.

ii) Perquisites and allowances:-

- a) Special Allowance Rs. 950000/- per month.

b) Company's contribution towards Provident Fund as per Company's Rules but not exceeding 12% of the basic salary.

c) Rent Free furnished Accommodation

d) Free use of car with driver, for Company's business.

e) Encashment of leaves as per Company's Rules.

f) Gratuity not exceeding half month's salary for each completed year of service as provided in Gratuity Act.

iii) He shall be paid 5% of net profit (PAT) of Textile Business as annual variable component.

iv) He shall not be paid any sitting fees for attending the meetings of Board of Directors or any Committee thereof.

v) Shri Swapan Nath shall be subject to retire by rotation during his tenure as the Executive Director of the Company.

The disclosure relating to Shri Swapan Nath, as required under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, is set out as an Annexure to the Notice.

The Board recommends the Special Resolutions set out at Item No. 5 of this Notice for the approval by the Members.

Except himself, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 5 of the Notice.

Item No. 6

The Board of Directors has appointed Shri Rahul Singhvi as Additional Director in category of Non-Executive Independent Director with effect from 01/08/2020. In terms of provisions of Section 161 of the Companies Act, 2013, he will hold office up to the date of this Annual General Meeting. In terms of Section 149 of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors), Rules 2014, an Independent Director shall hold office for a period upto Five consecutive years and shall not be liable to retire by rotation.

Shri Rahul Singhvi is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has received declaration that he meets the criteria of Independence as prescribed under Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors considered the matter of his appointment in its meeting held on July 30, 2020 and felt that his association would be of immense benefit to the Company and proposed his appointment as Independent Director under Section 149 of the Act, whose office shall not be liable to retirement by rotation, to hold office for a term of Five years commencing from August 01, 2020 upto July 30, 2025. In the opinion of the Board, he fulfills the conditions of appointment as an Independent Director as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Company has received notices in writing from member in terms of Section 160 of the Act his candidature to be appointed as director in this Annual General Meeting.

The disclosure relating to Shri Rahul Singhvi, as required under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, is set out as an Annexure to the Notice.

The Board recommends the resolution set out at Item No. 6 as an ordinary resolution to the Shareholders for their approval

Except himself, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 6 of the Notice.

Item No. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company across for the financial year ending March 31, 2021.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit

Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing of resolution for ratification of the remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2021.

No Director, Key Managerial Personnel or their relatives is concerned or interested in the resolution. The Board recommends the resolution set out at Item No. 6 for approval of the members.

ANNEXURE TO THE NOTICE**DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

[In pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name	Shri Shreyans Ranka	Shri Pradeep Kumar Gokhroo	Shri Swapan Nath	Shri Rahul Singhvi
DIN	06470710	06810797	00806810	08816920
Date of Birth	21/02/1988	22/08/1961	18/11/1961	20/03/1978
Qualifications	Bachelor in Industrial Engineering from University of Illinois at Urbana - Champaign, USA & Masters in Management at Imperial Business School, London	Member of Institute of Chartered Accountants of India, Member of Institute of Company Secretaries of India and also member of Institute of Institute of Cost Accountants of India.	Gold Medalist in B. Tech, University of Calcutta and also fellow member of Textile Institute, Manchester, UK.	PGDBA (Finance & Marketing), ICAI Business School.
Expertise in Specific area	Finance and Corporate Management	Finance, Taxation, Administration and Management.	Textile Business and Product Development.	Management, Finance, Marketing, and Wealth Management.
Date of First appointment on the Board of the Company	01/04/2018	01/08/2020	01/08/2020	01/08/2020
Relationship with other Director	Son of Chairman & Managing Director	NA	NA	NA
Shareholding in the Company	500	NIL	NIL	NIL
Directorship held in other Public companies	NIL	NIL	NIL	NIL
Chairman/ Member in the Committees of the Boards of companies in which he is Director	NIL	Member in Audit Committee, Stakeholders Responsibility Committee and Corporate Social Responsibility Committee of the Company	NIL	Member in Nomination & Remuneration Committee of the Company

DIRECTORS' REPORT

To the Members of Modern Insulators Limited

Your Directors are pleased to present the 35th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2020.

FINANCIAL PERFORMANCE

(₹ in Crores)

Particulars	Stand-alone		Consolidated*
	Year ended 31.03.2020	Year ended 31.03.2019	Year ended 31.03.2020
Revenue from Operations	436.88	439.98	439.72
Other income	12.01	8.30	11.53
Total revenue	448.89	448.28	451.25
Profit before finance cost and depreciation	42.15	44.62	41.96
Finance cost	12.92	11.05	12.92
Depreciation	10.34	10.06	10.34
Profit before exceptional items and tax	18.89	23.51	18.70
Exceptional Items	-	-	-
Profit before tax	18.89	23.51	18.70
Tax expense	(3.75)	(2.01)	(3.75)
Profit after tax	22.64	25.52	22.45
Other comprehensive income (Net of tax)	(0.31)	(0.66)	(0.31)
Total comprehensive income	22.33	24.86	22.14
Retained earnings at the beginning of the year	194.02	169.16	194.01
Retained earnings at the end of the year	216.35	194.02	216.15

* Figures for immediately preceding year have not been given as this is the first consolidated financial statement prepared by the company.

OPERATIONS

The Standalone revenue from operation for the year has been ₹436.88 crores as against ₹439.98 crores in previous year and net profit for the year stood at ₹22.33 crores as against ₹24.86 crores as compared to previous year.

The Consolidated revenue from operation for the year has been ₹439.72 crores and net profit for the year stood at ₹22.14 crores.

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report other than the impact of COVID-19 on the domestic and international business operations of the Company detailed in this Report as well as Notes to the Financial Statements of the Company.

DIVIDEND AND RESERVES

In order to conserve the resources of the Company by taking into account the prevailing economic situation and the need of resources for growth, the Board of Directors of the Company have decided not to recommend any dividend on the Equity Shares of the Company for the Financial Year ended March 31, 2020. During the year under review, no amount from the profit is transferred to General Reserve.

IMPACT OF GLOBAL CRISIS: COVID-19 PANDEMIC

Nationwide lockdown declared by Govt. of India in March-2020 due to COVID-19 has impacted normal business operations of the company during that period. The company has resumed its business activities in line with guidelines issued by Govt. authorities and taken all appropriate steps to smoothen operations and strengthen liquidity position.

The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available to determine the impact on the Company's revenue from

operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, investments, inventories, trade receivables etc. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial statements, which may differ from that considered as at the date of approval of the financial statements. However, the Company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, while the lockdown is gradually lifting, the Company is closely monitoring the situation as it evolves in the future.

ALLOTMENT OF SHARES BY MODERN POLYTEX LIMITED PURSUANT TO DEMERGER OF YARN DIVISION OF THE COMPANY

Your Company and MPL are taking effective steps to complete the formalities relating to allotment of shares of MPL pursuant to demerger of Yarn Division of the Company and thereafter the listing of the same.

SCHEME OF ARRANGEMENT FOR THE MERGER OF MODERN DENIM LIMITED INTO THE COMPANY

The Board of Directors of your Company approved the merger/amalgamation of Modern Denim Limited with the Company under the ambit of Board for Industrial & Financial Reconstruction (BIFR). Modern Denim Limited was a sick Company and the same was registered with BIFR under the provision of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). However, SICA stood repealed and BIFR stand dissolved in terms of Sick Industrial Companies (Special Provisions) Repeal Act, 2003. After repeal of SICA, the Board of Directors has approved the scheme of compromise, arrangement and amalgamation of Modern Denim Limited with the Company under the provisions of section 230-232 of the Companies Act, 2013 which is under process of approval from concerned authorities.

The consolidation of two companies will facilitate savings in the administrative cost and also beneficial in terms of saving of Income Tax under the provisions of Income Tax Act, 1961.

SUBSIDIARY, ASSOCIATES AND JOINT VENTURES

During the year under review, the Company has one wholly-owned subsidiary company and one joint venture firm. Company does not have any associate company.

Pursuant to Section 129(3) of the Act, the consolidated financial statements of the Company and its subsidiary and joint venture, prepared in accordance with the relevant Accounting Standard specified under of the Act, and the rules thereunder form part of this Annual Report. A statement containing the salient features of the financial statements of the Company's subsidiary and joint venture in Form AOC-1 is given in this Annual Report as Annexure 'A'. Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the audited financial statements along with other relevant documents, in respect of subsidiary, are available on the website of the Company, in the link <https://www.moderninsulators.com/investors/Financials>.

Performance of Subsidiary/Joint Venture

Modern Inviro Private Limited

This wholly owned subsidiary was incorporated on December 23, 2019 and has not yet commenced any operations.

Shriji Designs MIL (JV)

The company has entered into Joint Venture Agreement with Shriji Designs to participate in railways EPC tender. The JV has been awarded tender for design, supply, erection, testing and commissioning of 25 KV OHE between Sanwad-Nimarkhedi NTPC siding of Western Railway. It has reported a Gross Revenue of ₹ 815.88 Lacs and has incurred loss of ₹ 19 Lacs during the F.Y. 2019-20.

SHARE CAPITAL

The Authorized Share Capital of the Company stood at ₹95.00 crore. During the year under review, there was no change in the authorized share capital of the Company. The paid up Equity Share Capital as at March 31, 2020

stood at ₹ 47.14 crore. None of the Directors of the Company hold instruments convertible into equity shares of the Company.

FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2020 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "The Act") read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2020. The Notes to the Financial Statements form an integral part of this Report.

Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. The Company discloses financial results on a quarterly basis which are subjected to limited review.

CORPORATE GOVERNANCE

As per Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from the Practicing Company Secretary confirming compliance forms an integral part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') is provided in a separate section and forms an integral part of this Report.

PARTICULAR OF LOANS, GUARANTEES AND INVESTMENT BY THE COMPANY

Pursuant to the provisions of Section 186 of the Companies Act, 2013 and schedule V of SEBI (LODR) Regulations, 2015, disclosures on particulars relating to loans, advances and investments are provided as part of the financial statements. There are no guarantees issued or securities provided by your Company in terms of Section 186 of the Act, read with the rules issued thereunder.

DEPOSITS

During the year under review, your Company has not accepted any Deposit within the meaning of Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014 and, as such, no amount of principal or interest was outstanding, as on the date of the Balance Sheet. Hence, the requirement of furnishing details of deposits which are not in compliance with Chapter V of the Act is not applicable.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered with Related Parties for the year under review were on arm's length basis. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. A statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The details of contracts and arrangement with related parties for the financial year ended 31st March, 2020, are given in Note No. 38 to the Financial Statements forming part of this Annual Report.

Form AOC-2 pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in the Annexure 'B' to the Report.

The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company and can be seen at the link <http://www.moderninsulators.com>. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration and sitting fees.

DIRECTORS

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Shri Shreyans Ranka, Whole-Time Director retires by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the forthcoming AGM on the terms and conditions mentioned in the Notice convening the AGM. A brief profile of Shri Shreyans Ranka has also been provided therein.

Subject to the approval of the shareholders, the Board has, on the recommendation of the Nomination and Remuneration Committee, appointed Shri Pradeep Kumar Gokhroo (DIN: 06810797) as an Additional Director under the category Whole -Time Director of the Company w.e.f. 1st August, 2020. As an Additional Director, Shri Pradeep Kumar Gokhroo holds office upto the date of the ensuing AGM and is eligible to be appointed as a Director of the Company. The Company has received requisite notice in writing from a member proposing Shri Pradeep Kumar Gokhroo, signifying his candidature for appointment as a Whole-Time Director at the ensuing AGM. Accordingly, the Board recommends the resolution in relation to appointment of Shri Pradeep Kumar Gokhroo as a Whole -Time Director, for the approval by the members of the Company. Brief profile of Shri Pradeep Kumar Gokhroo has been given in the Notice convening the Annual General Meeting.

Further, subject to the approval of the shareholders, the Board has, on the recommendation of the Nomination and Remuneration Committee, appointed Shri Swapan Nath (DIN: 00806810) as an Additional Director under the category Whole -Time Director of the Company w.e.f. 1st August, 2020. As an Additional Director, Shri Swapan Nath holds office upto the date of the ensuing AGM and is eligible to be appointed as a Director of the Company. The Company has received requisite notice in writing from a member proposing Shri Swapan Nath, signifying his candidature for appointment as a Whole-Time Director at the ensuing AGM. Accordingly, the Board recommends the resolution in relation to appointment of Shri Swapan Nath as a Whole -Time Director, for the approval by the members of the Company. Brief profile of Shri Swapan Nath has been given in the Notice convening the Annual General Meeting.

Subject to the approval of the shareholders, the Board has, on the recommendation of the Nomination and Remuneration Committee, appointed Shri Rahul Singhvi (DIN: 0008816920) as an Additional Director under the category Independent Director of the Company w.e.f. 1st August, 2020. As an Additional Director, Shri Rahul Singhvi holds office upto the date of the ensuing AGM and is eligible to be appointed as a Director of the Company. The Company has received requisite notice in writing from a member proposing Shri Rahul Singhvi, signifying his candidature for appointment as an Independent Director at the ensuing AGM. Accordingly, the Board recommends the resolution in relation to appointment of Shri Rahul Singhvi as an Independent Director, for the approval by the members of the Company. Brief profile of Shri Rahul Singhvi has been given in the Notice convening the Annual General Meeting.

The Board accepted the resignation of Shri T.C. Chejara from the office of the Director, with effect from 1st August, 2020. The Board placed on record its deep appreciation for the valuable contribution and services rendered by Shri T.C. Chejara during his tenure of the Board and its committees.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

The Ministry of Corporate Affairs ('MCA') vide Notification No. G.S.R. 804(E) dated October 22, 2019 and effective from December 01, 2019 has introduced the provision relating to inclusion of names of Independent Directors in the Data Bank maintained by Indian Institute of Corporate Affairs ('IICA'). All Independent Directors of your Company are registered with IICA.

In the opinion of the Board, the independent directors possess the requisite integrity, experience, expertise, proficiency and qualifications.

KEY MANAGERIAL PERSONNEL

In terms of the provisions of Sections 2(51) and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Sachin Ranka, Chairman & Managing Director, Shri Shreyans Ranka, Whole Time Director, Shri Pradeep Kumar Gokhroo, Whole-Time Director, Shri Swapan Nath, Whole-Time Director, Shri Dinesh Singh Singhvi, Chief Financial Officer and Shri Gaurav Goyal, Company Secretary are the Key Managerial Personnel (KMP) of the Company. The appointment and remuneration of Directors and KMPs are as per policy of the Company.

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees, and individual directors pursuant to the provisions of the Act and the Listing Regulations.

The Board evaluated its performance after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Chairman of the Board had one-on-one meetings with the Independent Directors and the Chairman of Nomination & Remuneration Committee (NRC) had one-on-one meetings with the Executive and Non- Executive (Non-Independent) Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/Committee processes.

The Board and the NRC reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated. The Independent Directors in the said meeting also evaluated the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. Additionally, the Chairman of the Board was also evaluated on key aspects of his role, taking into account the views of executive directors and non-executive directors in the aforesaid meeting. The above evaluations were then discussed in the board meeting that followed the meeting of the independent directors and NRC, at which the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

MEETING OF THE BOARD

During the year 2019-20, six Board Meetings were held, on 01st April, 2019, 30th May, 2019, 14th August, 2019, 14th November, 2019, 4th December, 2019 and 14th February, 2020. Further details on the Board Meetings are provided in the Corporate Governance Report, forming part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

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

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external agencies including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the financial year 2019-20.

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) read with section 134 (5) of the Companies Act, 2013:

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. R.B. Verma & Associates, Chartered Accountants, Jaipur (ICAI Firm Registration No. 012650C) were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting (AGM) of the Members held on September 27, 2017 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on September 27, 2017. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

The observations made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

The Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013 in the year under review.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Jyoti Soni & Associates, Company Secretaries, Jaipur to conduct the secretarial audit for the financial year 2019-20. The Secretarial Audit Report, issued by M/s Jyoti Soni & Associates, Company Secretaries for the financial year 2019-20, forms part of this Report, and is set out in Annexure 'C' to this Report. The observations in Secretarial Audit Report which pertains mainly listing agreement requirements, stock exchange compliances etc. It is clarified that the non-

compliance was at the time of suspension of trading. However, Company has received approval of revocation of suspension from BSE and trading in equity shares has resumed from 30.06.2020 and company has devised system to adhere future compliance in timely and proper manner.

Cost Auditors

Pursuant to the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board at its meeting held on 30th July, 2020, has appointed M/s Rajesh & Company, Cost Accountants, Jaipur (Firm Registration No. 000031), as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2020-21. As required under the Companies Act, 2013 a resolution seeking Members approval for remuneration payable to the Cost Auditors forms part of the Notice convening Annual General Meeting for ratification.

Internal Auditors

M/s S. Garg & Co., Chartered Accountants are the Internal Auditors of the Company. Internal Audit Report, their significant findings and follow up actions taken by the management is reviewed by the Audit Committee on a quarterly basis.

EXTRACT OF ANNUAL RETURN

As provided under Section 92 (3) of the Companies Act, 2013 and rules framed thereunder, the extract of annual return in Form MGT-9 is given in Annexure 'D' which forms part of this report.

In compliance with section 134(3)(a) of the Act, MGT 9 is uploaded on Company's website and can be accessed at <https://www.moderninsulators.com/investors>.

REMUNERATION AND NOMINATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-Executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel/Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The above policy has been posted on the website of the Company at www.moderninsulators.com

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances and to provide adequate safeguards against victimization of persons who may use such mechanism. The Policy provides for framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimisation or any other unfair practice being adopted against them. The details of the Vigil Mechanism are also provided in the Corporate Governance Report and the Whistle Blower Policy has been uploaded on the website of the Company, www.moderninsulators.com.

RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach in addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

The Company has framed and implemented a Risk Management Policy to identify the various business risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk management policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of the provisions of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility (CSR) Committee, which is chaired by Shri Sachin Ranka. The Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board, and the same is available on the Company's website, www.moderninsulators.com.

The Company is a caring corporate citizen and lays significant emphasis on development of the host communities around which it operates. The Company, with this intent, has identified several projects relating to Social Empowerment and Welfare, Environment Sustainability, Health Care and Education during the year, and initiated various activities in and around its plant location. The work on several initiatives has picked up momentum during the year, resulting in a spend of ₹ 44.32 Lacs. The Annual Report on CSR activities is given in Annexure 'E' to this Report.

ENVIRONMENT, HEALTH AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All women employees either permanent, temporary or contractual are covered under the above policy. The said policy has been uploaded on the internal portal of the Company for information of all employees. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act. During the year under review, company has not received any complaint.

PARTICULAR OF EMPLOYEES

In accordance with the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of

employees drawing remuneration in excess of the limits, set off in the aforesaid Rules, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, are to be set out in the Board's Report, as an annexure thereto. In line with the provisions of Section 136(1) of the Act, the Report and Accounts, as set out therein, are being sent to all Members of your Company excluding the aforesaid information about the employees. Any Member, who is interested in obtaining these particulars about employees, may write to the Company Secretary at the Registered Office of your Company. The aforesaid addendum is also available for inspection by the members at the Registered Office of the Company from 21 days before the AGM till the date of the ensuing AGM, during business hours on working days. 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, are given in Annexure 'F' to this Report.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on key result areas (KRAs) are in place for senior management staff.

The Company is committed to nurturing, enhancing and retaining its top talent through superior learning and organizational development. This is a part of our Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo, as stipulated under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014, is given in Annexure 'G' to this Report.

MATERIAL CHANGES AND COMMITMENTS EFFECTING THE FINANCIAL POSITION OF THE COMPANY

Except as disclosed elsewhere in this Report, no material changes and commitments, which could affect the Company's financial position, have

occurred between the end of the financial year of the Company and the date of this Report.

LISTING OF SHARES

The shares of the Company are listed at BSE Limited. The Company has received approval for revocation of suspension from BSE Limited and trading of equity shares has started from 30th June, 2020.

SECRETARIAL STANDARDS

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

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of shares (including sweat equity shares) to employees of the Company under any Scheme;
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in the future; and

APPRECIATION

Your Directors express their deep sense of gratitude to the banks, stakeholders, business associates, Central and State Governments and all regulatory bodies for their co-operation and support and look forward to their continued support in future.

We very warmly thank all of our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your Company.

For and on behalf of the Board of Directors

Sachin Ranka

Chairman & Managing Director

DIN: 00335534

Place : Abu Road

Date : 30th July, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC AND INDUSTRY OVERVIEW

Global Economic Outlook

Although slowdown in the manufacturing sector and trade tensions between the US and China were among the many factors that softened the economic outlook, the situation has been further exacerbated by the novel corona virus outbreak. Protecting lives and allowing health care systems to cope with the Covid-19 pandemic required isolation, lockdowns and widespread closures of non-essential services including manufacturing of most of the goods. As a result, the global economy is projected to contract sharply, worse than it fared during financial crisis of 2008-09, as per the World Economic Outlook ('WEO') of April 2020 released by the International Monetary Fund ('IMF'). The growth forecast is marked down by more than 6% relative to the October 2019 and January 2020 projections by IMF – an extraordinary revision over such a short period of time. However, global growth is expected to rebound in FY 2021-22, well above the trend, reflecting the normalisation of economic activity based on inherent strengths.

Among Emerging Market and Developing Economies, all countries face a health crisis, severe external demand shock and a plunge in commodity prices, which will have a severe impact on economic activity.

Indian Economy

India continues to be one of the fastest growing emerging economies in the world. A slowdown in the manufacturing and construction sector has lately

affected GDP growth – slightly below 5% in the current fiscal. An impending revival in demand, positive consumption pattern and rising disposable income, makes India the most sought after investment destinations. Already the fifth largest economy in the world, India is supposed to take its place among the world's top three economic powers in the next 10-15 years. The pandemic has undoubtedly affected India, but with the right economic stimulus and the gradual opening up of the lockdown, the situation is expected to improve.

Industry Overview

The power generation, transmission and distribution sector is the key growth driver for the Insulator industry. The Government of India is putting emphasis on power sector reforms by overcoming impediments; it will however take some time before on-ground demand improvement is visible. With the thrust on 'POWER FOR ALL' given by Government of India, insulator demand is likely to increase further in coming years.

The Indian Textile Industry is one of the leading textile industries in the world. It is one of the key sectors of India's manufacturing segment as it contributes significantly to the economy in terms of employment generation and foreign exchange revenue. The industry is taking all steps to promote textile exports, which is the need of the hour. Costs are increasing due to rising input costs, including labour and power. Focus on new product development and value added products is continuing in this segment.

BUSINESS PERFORMANCE REVIEW

Insulators Division

During the year under review, the division has registered a turnover of ₹ 387.29 crores as against ₹ 392.51 crores and profit before interest & depreciation of ₹ 49.34 crores as against ₹ 50.76 crores of previous year. Turnover and profitability have slightly reduced mainly due to outbreak of corona virus pandemic in the last quarter of F.Y. 2019-20.

Terry Towels Division

The turnover of this division has been ₹ 49.59 crores as against ₹ 47.48 crores and loss before interest & depreciation have been ₹ 7.20 crores as against 6.14 crores. Lower profitability is mainly due to low capacity utilization due to sluggish demand.

Exports

The company is the largest exporters of H. T. Porcelain Insulators from India. The Company has achieved export turnover of ₹ 109.22 crores during the year as compared to ₹ 98.84 crores in previous year showing an impressive growth of about 11% in spite of stiff competition from China for composite insulators. To strengthen & increase its presence in the international market, the company is making tremendous efforts by exploring new market for insulators with RTV coating and by developing big diameter Hollow Insulators etc. This would help the company to enhance its ability to cater the diverse needs of global customers and strengthen its presence in all corners of global market. The company is also continuously focusing on economizing the manufacturing by way of R&D activities, better process control and getting optimum utilization of its productive resources, so that products of the insulator division remain competitive in terms of quality and price in the international market. Company is a regular supplier to all the major multinational OEMs for their worldwide requirements of quality Porcelain Insulators. Company is making efforts to add new customers from South East Asian Countries, Bangladesh, Sri Lanka, Nepal, Peru, Nigeria, Ethiopia etc. as market opportunities are shifting towards developing countries i.e. Asia, Africa & North America. The company is also focusing on approvals from worldwide utilities like SEC-Saudi Arabia, NEA-Nepal, CEB-Sri Lanka, PGCB- Bangladesh, TNB-Malaysia to further strengthen its presence in the export market. These steps will help export turnover to sustain/increase in the coming years.

ANALYSIS AND REVIEW

The company continues to be a leader in the manufacture of Extra High Voltage Insulators in the country. Despite stiff competition, buyers show interest in company's products for its quality & timely delivery. The company has a well equipped R & D laboratory, recognized by Govt. of India, Ministry of Science & Technology which takes care of the stringent quality requirements of customers and ensures quality and reliability in

each and every product manufactured. In-house R&D activities have a thrust on qualitative development to replace expensive input raw material & to bring consistency in quality of the product under manufacture.

The company has a fully equipped SGI and Aluminium foundry to cater demand from various segments apart from fulfilling company's major captive requirement of SGI and aluminium castings in required time frame.

OPPORTUNITIES & CHALLENGES

Looking to current lockdown, India's electricity sector is likely to register a decline in power demand during 2020-21.

Insulator demand is expected to improve in medium term with Central Electrical Authority (CEA) targeting to upgrade the existing transmission lines and adding new substations. Railway electrification in the country is in full swing which will further increase demand of insulators in the coming months. Also we are putting all our efforts to promote Long Rod Insulators to all potential SEBs & private TSP's.

Extension of anti-dumping duty for a further period of 5 years on import of insulators from China will provide sustainable relief to domestic manufacturers. Apart from this, Govt. of India "MAKE IN INDIA" policy and "ATMANIRBHAR BHARAT ABHIYAN" will further facilitate more business opportunities as competition from overseas suppliers, especially from China will reduce to some extent.

RISKS & CONCERNS

Slow economic activity and liquidity challenges have impacted the overall demand scenario in the industry. The later part of the year also witnessed an unprecedented outbreak of pandemic Covid-19 impacting global economies, supply chain also led to delay in implementation of power projects by state governments. Complete lockdown of the country was unparalleled to any disruption experienced in the past several decades. COVID-19 would definitely leave a deep cut in economy and corporate financials.

Delay in orders from state transmission utilities and power utilities may impact performance. Project delays from the customer's side may impact order book position.

OUTLOOK

Government initiatives are expected to catalyse demand improvement in near future. With Government's focus on 'POWER FOR ALL' the medium to long-term fundamentals look encouraging. The company is alert and in touch with the ground realities of the changing business environment and is confident of increasing its share in the domestic as well as international market. The company continues to examine the possibilities of expansion and shall make the necessary investments when attractive opportunities arise.

Annexure A to Boards' Report FORM NO. AOC. 1

[Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": SUBSIDIARIES

S. No.	Particulars	Description
1.	Name of the Subsidiary	Modern Inviro Private Limited
2.	Reporting period for the subsidiary concerned, if different from the Holding Company's Reporting Period	–
3.	Reporting Currency and Exchange Rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries.	NA
4.	Share Capital	10 Lacs
5.	Reserves & Surplus	(0.24) Lacs
6.	Total Assets	9.79 Lacs
7.	Total Liabilities	0.03 Lacs
8.	Investments	–
9.	Turnover	–
10.	Profit before Taxation	(0.24) Lacs
11.	Provision for Taxation	–
12.	Profit after Taxation	(0.24) Lacs
13.	Proposed Dividend	–
14.	% of Shareholding	100

Note:-

1. Above subsidiary is yet to commence operations.
2. No subsidiary was liquidated or sold during the year.

Part "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Particulars	Description
1.	Name of Associates/Joint Ventures	Shriji Designs-MIL (JV)
2.	Latest audited Balance Sheet Date	31.03.2020
3.	Shares of Associate/Joint Ventures held by the company on the year end	–
	(a) Number of shares	NA
	(b) Amount of Investment in Associates/Joint Venture	–
	(c) Extend of Holding %	–
4.	Description of how there is significant influence	Joint Venture
5.	Reason why the associate/joint venture is not consolidated	Consolidated
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	(20.26) lacs
7.	Profit / Loss for the year	
	(i) Considered in Consolidation	(19.07) lacs
	(ii) Not Considered in Consolidation	–

Note:-

1. No Associate or Joint Venture was liquidated or sold during the year.

Annexure B to Boards' Report FORM NO. AOC. 2

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 transactions under third proviso thereto

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

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2020, which were not at arm's length basis

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/arrangement/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Modern Denim Limited (Common Director)	Purchase, sale and reimbursement of expenses	01.04.2019 to 31.03.2020	Omnibus approval given by the Audit Committee for sale, purchase etc. in the normal course of business	14/02/2019	NIL
Modern Denim Limited (Common Director)	Loan & Advances given	01.04.2019 to 31.03.2020	Loan and advances given pursuant to the proposed amalgamation of Modern Denim Limited with the Company.	14/02/2019	Nil
Modern Inviro Pvt. Ltd. (Subsidiary)	Investment in Equity	01.04.2019 to 31.03.2020	Investment in equity shares to form a wholly owned subsidiary	14/11/2019	Nil
Shriji Designs MIL JV (Joint Venture)	Sale of good/ services	01.04.2019 to 31.03.2020	Omnibus approval given by the Audit Committee for sale in the normal course of business	14/02/2019	Nil
Shriji Designs MIL JV (Joint Venture)	Loan & Advances given	01.04.2019 to 31.03.2020	Loan and advances given for its working capital requirement.	14/02/2019	Nil
Jumbo Finance Limited (Relative of KMP)	Loan given	01.04.2019 to 31.03.2020	Demand Loan given as per agreement	14/02/2019	NIL
Modern Mediscience Pvt. Ltd. (Relative of KMP)	Loan given	30.09.2019 to 31.03.2020	Demand Loan given as per agreement	14/08/2019	NIL
Shubham Corporate Advisory Services Pvt. Ltd. (Relative of KMP)	Leave and License agreement of Corporate office Premises	01.04.2020 to 31.03.2022	Use of Office Space for Corporate Head Quarter at Mumbai at a monthly Compensation of Rs. 150000/- plus applicable taxes.	14/02/2020	NIL
Smt. Smriti Ranka (Relative of KMP)	Rent Agreement	01.12.2018 to 30.11.2019 and 01.12.2019 to 31.11.2020	Rent of Guest house at Ahmedabad at a monthly compensation of Rs. 120000/- Plus applicable taxes.	14.11.2018 and 14.11.2019	NIL
Acharya Shri Nanesh Samta Vikas Trust (Relative of KMP)	Contribution towards CSR activities	01.04.2019 to 31.03.2020	Omnibus approval given by the Audit Committee for CSR expenses	14.02.2019	NIL
H.S. Ranka Foundation (Relative of KMP)	Contribution towards CSR activities	01.04.2019 to 31.03.2020	Omnibus approval given by the Audit Committee for CSR expenses	14.02.2019	NIL
P.B. Ranka Foundation (Relative of KMP)	Contribution towards CSR activities	01.04.2019 to 31.03.2020	Omnibus approval given by the Audit Committee for CSR expenses	14.02.2019	Nil

For Modern Insulators Limited

Sachin Ranka

Chairman & Managing Director

DIN: 00335534

Place : Abu Road

Date : 30th July, 2020

Annexure C to Boards' Report FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March, 2020

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

To,
The Members

MODERN INSULATORS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Modern Insulators 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 books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (**Not applicable to the Company during the Audit Period**);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the Audit Period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**);
 - (i) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof;
- (vi) The laws as are applicable specifically to the Company are as under:
 - (a) Petroleum Act, 1934 and rules made there under;

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India
- II. The Listing Agreements entered into by the Company with BSE Limited. Company has received approval for revocation of suspension and the trading of shares of the company has been started w.e.f. 30.06.2020.
- III. The Company is listed in Calcutta Stock Exchange but the trading of the company is suspended.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:-

1. The Company has complied with provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 except delay in filing for some instances.
2. The Company has granted interest free unsecured loan to a company covered under section 189 of the Companies Act 2013. The company has not provided interest on the said loan as prescribed u/s 186(7) of Companies Act, 2013 for which we have been informed that the same is not provided in view of proposed amalgamation under the provisions of Companies Act, 2013.

We further report that

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of

Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company

to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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.

FOR JYOTI SONI & ASSOCIATES
 Practicing Company Secretaries

Jyoti Soni

[Prop.]

ACS No. 38058

C P No.: 19478

UDIN : A038058B000533731

Place: Jaipur

Date: 30.07.2020

ANNEXURE 'A'

To,
 The Members
 Modern Insulators Limited

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. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made there under relating to maintenance of Books of Accounts, papers and financial statements of the relevant Financial Year, which give a true and fair view of the state of the affairs of the company.
4. We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961 &
5. Where ever required, we have obtained the Management representation about the compliance of Laws, rules and regulations and happening of events etc.
6. 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.
7. The Secretarial Audit report 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.

Place: Jaipur

Date: 30.07.2020

FOR JYOTI SONI & ASSOCIATES
 Practicing Company Secretaries

Jyoti Soni

[Prop.]

ACS No. 38058

C P No.: 19478

UDIN: A038058B000533731

Annexure D to Boards' Report
FORM NO. MGT 9 (EXTRACT OF ANNUAL RETURN)
As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	:	L31300RJ1982PLC002460
2	Registration Date	:	01-05-1982
3	Name of the Company	:	MODERN INSULATORS LIMITED
4	Category/Sub-category of the Company	:	Company Limited by Shares
5	Address of the Registered office & contact details	:	Telheti, Village Karoli, Tehsil Abu Road, Dist. Sirohi - 307510 Phone NO.: 02974-228044, E-mail: compliance@moderninsulators.com
6	Whether listed company	:	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	:	Beetal Financial & Computer Services Pvt. Ltd. Beetal House, 3rd floor, 99, Madangir, New Delhi-110062; Tele:- 011-29961281

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)

S. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1.	Insulators & Metal Parts	03233	89%
2.	Terry Towels	17111	11%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	Modern Inviro Pvt. Ltd. C/o Modern Insulators Limited, Talheti Village Karoli Abu Road, Sirohi - 307510	U45400RJ2019PTC067488	Subsidiary Company	100%	2(87) (ii)

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				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
	a) Individual/ HUF	2000	-	2000	-	2000	-	2000	-	-
	b) Central Govt	-	-	-	-	-	-	-	-	-
	d) Bodies Corp.	28118386	261491	28379877	60.20	28370070	9807	28379877	60.20	-
	e) Banks / FI	-	-	-	-	-	-	-	-	-
	f) Any other	-	-	-	-	-	-	-	-	-
	Sub Total (A) (1)	28120386	261491	28381877	60.20	28372070	9807	28381877	60.20	-
(2)	Foreign									
	a) NRI Individuals	-	-	-	-	-	-	-	-	-
	b) Other Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corp.	-	-	-	-	-	-	-	-	-
	d) Any other	-	-	-	-	-	-	-	-	-
	Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
	TOTAL (A)	28120386	261491	28381877	60.20	28372070	9807	28381877	60.20	-

B. Public Shareholding										
1. Institutions										
a) Mutual Funds	1000000	821	1000821	2.12	1000000	821	1000821	2.12		-
b) Banks / FI	-	1059080	1059080	2.25	-	1059080	1059080	2.25		-
c) Central Govt	-	1380775	1380775	2.93	1380775	-	1380775	1380775		-
d) State Govt(s)	-	-	-	-	-	-	-	-		-
e) Venture Capital Funds	-	-	-	-	-	-	-	-		-
f) Insurance Companies	-	1715092	1715092	3.64	613332	1101760	1715092	3.64		-
g) FIIs	-	146772	146772	0.31	-	146772	146772	0.31		-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-		-
i) Others (specify)	-	-	-	-	-	-	-	-		-
Sub-total (B)(1):-	1000000	4302540	5302540	11.25	2994107	2308433	5302540	11.25		-
2. Non-Institutions										
a) Bodies Corp.										
i) Indian	113708	298703	412411	0.87	137432	278345	415777	0.88		0.01
ii) Overseas	-	-	-	-	-	-	-	-		-
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1014813	8897535	9912348	21.03	1142489	8748902	9891391	20.98		-0.04
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1374624	916773	2291397	4.86	2003169	307517	2310686	4.90		0.04
c) Others (specify)										
Non Resident Indians	11850	750503	762353	1.62	12906	744847	757753	1.61		-0.01
Individual (HuF)	80421	53	80474	0.17	83123	53	83176	0.18		0.01
Trusts	500	-	500	-	700	-	700	-		-0.01
Sub-total (B)(2):-	2595916	10863567	13459483	28.55	3379819	10079664	13459483	28.55		-
Total Public (B)	3595916	15166107	18762023	39.80	6373926	12388097	18762023	39.80		-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-		-
Grand Total (A+B+C)	31716302	15427598	47143900	100.00	34745996	12397904	47143900	100.00		-

(ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change 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	
1	Shri Hari Singh Ranka	-	-	-	-	-	-	-
2	Shri Sachin Ranka	500	-	-	500	-	-	-
3	Shri Shreyans Ranka	500	-	-	500	-	-	-
4	Smt. Smriti Ranka	500	-	-	500	-	-	-
5	Shri Suvrat Ranka	500	-	-	500	-	-	-
6	Ajaymeru Trading & Investment Pvt. Ltd.	-	-	-	-	-	-	-
7	Pride Mercantiles Pvt. Ltd.	5343453	11.33	-	5343453	11.33	-	-
8	Trishul Traders Pvt. Ltd.	251684	0.53	1.83	251684	0.53	-	-
9	Vulvan Traders Pvt. Ltd.	-	-	-	-	-	-	-
10	Kakunda Investment Pvt. Ltd.	9807	0.02	-	9807	0.02	-	-
11	Jay Beneficiary Trust	6530886	-	-	6530886	13.85	-	-
12	Vijay Beneficiary Trust	16244047	-	-	16244047	34.46	-	-
	Total	28381877	60.20	-	28381877	60.20	-	-

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

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Shri Hari Singh Ranka				
	At the beginning of the year	–	–	–	–
	At the end of the year (No Change during the year)	–	–	–	–
2	Shri Sachin Ranka				
	At the beginning of the year	500	–	500	–
	At the end of the year (No Change during the year)	500	–	500	–
3	Shri Shreyans Ranka				
	At the beginning of the year	500	–	500	–
	At the end of the year (No Change during the year)	500	–	500	–
4	Smt. Smriti Ranka				
	At the beginning of the year	500	–	500	–
	At the end of the year (No Change during the year)	500	–	500	–
5	Shri Suvrat Ranka				
	At the beginning of the year	500	–	500	–
	At the end of the year (No Change during the year)	500	–	500	–
6	Ajaymeru Trading & Investment Pvt. Ltd.				
	At the beginning of the year	–	–	–	–
	At the end of the year (No Change during the year)	–	–	–	–
7	Pride Mercantiles Pvt. Ltd.				
	At the beginning of the year	5343453	11.33	5343453	11.33
	At the end of the year (No Change during the year)	5343453	11.33	5343453	11.33
8	Trishul Traders Pvt. Ltd.				
	At the beginning of the year	251684	0.53	251684	0.53
	At the end of the year (No Change during the year)	251684	0.53	251684	0.53
9	Vulvan Trader Pvt. Ltd.				
	At the beginning of the year	–	–	–	–
	At the end of the year (No Change during the year)	–	–	–	–
10	Kakunda Investment Pvt. Ltd.				
	At the beginning of the year	9807	0.02	9807	0.02
	At the end of the year (No Change during the year)	9807	0.02	9807	0.02
11	Jay Beneficiary Trust				
	At the beginning of the year	6530886	13.85	6530886	13.85
	At the end of the year (No Change during the year)	6530886	13.85	6530886	13.85
12	Vijay Beneficiary Trust				
	At the beginning of the year	16244047	34.46	16244047	34.46
	At the end of the year (No Change during the year)	16244047	34.46	16244047	34.46

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Unit Trust of India	1380775	2.93	1380775	2.93
2	UTI-Opportunities Fund	1000000	2.12	1000000	2.12
3	The New India Assurance Co. Ltd.	613332	1.30	613332	1.30
4	Mahendra Girdharilal	586887	1.24	586887	1.24
5	Life Insurance Corporation of India	487466	1.03	487466	1.03
6	General Insurance Corporation of India	467498	0.99	467498	0.99
7	National insurance Corporation Limited	395542	0.84	395542	0.84
8	LIC Housing Finance Ltd.	266666	0.57	266666	0.57
9	United India Insurance Co. Ltd.	253333	0.54	253333	0.54
10	The Oriental Insurance Co. Ltd.	238720	0.51	238720	0.51

(v) Shareholding of Directors & Key Managerial Personnel:

S. No.	For each of the Directors & Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Shri Sachin Ranka -Chairman & Managing Director	500	—	500	—
2	Shri Shreyans Ranka - Executive Director	500	—	500	—
3	Shri T.C. Chejara - Non - Executive Director	150	—	150	—
4	Shri R.Raniwala - Independent Director	—	—	—	—
5	Shri S.K. Sharma - Independent Director	—	—	—	—
7	Smt. Meenu Sacheti - Independent Director	—	—	—	—
8	Shri D.S. Singhvi - Chief Financial Officer	—	—	—	—
9	Shri Gaurav Goyal - Company Secretary & Compliance Officer	12	—	12	—

Shri T.C. Chejara has resigned w.e.f. 01.08.2020.

V. INDEBTEDNESS

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

(₹ in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9315.92	—	—	9315.92
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	9315.92	—	—	9315.92
Change in Indebtedness during the financial year				
* Addition*	782.71	—	—	782.71
* Reduction	6.48	—	—	6.48
Net Change	776.23	—	—	776.23
Indebtedness at the end of the financial year				
i) Principal Amount	10092.15	—	—	10092.15
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	10092.15	—	—	10092.15

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lacs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shri Sachin Ranka CMD	Shri Shreyans Ranka WTD	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60.00	18.90	78.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	13.20	4.16	17.36
	(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)	73.200	23.06	96.26
	Ceiling as per the Act			244.68

B. Remuneration to other Directors

(₹ in lacs)

S No.	Particulars of Remuneration	Name of Directors				Total Amount
		T.C. Chejara	R. Raniwala	S.K. Sharma	Meenu Sacheti	
1	Independent Directors					
	Fee for attending board & committee meetings	–	0.69	–	0.08	0.77
	Commission	–	–	–	–	–
	Others, please specify	–	–	–	–	–
	Total (1)	–	0.69	–	0.08	0.77
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	–	–	–	–	–
	Commission	–	–	–	–	–
	Others, (Professional Fee)	25.20	–	–	–	25.20
	Total (2)	25.20	–	–	–	25.20
	Total (B)=(1+2)	25.20	0.69	–	0.08	25.97
	Total Managerial Remuneration					122.23
	Overall Ceiling as per the Act					269.15

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

(₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Shri D.S. Singhvi CFO	Shri Gaurav Goyal Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20.81	3.96	24.77
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.80	1.60	7.40
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	– as % of profit	–	–	–
	– others, specify	–	–	–
5	Others, please specify			
	Total	26.61	5.56	32.17

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 Punishment Compounding			None		
B. DIRECTORS					
Penalty Punishment Compounding			None		
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding			None		

Annexure E to Boards' Report
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- 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 programmes:**
 The Company had proposed to undertake activities relating to rural development including preventive healthcare, safe drinking water, environment sustainability, medical relief, enhancing vocational skills etc. for the Financial Year 2019-20. The CSR policy is available on the Company's website. The web link of the same is http://moderninsulators.com/Investors/invpdf/Policy_CSR.pdf.
- The Composition of the CSR Committee:**
- Average net profit of the Company for last three financial years:
Average Net Profit: Rs 2128.26 Lacs
- Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)
The Company is required to spend Rs. 42.56 Lacs.
- Details of CSR spent during the financial year:
 - Total amount spent for the financial year: Rs. 44.32 Lacs.
 - Amount unspent, if any: Nil
 - Manner in which the amount spent during the financial year is detailed below:

S. No.	Name of Director	Designation	Category
1.	Shri Sachin Ranka	Chairman	Managing Director
2.	Shri R. Raniwala	Member	Independent Director
3.	Shri T.C. Chejara	Member	Non-Executive Director

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Project or Programs: (1) Local area of other. (2) Specify the State and District where projects or programs was undertaken	Amount outlay (Budget) Project or programs wise (Rs. in Lacs)	Amount spent on the projects or programs. Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads (Rs. in Lacs)	Cumulative expenditure up to the reporting period (Rs. in Lacs)	Amount Spent: Direct or through implanting agency (Rs. in Lacs)
1.	Medical relief including medical camps, general health care activities etc. Promoting Education	Health Care/ Education	Mumbai (Maharashtra) & Abu Road (Rajasthan)	36.32	36.32	36.32	Through H.S. Ranks Foundation, P.B. Ranka Foundation and Modern Swastik Seva Sansthan
2.	Rural Development including Educational programs at rural areas, development of vocational skills	Rural Development	Danta (Rajasthan) & Mumbai (Maharashtra)	8.00	8.00	8.00	Through Acharya Nanesh Samta Vikas Trust & JASCAP
	Total			44.32	44.32	44.32	

- We hereby affirm that the CSR Policy as approved by the Board has been implemented and the CSR Committee as well as Board monitors the implementation of the CSR activities/programs undertaken by the Company in compliance of CSR objectives and Policy of the Company.

(Sachin Ranka)

**Chairman & Managing Director &
Chairman of CSR Committee
DIN: 00335534**

Date: 30th July, 2020

Place: Abu Road

Annexure F to Boards' Report

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(1) Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year:

Median remuneration of all the employees of the Company for the Financial Year 2019-20	211824
Percentage increase in the median remuneration of employees in the Financial Year	9.73%
Number of permanent employees on the rolls of the Company as on 31st March, 2020	1705

Name of Director & KMP	Ratio of Remuneration to median remuneration of all employees	% increase in remuneration in Financial year 2019-20
Shri Sachin Ranka	31.16	NA
Shri Shreyans Ranka	9.81	NA
Shri D.S. Singhvi	11.40	9.25%
Shri Gaurav Goyal	2.45	24.00%

Note: The ratio of remuneration to the median remuneration is based on the remuneration paid during the period 1st April, 2019 to 31st March, 2020.

- (2) Average percentage increase made in the salaries of employees, other than the managerial personnel in the financial year 2019-20, was 10.76% over the previous financial year, which is in line with the industry benchmark and cost of living index. However, the average salaries of the managerial personnel for the same financial year increased by 12.96%.
- (3) The remuneration is as per the remuneration policy of the company.

Annexure G to Boards' Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) CONSERVATION OF ENERGY:

S. No.	Particulars	Remarks
(i)	The steps taken or impact on conservation of energy:	Being energy efficient has become the need of the hour. Having realized it long back & since then channelized all efforts to conserve and optimize use of energy with continuous monitoring through improved operational techniques. Some of the measures taken by the company in this direction are as under:
(ii)	The steps taken by the Company for utilizing alternate sources of energy:	
(iii)	The capital investment on energy conservation equipments:	
		i) Convert PED from 440 Volt to 660 Volt by installing 3 Nos. transformer & change the PED operation from RTD to timer to reduce cycle hrs. ii) Convert cooling tower fan operation in temperature base control to avoid idle running of Cooling Tower fan and save energy. iii) Installed 3MW solar power plant as alternative source of energy and save 400000 units per month. iv) Installed VFD in 11 Nos. KILN (Combustion Air fan & Waste Gas fan) and save energy approx 100000 unit per month. v) Provide level sensor in in Blunger to avoid dry running of Roto Pump to reduce maintenance cost.

(B) TECHNOLOGY ABSORPTION:

a) Efforts, in brief made towards technology absorption, adoption and innovation:

- I. We have successfully developed body recipe utilizing domestic clay replacing costly imported clay. Further plant scale trials are underway.
- II. We are closely following up on scaling up activity of Semiconducting insulators in pilot scale for application trials insulators in US market.
- III. We have successfully implemented body recipe using higher %age utilization of fired porcelain powder generated on in house scale.
- IV. We have developed new high strength body recipe using hybrid concept of utilization of Calcined Alumina & Calcined Bauxite as a source of Alpha Alumina. This body has the capability of performance at normal temperature (i.e., 1235 °C) and low Temperature (i.e., 1180 °C).
- V. For some premium overseas customers we have already developed a premium body with high Alumina content delivering high strength reliability. This body is developed using underground calcined Alumina for cost control.

- VI. A hybrid body concept is extended further to develop equivalent body recipe having performance parameter at par with existing normal Alumina body. This recipe is relevant for low temperature (i.e., 1180°C) maturity.
- VII. We have developed and successfully implemented on production scale a novel method of Engobing. This has resulted in controlling green body rejection after drying.
- VIII. Developed an unique composition of cement mortar for critical hollow insulators for better assembly & consequent improvement in testing performance.
- IX. There is continuous focus to find alternative source of domestic china clay & Ball clays as a measure of cost control.
- X. Streamline of current & voltage in IED operation to reduce cycle time & reduce rejection for IED insulators.
- XI. Concept of direct dipping at glazing department
- XII. several designs modified for weight reduction.
- XIII. High temperature paint application in dryer to avoid rusting & falling on green product. 14 Nos. dryer completed.
- XIV. Successfully implemented double burner heating in all dryers thus impacted for further cycle time reduction. So far implemented in 4 dryers.
- XV. Auto glazing machine for Rly insulators introduced & running successfully.
- XVI. Secondary air line modified in all kilns to reduced free iron spot after firing.
- XVII. Shaping tool modification done to improve quality of surface to reduce dust generation during dry finishing.
- XVIII. Changed process of shaping by applying wet sponge to improve surface finish.
- XIX. All manual shaping machine have been retrofitted to CNC version.
- XX. Extrusion process monitoring system through SCADA to improve quality of pugs and reduce process related technical rejection.
- XXI. High magnetic intensity bar magnet is being introduce to improve recovery in post kiln area.

b) Benefits derived as a result of above efforts:

- I. Reduction in power cost due to reduced power consumption. Improvement in efficiency & productivity.
- II. Reduction in firing cycle time & cost saving.
- III. Consistent supply of quality clays is ensured.
- IV. Reduction in rejections at various stages
- V. Entry in new product segment.
- VI. Improvement in quality & reliability of products.

c) In case of Imported technology (Imported during last three years reckoned from the beginning of the financial year): Nil

d) Expenditure incurred on R&D

i) Capital	:	–
ii) Recurring	:	₹ 389.84 lacs
Total		₹ 389.84 lacs

Total R&D expenditure, as %age of total turnover: 0.89%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has earned during the period foreign exchange of ₹ 11505 lacs against an outgo of ₹ 2135.73 lacs.

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Good Corporate Governance is the adoption of best business practices which ensure that the Company operates within the regulatory framework. The adoption of such corporate practices ensures accountability, ethical behaviour, transparency and fairness to all stakeholders. The Company believes in practicing good Corporate Governance and endeavours to improve on these aspects on an ongoing basis. The philosophy on corporate governance is an important tool for shareholder protection and maximisation of their long-term values.

Your Company is in compliance with the requirements stipulated under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, with the Stock Exchanges ("Listing Regulations") with regards to corporate governance.

BOARD OF DIRECTORS

Composition of Board of Directors

The Board is broad-based and consists of eminent individuals from Industrial, Managerial, Technical, Financial and Marketing background. The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

As on March 31, 2020, the Company's Board consists of six directors. The Board comprises of Two Executive Promoter Director, one Non-Executive Director, and Three Independent Directors including one Woman Director. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 and the Listing Regulations. The Directors are professionals and have expertise in their respective functional areas.

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Sr. No.	Name of Directors	Expertise in Specific Functional Areas
1.	Shri Sachin Ranka	Industrialist, Business Strategy, Corporate Management and Leadership
2.	Shri Shreyans Ranka	Business Strategy, Sales and Marketing and Business Management
3.	Shri T.C. Chejara	Finance, Corporate Planning and Strategy, Sales & Marketing
4.	Shri R. Raniwala	Finance, Capital Market and Wealth Management, Board service and governance
5.	Shri S. K. Sharma	Board service and governance
6.	Smt. Meenu Sacheti	Industrialist, Finance, Board service and governance

The Composition of the Board and directorship held, as on 31st March, 2020 are as follows:

Name of Directors	Executive/ Non-Executive/ Independent	No. of Equity Shares held	Directorships in other Public Limited Companies	Membership in Committees of other Companies		List of Directorship held in other listed Companies and Category of Directorship
				Chairman	Member	
Shri Sachin Ranka	Chairman & Managing Director	500	1	–	–	Modern Denim Ltd. (Chairman & Managing Director)
Shri Shreyans Ranka	Executive Director	500	–	–	–	–
Shri T.C. Chejara	Non-Executive Director	150	1	1	1	Modern Denim Limited (Non-Executive Director)
Shri R.Raniwala	Non-Executive Independent Director	–	–	–	–	–
Shri S.K. Sharma	Non-Executive Independent Director	–	1	1	1	Modern Denim Ltd. (Independent Director)
Smt. Meenu Sacheti	Non-Executive Independent Director	–	1	–	–	Modern Denim Ltd. (Independent Director)

1. Shri Sachin Ranka and Shri Shreyans Ranka are related to each other. None of the other Directors are related inter-se.
2. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
3. Membership in Committees includes only Audit Committee and Stakeholders' Relationship Committee

Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. They have also given declaration under Rule 6(1) and (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, that their names are registered in the databank as maintained by the Indian Institute of Corporate Affairs (IICA). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors, if applicable, are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one (1) year from the date of inclusion of their names in the data bank or such time as amended by the Central Government.

Board Meetings and Annual General Meeting (AGM)

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

Minimum four Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs, if any, of the Company. During the financial year 2019-20 the Board of Directors met six times i.e., on April 01, 2019, May 30, 2019, August 14, 2019, November 14, 2019, December 4, 2019 and February 14, 2020.

The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India.

Attendance of Directors at the Board Meetings and last Annual General Meeting (AGM)

Name of Directors	Attendance of AGM held on 27th Sept. 2019	01st Apr., 2019	30th May, 2019	14th Aug., 2019	14th Nov., 2019	4th Dec., 2019	14th Feb., 2020
Mr. Sachin Ranka	–	√	√	√	√	√	√
Mr. Shreyans Ranka	–	Leave of Absence	√	Leave of Absence	√	Leave of Absence	√
Mrs. Meenu Sacheti	–	√	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	√
Mr. R. Raniwala	√	Leave of Absence	√	√	√	√	√
Mr. T. C. Chejara	–	√	√	√	√	√	√
Mr. S.K. Sharma	–	Leave of Absence	√	√	√	√	√

Meetings of Independent Directors

A separate meeting of Independent Directors of the Company was held on 14th February, 2020, without the presence of Non-Independent Directors and members of the management, to discuss the matters as required under Schedule IV of the Act and the Listing Regulations. The meeting was attended by all the Independent Directors.

Code of Conduct

The Company has adopted Code of Business Conduct & Ethics which is applicable to the Board of Directors and Senior Management Personnel of the Company. The Board of Directors and the members of Senior Management Team of the Company are required to affirm Compliance of this Code. A declaration signed by the Chairman and Managing Director of the Company to this effect is placed at the end of this report. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website www.moderninsulators.com.

Familiarization programme for Independent Director

Your Company conducts introductory familiarization programme, inter alia covering the nature of the industry in which the Company operates, business model of the Company, etc., when a new Independent Director joins the Board of the Company. The Chairman and Managing Director

also has a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board/ Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

The details of familiarisation programme for Directors have been disclosed on the Company's website, www.moderninsulators.com.

Performance evaluation

A formal Evaluation Framework for evaluation of the Board's performance, performance of its Committees and individual Directors of the Company, including the Chairman of the Board, in terms of the requirement of the Act and the Listing Regulations, is in place. In terms of the Evaluation Framework, the Board has carried out the annual performance evaluation of its own performance, the directors individually and the working of its Committees. Criteria for evaluation inter alia include providing strategic perspective, Chairmanship of the Board and its Committees, attendance and preparedness for the meetings, contribution at the meetings and role of the Committees.

Insider Trading Code

The Company has adopted a Policy for prohibition of Insider Trading for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations. This Policy is displayed on the Company's website viz. www.moderninsulators.com

COMMITTEES OF THE BOARD

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall Management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Board has four Committees namely Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee, and Stakeholders Relationship Committee.

Audit Committee

Your Company has a qualified and independent Audit Committee. The Committee is governed in line with the regulatory requirements mandated by Companies Act, 2013 and Regulation 18 of the SEBI (LODR), Regulations, 2015. The Audit Committee acts as a link between the management, the statutory and internal auditors, and the Board of Directors. The Audit Committee is provided with the necessary assistance and information so as to enable it to carry out its function effectively.

As on 31st March, 2020, the Audit Committee comprises of two Independent Directors and one Non-Executive Director. Shri R. Raniwala is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets the requirements as per the Section 177 of the Companies Act, 2013 and Regulation 18(1) of the SEBI (LODR) Regulations.

During the year under review, 5 Audit Committee Meetings were held, on 30th May, 2019, 14th August, 2019, 14th November, 2019, 4th December, 2019 and 14th February, 2020.

The composition of the Audit Committee and the details of the meetings attended by the Members are given below:

Name of the Member	Position	Category	Number of Meetings	
			Held	Attended
Shri R. Raniwala	Chairman	Independent	5	5
Shri S.K. Sharma	Member	Independent	5	5
Shri T.C. Chejara	Member	Non-Executive	5	5

1. The Chairman of the Audit Committee was present at the last AGM of the Company held on 27th September, 2019.

Brief description of terms of reference

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation of appointment, remuneration and terms of appointment of the auditors.
3. Approval of payment to Statutory Auditors for any other services rendered by them.
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 sub-section 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 management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
 6. Review and monitor the auditor's independence and performance and effectiveness of audit process.
 7. Approval or any subsequent modification of transactions of the Company with related parties.
 8. Scrutiny of inter-corporate loans and investments.
 9. Evaluation of internal financial controls and risk management systems.
 10. Review with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
 11. 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.
 12. Discussion with internal auditors of any significant findings and follow up there on.
 13. 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.
 14. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
 16. To review the Whistle Blower mechanism.
 17. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
 18. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act, 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.
 19. The Auditors of a Company and the Key Managerial Personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report.
 20. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

The Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by the management;
3. management letters/letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses;
5. the appointment, removal and terms of remuneration of the chief internal auditor; and
6. statement of deviations:
 - a. Quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Listing Regulations;
 - b. Annual statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice in terms of Listing Regulations.

Nomination and Remuneration Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015.

The purpose of the committee is to screen and review individual's qualification to serve as executive director, non-executive directors and key managerial personnel and independent directors, consistent with the criteria approved by the board and to recommend for approval by the board, nominees for election at the AGM.

As on 31st March, 2020 the Nomination and Remuneration Committee (NRC) comprises of 3 Non-Executive Independent Directors. During the year under review, 1 NRC Meeting was held, on 30th May, 2019.

The composition of the NRC and the details of the meetings attended by the Members are given below:

Name of the Member	Position	Category	Number of Meetings	
			Held	Attended
Shri R. Raniwala,	Chairman	Independent	1	1
Shri S.K. Sharma	Member	Independent	1	1
Shri T.C. Chejara	Member	Non-Executive	1	1

1. The Chairman of the Nomination & Remuneration Committee was present at the last AGM of the Company held on 27th September, 2019.

Terms of Reference

The broad terms of reference of the Committee are as follows:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment and removal and shall carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- The Nomination and Remuneration Committee shall, while formulating the policy ensures that:
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
- The Chairperson of the said Committee or, in his absence, any other member of the committee authorized by him in this behalf shall attend the general meetings of the company.
- To consider and fix the remuneration package of non-executive and executive Directors including pension rights and any compensation payment.
- All elements of remuneration package of Directors such as benefits, bonus, stock options, pension etc.
- Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made thereunder.

Remuneration Policy

The Company has formulated and adopted Executive Remuneration Policy, of Directors, Key Managerial Personnel and other Senior Management of the Company and the same is disclosed in the Annual Report.

Remuneration to Directors

All decisions relating to the remuneration of the Directors were taken by the Board of Directors of the Company in accordance with the Shareholders' approval on recommendation of Nomination and Remuneration Committee, wherever necessary.

Details of remuneration paid to the Directors during the year under review are as under:

(a) Non- Executive Directors

(Rs. in lacs)

Name of the Director	Remuneration/ Professional Fees	Sitting Fees	No. of Shares held
Shri R. Raniwala – Independent Director	-	0.69	-
Shri S.K. Sharma – Independent Director	-	-	-
Smt. Meenu Sacheti – Independent Director	-	0.08	-
Mr. T. C. Chejara – Non- Executive Director	25.20	-	150

(b) Executive Directors

(Rs. in lacs)

Name of Director and Designation	Salary & Allowances	Performance linked incentive	Total	Period of Contract	No. of Shares held
Shri Sachin Ranka – Chairman & Managing Director	73.20	-	73.20	01/04/2017 to 31/03/2022	500
Shri Shreyans Ranka – Whole-Time Director	23.06	-	23.06	01/04/2018 to 31/03/2021	500

- Remuneration is within limits specified under section 197 of the Act, as recommended by Nomination and Remuneration Committee and approved by Board.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Company Secretary or Board nominee or the consultant will tabulate the Forms. The Tabulated Report would be sent to all Board Members for evaluation and if any director disagrees with the self-evaluated results, he/she will suitably intimate the Chairman of the Board, else the same will be deemed to have been accepted.

The performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Corporate Social Responsibility Committee

Your Company has a CSR Committee of the Board of Directors which assists the Board in discharging its social responsibility by way of formulating, monitoring and implementing the Corporate Social Responsibility Policy (CSR Policy).

Composition and Attendance during the Year

The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Committee comprises of 2 Non-Executive Directors and one Executive Director.

During the year under review, 2 CSR Committee meetings were held, on 30th May, 2019 and 14th February, 2020.

The composition of the CSR Committee and the details of the meetings attended by the Members are given below:

Name of the Member	Position	Category	Number of Meetings	
			Held	Attended
Shri Sachin Ranka	Chairman	Executive	2	2
Shri R. Raniwala	Member	Independent	2	2
Shri T.C. Chejara	Member	Non-Executive	2	2

Stakeholders' Relationship Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 which are given below:

During the year under review, 4 Stakeholder Relationship Committee Meetings were held, on 30th May, 2019, 14th August, 2019, 14th November, 2019 and 14th February, 2020.

AS on 31st March, 2020, the composition of the Committee and the details of the meetings attended by the Members are given below:

Name of the Member	Position	Category	Number of Meetings	
			Held	Attended
Shri R. Raniwala	Chairman	Independent	4	4
Shri S.K. Sharma	Member	Independent	4	4
Shri T.C. Chejara	Member	Non-Executive	4	4

Terms of reference:

1. The Stakeholders Relationship Committee shall consider and resolve the grievances of all stakeholders and security holders of the Company.
2. The Chairperson of the said Committee or, in his absence, any other member of the Committee authorized by him in this behalf shall attend the general meetings of the Company.
3. Review all Shareholder's grievances like non-receipt of annual reports, non-receipt of dividend etc.
4. Issue of Duplicate Share Certificates, Transfer of Shares in Physical form & Share Transfer Work.
5. Any other work and policy related and incidental to the objectives of the Committee as per provisions of the Act and rules made there under.
6. Resolving the grievances of the security holders 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.
7. Review of measures taken for effective exercise of voting rights by shareholders.
8. Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.
9. Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Company Secretary also acts as a Secretary to the Committee.

Details of Complaints Received and Resolved

Particulars	No. of Complaints
Complaints pending as on 1st April, 2019	1
Complaints received during the period 1st April, 2019 to 31st March, 2020	8
Complaints disposed off during the period 1st April, 2019 to 31st March, 2020	9
Complaints outstanding as on 31st March, 2020	0

Name and Designation of the Compliance Officer

Name : Mr. Gaurav Goyal

Designation : Company Secretary & Compliance Officer

Address : Talheti, Village Karoli, Tehsil Abu Road, Dist. Sirohi - 307510

GENERAL BODY MEETINGS**Details of General Meetings**

Details of the General Meetings of the Company held in the last 3 years are as follows:

Financial Year/Meetings	Date	Time	Venue	No. of Special Resolution(s) Passed
2016-17, Court Convened Meeting	7th January, 2017	11.00 A.M.	A-4, Vijay Path, Tilak Nagar, Jaipur – 302004 (Rajasthan)	1
2016-17, 32nd AGM	27th September, 2017	4.00 P.M.	A-4, Vijay Path, Tilak Nagar, Jaipur – 302004 (Rajasthan)	4
2017-18, 33rd AGM	28th September, 2018	4.00 P.M.	A-4, Vijay Path, Tilak Nagar, Jaipur – 302004 (Rajasthan)	2
2018-19, 34th AGM	27th September, 2019	11.00 A.M.	A-4, Vijay Path, Tilak Nagar, Jaipur – 302004 (Rajasthan)	3

Postal Ballot & E-voting

During the year under review, the Company completed process of postal ballot as per provisions of Section 110 of the Act. The voting was conducted through physical mode as well as electronic mode. The Company had engaged the services of NSDL to provide e-voting facility to its Members. The notice of postal ballot was accompanied with detailed instructions kit to enable the members to understand the procedure and manner in which postal ballot voting (including remote e-voting) to be carried out. The following Resolution are deemed to have been passed on the last date of e-voting and receipt of Postal Ballot forms.

Postal Ballot Notice dated August 14, 2019

Particulars	No. of Votes polled	No. and % of Votes in favour	No. and % of votes against
Special Resolution: Shifting of registered office of the Company from Jaipur to Abu Road	29389985	28384185 (96.58%)	1005800 (3.42%)

Ms. Anshika Gupta, Practicing Company Secretary was appointed as Scrutinizer for conducting the aforesaid postal ballots in a fair and transparent manner.

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

Procedure for postal ballot

In compliance with Sections 108 and 110 and other applicable provisions of the Act, read with the related Rules, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company had engaged the services of NSDL.

Postal ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice is sent by e-mail to members who have opted to receive communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Chairman / authorized officer. The results are also displayed on the Company website www.moderninsulators.com, besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The last date for the receipt of postal ballot forms or e-voting is the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

MEANS OF COMMUNICATION

- a) Annual report containing Audited Annual Accounts, Board's Report, Management Discussion & Analysis (MD&A) Report, Auditor's Report and other information are circulated to members and others who are entitled to it.
- b) The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- c) The approved financial results are forthwith sent to the Stock Exchanges and are published in Indian Express (English newspaper) and Ranveer Rajasthan (local Language) (Hindi newspaper), within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- d) All important information relating to Company and its performance including the financial results and shareholding pattern are displayed on the Company's website www.moderninsulators.com.
- e) The Company has not made quarterly presentations to analysts.
- f) Disclosures pursuant to various provisions of Listing Regulations, as applicable, are communicated to the BSE Limited, and are displayed by them on their website.

DISCLOSURES

1. During the year under review, no materially significant Related Party Transactions, that may have a potential conflict with the interest of the Company at large, have been entered into. All contracts/arrangements/ transactions entered into by your Company with its related parties were on an arm's-length basis and in the ordinary course of business. A policy on dealing with related party transactions has been uploaded on the website of the Company, www.moderninsulators.com.
2. The Company has submitted Annual Secretarial Compliance Report to BSE and the details of compliance is also given in the Secretarial Audit Report annexed with the Annual Report. No penalty or strictures are imposed by SEBI or the Stock Exchanges or any Statutory Authority.
3. The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018.
4. The Company has followed Indian Accounting Standards ("Ind AS") in the preparation of the Financial Statements for accounting periods beginning on or after 01.04.2016, as per the roadmap announced by Ministry of Corporate Affairs Companies. The significant accounting policies which are consistently applied have been set out in the notes to the Financial Statements.
5. 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 and Whistle-blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.
6. The Certificate of Company Secretary in practice is annexed herewith as a part of the report.
7. Details relating to fees paid to the Statutory Auditors are given in Note 32 to the Financial Statements.
8. Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been disclosed in the Directors' Report
9. Management Discussion and Analysis Report is forming part of the Annual Report and is in accordance with the requirements laid out in the Listing Regulations.

10. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
11. Details of the Directors seeking appointment/reappointment have been provided in the Notice of the Annual General Meeting.
12. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
13. The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under the Companies Act, 2013 and the Listing Regulations.
14. The Company has complied and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of Listing Regulations (relating to disclosure on the website of the Company).

DISCRETIONARY REQUIREMENT UNDER REGULATION 27 OF LISTING REGULATION

The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations with Stock Exchanges is provided below:

1. **Shareholders' Rights:** As the quarterly and half yearly financial performance along with significant events were posted on the Company's website, the same were not being sent to the shareholders.
2. **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

CEO/CFO CERTIFICATION

Chairman & Managing Director and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

GENERAL SHAREHOLDERS' INFORMATION

1. **Annual General Meeting :**

Day & Date	:	Wednesday, 30th September, 2020
Time	:	11:00 A.M.
Venue	:	Modern Insulators Limited, Talheti, Village Karoli, Tehsil Abu Road, Dist. Sirohi (Registered Office of the Company)

2. **Financial Calendar:**

The Company follows the period of 1st April to 31st March, as the Financial Year.

Particulars of Quarter	: Tentative dates*
First quarterly results	: On or before 14th August, 2020
Second quarterly / Half yearly results	: On or before 14th November, 2020
Third quarterly results	: On or before 14th Feb., 2021
Annual results for the year ending on 31st March, 2021	: On or before 30th May, 2021

*or such other dates as may be allowed by MCA/SEBI

Annual General Meeting for the year ending on 31st March, 2021 : On or before 30th September, 2021

3. **Dates of Book Closure:**

The Register of Members and the Share Transfer Books of the Company shall remain closed from 23rd September, 2020 to 30th September, 2020 (both days inclusive).

4. **Stock Exchanges where Equity Shares are listed and Scrip code:**

BSE Limited (BSE)	Calcutta Stock Exchange
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 Scrip Code: 515008	7, Lyons Range, Dalhousie Kolkata Scrip Code: 023461

5. **Listing Fees to the Stock Exchanges**

The Company has paid listing fees upto financial year 2020-2021 to BSE Limited.

6. **Registrar & Share Transfer Agent:**

Beetal Financial and Computer Services Private Limited
 Beetal House, 3rd Floor, 99, Madangir, Behind LSC
 New Delhi-110062

7. Share Transfer System

Registrar and Transfer Agents (the 'RTA'), on receipt of transfer deed with respective share certificates, scrutinizes the same and verify signatures of transferors on the transfer deed with specimen signatures registered with the Company. A list of such transfers is prepared and checked thoroughly and a transfer register is prepared. The transfer register is placed before the Stakeholders Relationship Committee for approval. Share transfers are registered and share certificates are returned within the prescribed time provided the documents submitted are valid and complete in all respects.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories.

8. Dematerialization of Shares

The Company has set up requisite facilities for dematerialization of its Equity Shares in accordance with the provisions of Depository Act, 1996 with National Securities Depository Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both of the Depositories. The status as on 31st March, 2020 is as under:

Mode	No. of Shares	% (Percentage)
Physical Form	11296144	23.96
NSDL	35141373	74.54
CDSL	706383	1.50
Total	47143900	100.00

Process of Dematerialization of Shares

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- Demat account should be opened with a Depository Participant (DP).
- Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is Beetal Financial & Computer Services Private Limited.
- RTA will process the DRF and confirm or reject the request to DP/ depositories
- Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP
- ISIN No. of the Company: INE219W01012

9. **Market Price Data:** No Trading in Shares of the Company was held in BSE being the trading was suspended at BSE However, the Company has received approval for revocation of suspension and the trading in equity shares has been started from 30th June, 2020.

10. Distribution of Shareholding as on 31st March, 2020

Sr. No	No. of Equity Shares	Number of Shares	% of Shareholding	No. of Shareholders
1.	1-5000	7706133	16.35	131324
2.	5001-10000	990900	2.10	1270
3.	10001-20000	816383	1.73	562
4.	20001-30000	403171	0.86	157
5.	30000-40000	190092	0.40	54
6.	40000-50000	199499	0.42	43
7.	50001-100000	460547	0.98	63
8.	100001 & Above	36377175	77.16	89
	Total	47143900	100.00	133562

11. Category of Shareholders as on 31st March, 2020

Category	No. of shares	% Holding
Promoter & Promoter Group	28381877	60.20
Central Govt /state Govt/ President Of India	1380775	2.93
Corporate Bodies	415777	0.88
Mutual Funds	1000821	2.12
Insurance Companies	1715092	3.64
Banks/Financial Institutions	1059080	2.25
FII's	146772	0.31
Individuals including NRI	13043706	27.67
Total	47143900	100.00

12. Consolidation of Folios and Avoidance of Multiple Mailing

In order to enable the Company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names, are requested to consolidate their holdings under one folio. Members may write to the Registrars & Transfer Agents indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

13. Reconciliation of Share Capital Audit

As stipulated by the Securities Exchange Board of India, a qualified Practicing Company Secretary has carried out the reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL, total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL.

14. Plant Locations

The Company's plants are located at the following addresses:

1. Insulators Division : Talheti, Village - Karoli, Tehsil - Abu Road
Dist. Sirohi - 307510 (Rajasthan)
2. Terry Towels Division : Village: Nidrad, Talula : Snaand- 382110
Ahmedabad, Gujarat

15. Address for Correspondence

The Company Secretary heads the Secretarial Department of the Company. In case of any problem/query, shareholders can contact at registered office of the Company at:

Talheti, Village Karoli,
 Tehsil Abu Road, Dist. Sirohi - 307510
 Phone: 91-02974-228044
 Email: compliance@moderninsulators.com

CODE OF CONDUCT DECLARATION

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management for the year ended 31st March, 2020.

Sachin Ranka

Chairman & Managing Director

DIN: 00335534

Place : Abu Road

Date : 30th July, 2020

CEO/CFO CERTIFICATION

The Board of Directors

Modern Insulators Limited

We the undersigned, in our respective capacities as Whole-Time Director and Chief Financial Officer of Modern Insulators Limited (“the Company”) to the best of our knowledge and belief certify that:

- a. We have reviewed the Financial Statements and the Cash Flow Statement for the year 31st March, 2020, and that to the best of our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company’s affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting of the Company. We have not come across any reportable deficiencies in the design or operation of internal controls.
- d. We have indicated to the Auditors and the Audit Committee that:
 - i. there are no significant changes in the internal control over financial reporting during the year;
 - ii. the significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. there are no instances of significant fraud of which we have become aware.

For Modern Insulators Limited

Place : Abu Road
 Date : 30.07.2020

D.S. Singhvi
 Chief Financial Officer

Sachin Ranka
 Chairman & Managing Director
 DIN: 00335534

CERTIFICATE

(Pursuant to clause 10 of part C of Schedule V of SEBI (LODR) Regulations, 2015)

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; in respect of Modern Insulators Limited (CIN: L31300RJ1982PLC002460) having its registered office at Talheti, Village Karoli, Tehsil Abu Road, Dist. Sirohi - 307510, I hereby certify that :

On the basis of verification of the books, papers, minute books, forms and returns filed and maintained by the Company and written representations/ declaration received from Directors and taken on record by the Board of Directors, as on March 31, 2020, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by the SEBI/Ministry of Corporate Affairs or any such Statutory Authority.

For Kasliwal Maheshwari & Associates
 Practicing Company Secretaries

Rajat Kasliwal
 Partner
 Membership No. 44052

Place: Jaipur
 Date: 30th July, 2020
 UDIN: A044052B000542693

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Modern Insulators Limited

1. We have examined the compliance of conditions of Corporate Governance by Modern Insulators Limited (“the Company”) for the year ended on March 31, 2020 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) & other applicable regulations and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘the SEBI Listing Regulations’).

Management Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditors’ Responsibility

3. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.
4. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance and Guidance Manual on Quality of Audit and Attestation Services issued by the Institute of Company Secretaries of India. It was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as mentioned in Corporate Governance Report during the year ended 31 March 2020.

Other matters and Restriction on use

6. This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. This Certificate is addressed to and provide to the Members of the Company solely for the purpose of enabling it to comply with its obligations under the SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For Kasliwal Maheshwari & Associates

Practicing Company Secretaries

Rajat Kasliwal

Partner

Membership No. 44052

Place: Jaipur

Date: 30th July, 2020

UDIN: A044052B000542704

INDEPENDENT AUDITOR'S REPORT

To the members of **Modern Insulators Limited**

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of **Modern Insulators Limited** (the 'Company') which comprise the Balance Sheet as at **31 March 2020**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the 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, except for the effect of the matters described in "Basis for Qualified Opinion" section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, its profit (including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

Provision for taxation including interest estimated at Rs.1392.88 Lacs for the year ended 31 March, 2020 (Previous Year Rs.1134.51 Lacs; upto the year Rs.3003.10 Lacs) has not been made in accounts in view of the

proposed amalgamation under the provisions of Companies Act, 2013. (Refer note no. 34(iv)(a)).

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 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 made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to note no. 48 of the standalone financial statements, which describes the impact of COVID 19 on the operations of the Company. 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion, on these matters.

In addition to what has been stated in the "Basis for Qualified Opinion" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the Key Audit Matter
Measurement, presentation and disclosure of allowance for Expected Credit Losses (ECL) on trade receivables	Our audit procedure included the following:
<ul style="list-style-type: none"> The Company is required to recognize allowance for ECL on trade receivables due to the credit risks associated with each individual trade receivable. Management determines the allowance for ECL on trade receivables by reviewing customers ageing profile, historical loss adjusted to reflect current and estimated future economic conditions, credit history and suit filed cases for additional allowance. The determination of allowance for ECL is subjective and requires management to make judgements and assumptions, hence this is considered as key audit matter. Refer note no. 1, 1A and 8 to the standalone financial statements. 	<ul style="list-style-type: none"> Testing effectiveness of controls with respect to (i) development of methodology for allowance for expected credit losses, (ii) completeness and accuracy of the information used and (iii) computation of allowance for expected credit losses. Testing a sample of the data used in the model to the underlying accounting records. Evaluating the ECL model calculation, agreeing the data inputs and checking the mathematical accuracy of the calculations. Assessing whether the disclosures in the financial statements are adequate.

Information other than the Financial Statements and Auditor's Report thereon

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

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

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

have performed, 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 accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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 section 143(11) of the Companies Act, 2013 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, 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 purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Standalone Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- d) Except for the effects of the matter described in the "Basis for Qualified Opinion" section, in our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;
- e) On the basis of written representations received from the directors as on 31 March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 with reference to financial statements of the company and the operating effectiveness of such controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013, refer to our report in Annexure B;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its

directors is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact of pending litigations on its financial position in standalone financial statements (Refer note no. 39).
- ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **R B Verma & Associates**
 Chartered Accountants
 Firm Registration No.012650C

Rajesh Verma
 Partner

Membership No.404029

UDIN - 20404029AAAAAU1360

Place : Abu Road

Date : 30th July, 2020

ANNEXURE A FORMING PART OF THE INDEPENDENT AUDITOR'S REPORT

Referred to in the report of even date of the Auditors to members of Modern Insulators Limited

- (i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of property, plant and equipments except furniture & fixtures for which detailed records are not maintained.
- (b) According to the information and explanations given to us, most of the property, plant and equipments have been physically verified during the year by the management in accordance with a phased programme of verification at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company or its division.
- (ii) According to the information and explanations given to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on physical verification during the year.
- (iii) (a) The Company has granted interest free unsecured loan to a Company covered in the register maintained under section 189 of the Companies Act, 2013 in view of proposed amalgamation under the provisions of Companies Act, 2013. According to the information and explanations given to us, since the amount paid is in connection to proposed amalgamation, no terms have been specified for repayment of loan and interest. In view of likely advantage to the Company on such amalgamation, granting of such loan is not prejudicial to the interest of the Company (Refer note no. 46).
- (b) The Company has also granted unsecured loan to another Company covered in the register maintained under section 189 of the Companies Act, 2013, which is payable on demand. We are informed that the Company has received the amount demanded from the party and thus there is no default during the year. Interest on such loan has been paid / provided during the year. In our opinion, the terms and conditions of grant of such loan are not, prima facie, prejudicial to the interest of the Company. (Refer note no. 12).
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year and therefore this clause is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 for the products of the company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We had not, however carried out detailed examination of the same to determine whether they are accurate and complete.
- (vii) (a) According to the information and explanations given to us and based on our examination of the records, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. Further no undisputed statutory dues as noted above are outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and based on our examination of the records, there are no dues of income tax, sales tax, value added tax, duty of excise and service tax etc., as applicable, as at 31 March 2020, which have not been deposited on account of dispute.
- (viii) According to the information and explanations given to us and based on our examination of the records, the company has not defaulted in repayment of dues to bank during the year. The company does not have any dues to debenture holders and loans from financial institutions/government.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year and therefore this clause is not applicable.
- (x) According to the information and explanations given to us and based on our examination of the records, we have neither come across any instance of material fraud by the Company or any fraud on the company by the officers or employees noticed or reported during the year nor we have been informed of any such fraud by the Management.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The company is not a Nidhi Company and therefore this clause is not applicable.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the

details of such transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.

- (xiv) 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 year and therefore this clause is not applicable.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them and therefore this clause is not applicable.

- (xvi) The company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and therefore this clause is not applicable.

For **R B Verma & Associates**
 Chartered Accountants
 Firm Registration No.012650C

Rajesh Verma
 Partner

Place : Abu Road
 Date : 30th July, 2020

Membership No.404029
 UDIN - 20404029AAAAAU1360

ANNEXURE B FORMING PART OF THE INDEPENDENT AUDITORS' REPORT

Referred to in the report of even date of the Auditors to members of Modern Insulators Limited

We have audited the internal financial controls with reference to financial statements of **Modern Insulators Limited** ("the Company") as of **31 March, 2020** in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the '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 (the 'Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial control with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **R B Verma & Associates**
 Chartered Accountants
 Firm Registration No.012650C

Rajesh Verma
 Partner

Place : Abu Road
 Date : 30th July, 2020

Membership No.404029
 UDIN - 20404029AAAAAU1360

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020**(₹ in Lacs)**

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-current assets			
(a) Property, plant & equipment	2	19130.06	18930.85
(b) Capital work-in-progress	2	-	-
(c) Intangible assets	2	53.59	81.31
(d) Financial assets			
(i) Investments	3	10.01	29.14
(ii) Loans	4	4766.00	4681.00
(iii) Other financial assets	5	1342.76	1078.75
(e) Other non-current assets	6	-	45.15
Total Non-current assets		<u>25302.42</u>	<u>24846.20</u>
Current assets			
(a) Inventories	7	12359.78	9253.70
(b) Financial assets			
(i) Trade receivables	8	8507.15	9116.92
(ii) Cash and cash equivalents	9	79.70	1456.67
(iii) Bank balances other than cash and cash equivalents	10	65.99	217.70
(iv) Investments	11	236.31	183.32
(v) Loans	12	4123.17	1236.63
(vi) Other financial assets	13	420.04	357.48
(c) Other current assets	14	1886.79	1411.07
Total Current assets		<u>27678.93</u>	<u>23233.49</u>
TOTAL ASSETS		<u>52981.35</u>	<u>48079.69</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	4714.39	4714.39
(b) Other equity	16	25832.24	23599.19
Total Equity		<u>30546.63</u>	<u>28313.58</u>
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	83.62	90.10
(b) Provisions	18	2089.02	1894.30
(c) Deferred tax liabilities (Net)	19	2730.78	3122.84
(d) Other non-current liabilities	20	40.99	56.23
Total Non-current liabilities		<u>4944.41</u>	<u>5163.47</u>
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	9975.79	9195.82
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	22	344.69	41.84
- Total outstanding dues of creditors other than micro enterprises and small enterprises	22	4215.44	2654.42
(iii) Other financial liabilities	23	1867.35	1804.54
(b) Provisions	24	334.95	270.09
(c) Other current liabilities	25	752.09	635.93
Total Current liabilities		<u>17490.31</u>	<u>14602.64</u>
TOTAL EQUITY AND LIABILITIES		<u>52981.35</u>	<u>48079.69</u>
Significant accounting policies	1		
Other notes on standalone financial statements	34 to 50		

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

As per our report of even date attached

For and on behalf of the Board

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Sachin Ranka – Chairman & Managing Director (DIN : 00335534)
 Shreyans Ranka – Whole-Time Director (DIN : 06470710)
 R. Raniwala – Independent Director (DIN : 00506419)
 S.K. Sharma – Independent Director (DIN : 01378040)
 D.S. Singhvi – Chief Financial Officer
 Gaurav Goyal – Company Secretary

Rajesh Verma
 Partner
 Membership No. 404029

Place : Abu Road
 Date : 30th July, 2020

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

(₹ in Lacs)

Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
Income			
Revenue from operations	26	43687.55	43998.07
Other income	27	1201.10	829.51
Total Income		44888.65	44827.58
Expenses			
Cost of materials consumed	28	13061.35	13023.98
Purchase of stock-in-trade		617.22	4.65
Changes in inventories of finished goods, stock-in-trade & stock-in-process	29	(2386.72)	(1344.50)
Employee benefits expense	30	7164.57	6247.57
Finance costs	31	1292.11	1105.22
Depreciation and amortization expense	2	1033.57	1005.83
Other expenses	32	22217.46	22434.26
Total Expenses		42999.56	42477.01
Profit before exceptional items and tax		1889.09	2350.57
Exceptional items		—	—
Profit before tax		1889.09	2350.57
Tax Expense			
Current tax		—	—
Deferred tax		(375.25)	(201.88)
Total tax expenses		(375.25)	(201.88)
Profit for the year		2264.34	2552.45
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Actuarial gain/(loss) on defined benefit plan		(48.10)	(101.87)
Income tax relating to above		16.81	35.59
Total other comprehensive income for the year (net of tax)		(31.29)	(66.28)
Total comprehensive income for the year		2233.05	2486.17
Earnings per equity share (face value ₹ 10 per share)	33		
Basic (₹)		4.80	5.41
Diluted (₹)		4.80	5.41

Significant accounting policies

1

Other notes on standalone financial statements

34 to 50

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

As per our report of even date attached

For and on behalf of the Board

For R B Verma & Associates

Chartered Accountants

Firm Registration No. 012650C

Rajesh Verma

Partner

Membership No. 404029

Place : Abu Road

Date : 30th July, 2020

Sachin Ranka – Chairman & Managing Director (DIN : 00335534)

Shreyans Ranka – Whole-Time Director (DIN : 06470710)

R. Raniwala – Independent Director (DIN : 00506419)

S.K. Sharma – Independent Director (DIN : 01378040)

D.S. Singhvi – Chief Financial Officer

Gaurav Goyal – Company Secretary

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

(₹ in Lacs)

PARTICULARS	Year ended 31st March, 2020	Year ended 31st March, 2019
A. Cash Flow from Operating Activities		
Profit before tax	1889.09	2350.57
Adjustments for:		
– Depreciation and amortisation expenses	1033.57	1005.83
– Provisions	211.48	159.54
– Foreign exchange	127.55	(13.56)
– Profit on disposal of property, plant and equipment	(32.12)	(0.64)
– Finance costs	1292.11	1105.22
– Loss on fair valuation of investment carried at FVTPL	543.73	115.15
– Interest income	(465.83)	(237.48)
Operating profit before working capital changes	4599.58	4484.63
Adjustment for		
– Trade and other receivables	(94.08)	833.74
– Inventories	(3106.08)	(1395.03)
– Trade and other Payables	2024.86	(867.32)
Net Cash from Operating Activities (A)	3424.28	3056.02
B. Cash Flow from Investing Activities		
– Proceeds from sale of property, plant and equipment	64.89	32.25
– Purchase of property, plant and equipment (including capital work-in progress)	(1237.83)	(510.93)
– Loans and advances given	(2971.54)	(936.96)
– Interest Income	465.83	237.48
– Investment in Equity shares	(606.72)	(298.47)
Net Cash used in Investing Activities (B)	(4285.37)	(1476.63)
C. Cash Flow from Financing Activities		
– Repayment of Long term borrowings (net)	(3.74)	73.67
– Proceeds from Short term borrowings	779.97	856.71
– Interest Paid	(1292.11)	(1105.22)
Net cash used in Financing Activities (C)	(515.88)	(174.84)
Net increase in cash and cash equivalents(A+B+C)	(1376.97)	1404.55
Cash and cash equivalents at the beginning of the year	1456.67	52.12
Cash and cash equivalents at the close of the year	79.70	1456.67
Cash and Cash Equivalent includes:-		
Particulars	As at 31.03.2020	As at 31.03.2019
Cash on hand	16.89	4.32
With Banks		
– In current accounts	62.81	452.35
– In deposit accounts maturing within 3 months	–	1000.00
Total	79.70	1456.67

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

Note : The above statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind. As 7, 'Statement of Cash Flow'.

As per our report of even date attached

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma
 Partner
 Membership No. 404029

Place : Abu Road
 Date : 30th July, 2020

For and on behalf of the Board

Sachin Ranka – Chairman & Managing Director (DIN : 00335534)
 Shreyans Ranka – Whole-Time Director (DIN : 06470710)
 R. Raniwala – Independent Director (DIN : 00506419)
 S.K. Sharma – Independent Director (DIN : 01378040)
 D.S. Singhvi – Chief Financial Officer
 Gaurav Goyal – Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

A. Equity Share Capital

	(₹ in Lacs)
As at 1st April, 2018	4714.39
Changes in Equity Share Capital	-
As at 31st March, 2019	4714.39
Changes in Equity Share Capital	-
As at 31st March, 2020	4714.39

B. Other Equity

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings	
Balance as at 1st April, 2018	2911.45	1285.87	16915.70	21113.02
Profit for the year	-	-	2552.45	2552.45
Other comprehensive income	-	-	(66.28)	(66.28)
Total Comprehensive Income for the Year	-	-	2486.17	2486.17
Balance as at 31st March, 2019	2911.45	1285.87	19401.87	23599.19
Balance as at 1st April, 2019	2911.45	1285.87	19401.87	23599.19
Profit for the year	-	-	2264.34	2264.34
Other comprehensive income	-	-	(31.29)	(31.29)
Total Comprehensive Income for the Year	-	-	2233.05	2233.05
Balance as at 31st March, 2020	2911.45	1285.87	21634.92	25832.24

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

As per our report of even date attached

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma
 Partner
 Membership No. 404029

Place : Abu Road
 Date : 30th July, 2020

For and on behalf of the Board

Sachin Ranka – Chairman & Managing Director (DIN : 00335534)
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 S.K. Sharma – Independent Director (DIN : 01378040)
 D.S. Singhvi – Chief Financial Officer
 Gaurav Goyal – Company Secretary

Notes forming part of standalone financial statements

CORPORATE INFORMATION

Modern Insulators Limited (the Company) is a public limited company incorporated in India under the provisions of the Companies Act, 1956 (the Act) having its registered office at Abu Road, Rajasthan, India. The Company is primarily engaged in the business of manufacturing insulators and Terry towels.

Note no. 1: Significant Accounting Policies

(a) Basis of preparation

- (i) The Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods in the Financial Statements.
- (ii) The Financial Statements are prepared on accrual basis under the historical cost convention except financial assets and liabilities (including derivatives instruments) that are measured at fair value as required by relevant Ind AS. The methods used to measure fair values are discussed in notes to financial statements.
- (iii) The preparation of financial statements requires judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimated. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized. Major estimates are discussed in Note No. 1A.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the functional currency of the company and the currency of the primary economic environment in which the Company operates.

(c) Classification of assets and liabilities into current and non-current

The Company has ascertained its operating cycle as twelve months for the purpose of Current and Non-Current classification of its Assets and Liabilities. Classification is done in accordance with Schedule III Division II of the Companies Act, 2013.

For the purpose of Balance Sheet, an asset is classified as current when:

- (i) It is expected to be realised or intended to be sold or consumed in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to be realised within twelve months after the reporting period; or
- (iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current when:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

(d) Property, plant & equipment (PPE)

The Company had applied for the one time transition exemption of considering the fair value as on the date of transition i.e. 01st April, 2016 as the deemed cost under Ind AS. Hence regarded thereafter as historical cost.

Freehold land is carried at Cost. All other items of Property, plant and equipment (PPE) are stated at acquisition or construction cost less

accumulated depreciation / amortisation and impairment loss. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

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

Subsequent expenditure incurred after the PPE have been put into operations is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Items such as spare parts, standby equipments and servicing equipments are recognised as PPE when it is held for use in the production or supply of goods or services or for administrative purpose and are expected to be used for more than one year. Otherwise such items are classified as inventory.

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

(e) Expenditure during construction period

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non Current Assets"

(f) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical evaluation. Leasehold lands are amortised over the lease term unless it is reasonably certain that the Company will obtain ownership by the end of lease term.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company or the number of production or similar units expected to be obtained from the asset by the Company. In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical evaluation, taking into consideration the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

The useful life considered for calculation of depreciation / amortisation for various Asset class are as under:

S.No.	Asset class	Useful life
1.	Leasehold Assets	Lease period
2.	Factory Building	4-30 Years
3.	Non- factory building	4-60 Years
4.	Plant & Machinery	1-30 Years
5.	Furniture & Fixtures	2-10 Years
6.	Office equipments	0-5 Years
7.	Vehicles	2-10 Years

Based on technical evaluation, management believes that the useful life as given above best represent the period over which the management expects to use these assets.

Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition and in case of Projects from the date of commencement of commercial production.

Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

(g) Intangible assets and amortization

Internally generated intangible assets

Expenditure incurred on development is capitalised if such expenditure leads to creation of any intangible asset, otherwise, such expenditure is charged to the Statement of Profit and Loss. PPE procured for research and development activities are capitalised.

Intangible assets acquired separately

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment loss, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

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

The useful life considered for calculation of depreciation / amortisation for various Asset class are as under:

Asset class	Useful life
Computer Software	1-3 Years

Based on technical evaluation, management believes that the useful life as given above best represent the period over which the management expects to use these assets.

Intangible asset having definite life are amortised on systematic basis over their useful life. If life of any intangible asset is indefinite then it is not amortised but tested for impairment loss at the end of each reporting date.

(h) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, development or erection of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing cost are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

(i) Inventories

Inventories are valued at the lower of cost and net realisable value.

Raw material, stores and spare parts and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted average basis.

Cost of finished goods and work- in- progress includes cost of conversion based on normal capacity and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts, other than those capitalised as PPE are carried as inventories.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained after review and if found material, suitable provision is made / written down based on technical evaluation, its recoverable value and management's best estimate.

(j) Investment in subsidiary and joint venture

Investments in subsidiary company and joint venture are recognized at cost as per Ind AS 27.

(k) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash in hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

(l) Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all associated conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

(m) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligations. Provisions are reviewed at each reporting date and are adjusted to reflect the management's best estimate.

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

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(n) Foreign currency transactions and translations

Transactions in foreign currencies, other than the Company's functional currency are recognised at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which these arise.

(o) Revenue recognition

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) – Revenue from contracts with customers'. The impact of the adoption of Ind-AS 115 on the financial statements of the Company is insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- (i) The customer simultaneously receives and consumes the benefits provided by the Company's performance; or
- (ii) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

If the Company has any contract wherein the period between transfer of the promised goods or services to the customer and payment by the customer exceeds one year, transaction price is adjusted for the time value of money.

(p) Other operating revenues / other income

- (i) Income from services is recognized (net of service tax / GST as applicable) based on the services rendered in accordance with the terms of contracts.
- (ii) For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset.
- (iii) Interest income for all financial instruments measured at fair value through other comprehensive income is recognized in the statement of profit and loss.
- (iv) Dividend income is accounted for when the right to receive the income is established.
- (v) Export incentives under various schemes are recognized in the year of export.

(q) Employee Benefits

Short term employee benefits

Short-term employee benefit obligations are recognized as an expense on accrual basis.

Defined contribution plans

Defined contribution plans are those plans in which an entity pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident fund and employee state insurance are defined contribution plans in which company pays a fixed contribution and will have no further obligation.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Company pays Gratuity as per provisions of the Payment of Gratuity Act, 1972. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a liability to the company, the present value of liability is recognized as provision for employee benefit. Any actuarial gains or losses are recognized in Other Comprehensive Income in the period in which they arise.

Other long-term employee benefits

Benefits under the Company's leave encashment constitute other long term employee benefits.

The Company's net obligation in respect of leave encashment is the amount of future benefits that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in the Statement of profit and loss in the period in which they arise.

(r) Research and development expenditure

Revenue expenditure on research and development is charged as an expense in the year in which it is incurred under the respective heads

of accounts. Expenditure which results in the creation of capital assets is capitalised and depreciation is provided on such assets as applicable.

(s) Income taxes

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws. Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable.

Income tax expenses relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss.

(t) Leases

Leases are classified as finance leases, when the terms of the lease, transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

Operating Lease: Lease rentals are charged or recognised in the statement of profit and loss on a straight-line basis over the lease term.

Finance Lease: Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease obligation. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

(u) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(v) Impairment of financial assets

At the end of each reporting period, the Company applies the expected credit loss model for recognizing the impairment loss on financial assets including trade receivables. Expected credit loss is the difference between the contractual cash flows and the cash flows the entity expects to receive using effective interest rate.

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses. For other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses unless there is significant increase in the credit risk from initial recognition in which case those are measured at lifetime expected credit losses. Lifetime expected credit losses are expected credit losses that result from all possible defaults over the expected life of financial instrument. Lifetime expected credit losses are computed based on provision matrix which takes into account historical credit losses adjusted for forward looking information, suit filed cases and credit information of customers.

(w) Segment reporting**Identification of Segments**

Operating Segments are identified based on monitoring of operating results by the Board of Directors separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss of the Company.

Operating Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system.

Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(x) Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period presented, are restated.

(y) Earnings Per Share (EPS)

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

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

(z) Fair value Measurement

The company measures financial instruments, such as investments and derivatives at fair value at each reporting date.

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

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

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

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

Fair values are categorized into different levels in the hierarchy as under:

- 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.

(aa) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

i) Initial Recognition: Financial assets and Financial liabilities

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

ii) Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

At amortised cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

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

After initial recognition, such financial assets are subsequently measured at amortised cost using expected interest rate (EIR) method. In case of financial assets at amortised costs, interest income, foreign exchange gain or loss and impairment are recognized in Statement of profit and loss.

At fair value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Where the Company has elected to present the fair value gain on equity instruments in other comprehensive income, there is no subsequent classification of fair value gain or losses to profit and loss account. Dividend from such instruments is recognized in profit and loss account as other income where right to receive is established.

At fair value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss other than those measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The Company recognises a loss allowance for expected credit losses on financial asset. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time credit expected losses. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises associated liabilities.

On derecognition of a financial asset, other than investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

- iii) **Classification and Subsequent Measurement:** Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of Financial Liabilities:

The Company derecognises a financial liability 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 exchange or modification is treated as derecognition of the original liability and the recognition of a new financial liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

The difference between the carrying amount of financial liability derecognized and consideration paid and payable is recognized in the statement of profit and loss.

On derecognition of equity investments classified as FVOCI, accumulated gains or loss recognised in OCI is transferred to retained earnings.

(bb) Financial liabilities and equity instruments

- Classification as debt or equity
Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.
- Equity instruments
An equity instrument is any contract that evidences a residual interest

in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

(cc) Derivative financial instruments

The Company enters into derivative financial instruments viz. foreign exchange forward contracts to manage foreign exchange risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date derivative contracts are entered into and are subsequently remeasured at their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss.

Note no. 1A. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Continuous evaluation is done on estimates and judgments based on historical experience and other factors, including expectation of future events that are believed to be reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates made in preparing Financial Statements:

(a) Useful life of Property, plant and equipment and intangible assets

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

(b) Post-employment benefit plans

Employees benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

(c) Expected credit losses on financial assets

The loss allowance on financial assets including trade receivables are based on assumption about the risk of default and expected timing of collection. The Company uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculation based on Company's history of credit losses adjusted to reflect current and estimated future economic conditions, suit filed cases and credit information of customers at the end of each reporting period.

(d) Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events requires best judgment by the management regarding the probability of exposure to potential loss. If circumstances change following unforeseeable developments, this likelihood could alter.

(e) Impairment of non-financial assets

The company has used certain judgments and estimation to estimate future projection and discount rate to compute value in used of assets/cash generating units and to assess impairment.

(f) Revenue recognition

The company recognised the revenue from contract with customers based on 5 steps model as per Ind AS- 115 which involve judgments relating to identification of contracts with customers, identification of distinct performance obligation, determination of transaction price with respect to identified performance obligation, appropriateness of the basis used to recognise revenue and when the control of goods and services are being transferred.

Notes forming part of standalone financial statements
Note No. 2 : PROPERTY, PLANT & EQUIPMENT, CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS
As at 31st March 2020
(₹ in Laacs)

Particulars	Gross Block				Depreciation/Amortization				Net Block	
	As at 01.04.2019	Additions	Deductions/ Adjustments	As at 31.03.2020	As at 01.04.2019	Depreciation for the year	Deductions/ Adjustments	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
A. Property, Plant & Equipment										
Leasehold Land	3644.49	–	–	3644.49	160.79	53.59	–	214.38	3430.11	3483.70
Freehold Land	3792.50	–	–	3792.50	–	–	–	–	3792.50	3792.50
Building	4492.79	6.48	–	4499.27	491.32	167.16	–	658.48	3840.79	4001.47
Plant & Machinery	9355.15	1152.17	15.15	10492.17	2083.55	710.73	10.66	2783.62	7708.55	7271.60
Furniture & Fixtures	173.25	16.74	10.00	179.99	57.49	19.44	4.46	72.47	107.52	115.76
Office Equipments	102.21	20.82	0.20	122.83	54.59	19.72	0.07	74.24	48.59	47.62
Vehicles	289.14	39.97	44.25	284.86	70.94	33.56	21.64	82.86	202.00	218.20
Total (A)	21849.53	1236.18	69.60	23016.11	2918.68	1004.20	36.83	3886.05	19130.06	18930.85
B. Intangible assets										
Computer Software	109.31	1.65	–	110.96	28.00	29.37	–	57.37	53.59	81.31
Total (B)	109.31	1.65	–	110.96	28.00	29.37	–	57.37	53.59	81.31
Total (A+B)	21958.84	1237.83	69.60	23127.07	2946.68	1033.57	36.83	3943.42	19183.65	19012.16
Capital work-in-progress									–	–

As at 31st March 2019
(₹ in Laacs)

Particulars	Gross Block				Depreciation/Amortization				Net Block	
	As at 01.04.2018	Additions	Deductions/ Adjustments	As at 31.03.2019	As at 01.04.2018	Depreciation for the year	Deductions/ Adjustments	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
A. Property, Plant & Equipment										
Leasehold Land	3644.49	–	–	3644.49	107.20	53.59	–	160.79	3483.70	3537.29
Freehold Land	3792.50	–	–	3792.50	–	–	–	–	3792.50	3792.50
Building	4438.41	54.38	–	4492.79	325.43	165.89	–	491.32	4001.47	4112.98
Plant & Machinery	9136.17	219.90	0.92	9355.15	1379.25	704.64	0.34	2083.55	7271.60	7756.92
Furniture & Fixtures	160.50	19.00	6.25	173.25	40.57	19.16	2.24	57.49	115.76	119.93
Office Equipments	81.70	21.77	1.26	102.21	34.30	21.56	1.27	54.59	47.62	47.40
Vehicles	203.05	126.49	40.40	289.14	55.14	29.16	13.36	70.94	218.20	147.91
Total (A)	21456.82	441.54	48.83	21849.53	1941.89	994.00	17.21	2918.68	18930.85	19514.93
B. Intangible assets										
Computer Software	29.25	80.06	–	109.31	16.17	11.83	–	28.00	81.31	13.08
Total (B)	29.25	80.06	–	109.31	16.17	11.83	–	28.00	81.31	13.08
Total (A+B)	21486.07	521.60	48.83	21958.84	1958.06	1005.83	17.21	2946.68	19012.16	19528.01
Capital work-in-progress									–	4.25

2.1 Leasehold land classified as finance lease is recognised under PPE as substantially all the significant risk and rewards incidental to the ownership of the land under lease have been transferred to the company.

2.2 In accordance with the Indian accounting standard (Ind AS 36) Impairment of assets, management has during the year carried out exercise of identifying assets that may have been impaired. On the basis of review carried out by management there was no impairment loss on PPE during the year.

Notes forming part of standalone financial statements
Note No. 3 : NON CURRENT INVESTMENTS
(₹ in Lacs)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
Trade Investments (Unquoted)		
Investment in Govt. securities (carried at cost)		
National Saving Certificates (Deposited with Govt. department)	0.01	0.01
Investment in shares of VS Lignite Power Pvt. Ltd. (VSLP) (Refer note no. 47)		
Preference shares (carried at FVTOCI)		
742814 Class 'A'- 0.01% Cumulative Redeemable Preference shares of ₹ 10/- each, fully paid up; (31st March, 2019- 742814 Class 'A'- 0.01% Cumulative Redeemable Preference shares of ₹ 10/- each, fully paid up)	-	29.13
Investment in Subsidiary (carried at cost)		
Modern Inviro Private Limited 100000 Equity Shares of ₹ 10/- each fully paid up (31st March, 2019 -Nil)	10.00	-
Total	10.01	29.14
3.1 Aggregate amount of unquoted investments	10.01	29.14
3.2 Aggregate amount of impairment in the value of investments	-	-

Note No. 4 : NON CURRENT LOANS
(₹ in Lacs)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good)		
Loans and advances to related party (Refer note no. 46)	4766.00	4681.00
Total	4766.00	4681.00
Break-up:		
Loans considered good- Secured	-	-
Loans considered good- Unsecured	4766.00	4681.00
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
Total	4766.00	4681.00
Less: Allowance for doubtful loans	-	-
Total Loans	4766.00	4681.00

Note No. 5 : OTHER NON CURRENT FINANCIAL ASSETS
(₹ in Lacs)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good)		
Fixed Deposits with banks	266.41	37.02
Security Deposits	1057.23	924.79
Recoverable from VSLP (Refer note no. 47)	191.22	116.94
Allowance for doubtful deposits	(172.10)	-
Total	1342.76	1078.75

5.1 Fixed deposits are kept towards margin against limits availed from the banks.

5.2 Fixed deposits with banks are those having maturity period more than 12 months.

5.3 Security deposits includes balances with electricity board and have been given for business purpose.

Note No. 6 : OTHER NON CURRENT ASSETS
(₹ in Lacs)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
Deferred assets towards investment in preference shares (Refer note no. 47)	-	45.15
Total	-	45.15

Notes forming part of standalone financial statements
Note No. 7 : INVENTORIES

(₹ in Lacs)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
(Valued at lower of cost or net realisable value)		
Raw materials (Including in transit 31.03.20- ₹ 269.25 Lacs; 31.03.2019- ₹ 68.72 Lacs)	2755.02	2068.39
Stock in process	3095.14	2442.89
Finished stock	5604.17	3888.65
Stock-in-trade (Traded goods)	42.76	23.81
Fuel	86.05	70.26
Packing Material	202.82	140.51
Stores & spares (Including in transit 31.03.20- ₹ 34.01 Lacs, 31.03.2019- ₹ 64.00 Lacs)	573.82	619.19
Total	12359.78	9253.70

7.1 Inventory write downs are accounted, considering the value of inventory ageing and net realisable value. Write downs of inventory during the year amounted to ₹ Nil Lacs (Previous year ₹ 11.52 Lacs). These write downs were recognised as an expense in the statement of Profit & Loss. The reversal on account of above during the year amounted to ₹ Nil (Previous year ₹ Nil).

Note No. 8 : TRADE RECEIVABLES

(₹ in Lacs)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
Trade receivables	8628.54	9327.45
Trade receivables from related party (Refer note no. 38)	121.52	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit Impaired	-	-
Less: Allowance for doubtful trade receivables	242.91	210.53
Total receivables	8507.15	9116.92
Current portion	8489.71	9116.92
Non-current portion	17.44	-
Break up of security details:		
Secured, considered good	-	-
Unsecured, considered good	8507.15	9116.92
Doubtful	242.91	210.53
Total	8750.06	9327.45
Allowance for doubtful trade receivables	(242.91)	(210.53)
Total trade receivables	8507.15	9116.92

8.1 Balance of trade receivables are subject to reconciliations, confirmation and consequential adjustment, if any.

8.2 Includes ₹ 87.34 Lacs (31st March, 2019- ₹ 87.34 Lacs) under litigation for which adequate provision has been made.

Note No. 9 : CASH AND CASH EQUIVALENTS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
Cash on Hand	16.89	4.32
Balances with Banks		
In Current accounts	62.81	452.35
In Deposit accounts (Original maturity upto 3 months)	-	1000.00
Total	79.70	1456.67

Note No. 10 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
Bank deposits (With maturity more than 3 months but less than 12 months)	65.99	217.70
Total	65.99	217.70

10.1 Bank deposits are kept towards margin against limits availed from the banks.

Notes forming part of standalone financial statements
Note No. 11 : CURRENT INVESTMENTS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
Investment in Equity Instruments (Quoted)		
(Carried at FVTPL)		
Centrum Capital Limited (567555 Equity Shares of ₹ 1/- each fully paid up; 31st March, 2019- 567555 Equity Shares)	52.22	183.32
Uniply Industries Limited (642000 Equity Shares of ₹ 2/- each fully paid up; 31st March, 2019- Nil)	29.53	-
HDFC Life Insurance Company Limited (35000 Equity Shares of ₹ 10/- each fully paid up; 31st March, 2019- Nil)	154.56	-
Total	236.31	183.32
11.1 Aggregate amount of quoted investments (At cost)	895.19	298.47
11.2 Aggregate amount of impairment in the value of investment	658.88	115.15

Note No. 12 : CURRENT LOANS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good)		
Loans to related parties	1816.33	713.98
Loan to others	2306.84	522.65
Total	4123.17	1236.63
Break-up:		
Loans considered good- Secured	-	-
Loans considered good- Unsecured	4123.17	1236.63
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
Total	4123.17	1236.63
Less: Allowance for doubtful loans	-	-
Total Loans	4123.17	1236.63

12.1 Disclosure as per the requirements of Section 186 of the Companies Act, 2013.

Name of the Company	Terms of Loan	Maximum balance outstanding during the year		Amount Outstanding	
		Current Year	Previous Year	Current Year	Previous Year
Jumbo Finance Limited	- Payable on demand - Interest rate- 11% p.a.	3435.00	2190.00	925.47	713.98
Shriji Design MIL JV	- Payable on demand - Interest rate- 12% p.a.	890.86	-	890.86	-

Note No. 13 : OTHER CURRENT FINANCIAL ASSETS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good)		
Deposits	52.02	42.74
Advances to employees	44.97	35.12
Export benefits receivables	261.88	251.08
Accrued interest	46.46	25.41
Others	14.71	3.13
Total	420.04	357.48

Note No. 14 : OTHER CURRENT ASSETS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
Prepaid expenses	85.40	65.67
Advances to suppliers for goods & services	204.07	250.73
Balance with Govt. authorities	624.76	249.38
Income Tax advance	456.01	456.01
Tax Deducted at Source	445.04	358.24
Others	71.51	31.04
Total	1886.79	1411.07

14.1 Advances to suppliers for goods & services include advances against purchases & services which are receivable in kind in next 12 Months & are for business purpose.

Notes forming part of standalone financial statements
Note No. 15 : EQUITY SHARE CAPITAL

(₹ in Lacs)

PARTICULARS	As at 31st	As at 31st
	March, 2020	March, 2019
Authorised		
9,00,00,000 (31st March, 2019- 9,00,00,000) equity shares of ₹ 10/- each	9000.00	9000.00
5,00,000 (31st March, 2019- 5,00,000) Preference shares of ₹ 100/- each	500.00	500.00
Total	9500.00	9500.00
Issued, subscribed and paid-up		
4,71,43,900 (31st March, 2019- 4,71,43,900) Equity shares of ₹ 10/- each fully paid-up	4714.39	4714.39
Total	4714.39	4714.39

15.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
Balance as at the beginning of the year	47143900	4714.39	47143900	4714.39
Add : Issued during the year	-	-	-	-
Balance as at the end of the year	47143900	4714.39	47143900	4714.39

15.2 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 shares is entitled to one vote per share.

15.3 Details of Shareholders holding more than 5% of Shares of the Company:-

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Vijay Beneficiary Trust	16244047	34.46	16244047	34.46
Jay Beneficiary Trust	6530886	13.85	6530886	13.85
Pride Mercantiles Pvt. Ltd.	5343453	11.33	5343453	11.33

15.4 Aggregate 25400400 equity shares of Rs. 10/- each issued as fully paid during the period of five years immediately preceding the reporting date without payment being received in cash pursuant to the scheme of amalgamation of Modern Terry Towels Limited (MTTL) with the company.

Note No. 16 : OTHER EQUITY

(₹ in Lacs)

PARTICULARS	Reserves and Surplus			Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings	
Balance as at 1st April, 2018	2911.45	1285.87	16915.70	21113.02
Profit for the year	-	-	2552.45	2552.45
Other comprehensive income	-	-	(66.28)	(66.28)
Balance as at 31st March, 2019	2911.45	1,285.87	19401.87	23599.19
Balance as at 1st April, 2019	2911.45	1285.87	19401.87	23599.19
Profit for the year	-	-	2264.34	2264.34
Other comprehensive income	-	-	(31.29)	(31.29)
Balance as at 31st March, 2020	2911.45	1285.87	21634.92	25832.24

16.1 The description of the nature and purpose of each reserve within equity is as follows:

A. Capital Reserve: Capital Reserve is created mainly on amalgamation of MTTL with the Company. This reserve is utilised in accordance with the provisions of the Act.

B. Securities Premium Reserve: Securities premium reserve is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

Notes forming part of standalone financial statements
Note No. 17 : NON CURRENT BORROWINGS

(₹ in Lacs)

PARTICULARS	As at 31st	As at 31st
	March, 2020	March, 2019
Secured Term Loans		
From Banks	83.62	90.10
Total	83.62	90.10

17.1 Term loans from banks are secured against hypothecation of the specific vehicles.

17.2 Term loans from banks (for vehicles) are repayable as per various payment schedules. Last installment due in December 2024. Rate of Interest varies from 8.55% to 9.15% p.a. (31st March, 2019- 8.90% to 9.15% p.a.)

17.3 Breakup of amount due within 12 months (current) and after 12 months (non-current) is as under:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Non-Current	Current*	Non-Current	Current*
From Banks	83.62	32.74	90.10	30.00
Sub Total	83.62	32.74	90.10	30.00

* Considered in other current financial liabilities (Note no. 23).

Note No. 18 : NON CURRENT PROVISIONS

(₹ in Lacs)

PARTICULARS	As at 31st	As at 31st
	March, 2020	March, 2019
Provision for Employee Benefits (Refer note no. 35)		
For Gratuity	1715.51	1584.16
For Leave Encashment	373.51	310.14
Total	2089.02	1894.30

Note No. 19 : DEFERRED TAX LIABILITES (NET)

(₹ in Lacs)

PARTICULARS	As at 31st	As at 31st
	March, 2020	March, 2019
Deferred Tax Liability in relation to: (Refer note no. 34)		
Property, plant & equipment and intangible assets	3929.22	4026.82
Deferred Tax Asset in relation to:		
Provisions	899.93	803.59
Receivables and advances	145.02	73.57
Financial Assets	153.49	26.82
Net Deferred Tax Liability	2730.78	3122.84

Note No. 20 : OTHER NON CURRENT LIABILITIES

(₹ in Lacs)

PARTICULARS	As at 31st	As at 31st
	March, 2020	March, 2019
Other non current liabilities	40.99	56.23
Total	40.99	56.23

Note No. 21 : CURRENT BORROWINGS

(₹ in Lacs)

PARTICULARS	As at 31st	As at 31st
	March, 2020	March, 2019
Secured		
Bank borrowings for working capital	9975.79	9195.82
Total	9975.79	9195.82

21.1 Bank borrowings for working capital are repayable on demand.

21.2 Bank borrowings for working capital are secured by hypothecation of stocks, book debts and first charge on fixed assets of Insulator Division and are personally guaranteed by one of the directors.

Note No. 22 : TRADE PAYABLES

(₹ in Lacs)

PARTICULARS	As at 31st	As at 31st
	March, 2020	March, 2019
Trade Payables		
Outstanding dues of micro enterprises and small enterprises	344.69	41.84
Outstanding dues of creditors other than micro enterprises and small enterprises	4215.44	2654.42
Total	4560.13	2696.26

Notes forming part of standalone financial statements

22.1 Balances of trade payables are subject to reconciliation, confirmation and consequential adjustments, if any.

22.2 Dues to Micro, Small and Medium 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
a.	The Principal amount remaining unpaid to any supplier at the end of the year	344.69	41.84
b.	Interest due remaining unpaid to any supplier at the end of the year	-	-
c.	Amount of interest paid by the Company in terms of section 16 of MSMED Act	-	-
d.	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.	-	-
e.	Amount of interest accrued and remaining unpaid at the end of accounting year	-	-
f.	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 enterprise for the purpose of disallowance of a deductible expenditure under section 23 of MSMED Act, 2006	-	-

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.

Note No. 23 : OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
Current maturities of long-term borrowings (Refer note no. 17)	32.74	30.00
Sundry deposits	58.77	51.92
Payable towards capital goods	129.80	43.10
Other payables	1646.04	1679.52
Total	1867.35	1804.54

23.1 Other payables include employees dues and liability for expenses etc.

Note No. 24 : CURRENT PROVISIONS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits (Refer note no. 35)		
For Gratuity	239.87	198.76
For Leave Encashment	95.08	71.33
Total	334.95	270.09

Note No. 25 : OTHER CURRENT LIABILITIES

(₹ in Lacs)

PARTICULARS	As at 31st March, 2020	As at 31st March, 2019
Advances received from customers	653.74	554.33
Statutory Dues	98.35	81.60
Total	752.09	635.93

Note No. 26 : REVENUE FROM OPERATIONS

(₹ in Lacs)

PARTICULARS	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Sale of products	42302.81	43280.85
Sale of services	73.40	26.47
Sale of traded goods	619.44	8.57
Other operating revenues	691.90	682.18
Total	43687.55	43998.07
26.1 Particulars of sale of products		
Insulators & metal fitting	37428.96	38581.87
Towels & fabric	4831.40	4662.21
Yarn & waste	42.45	36.77
Total	42302.81	43280.85
26.2 Particulars of sale of services		
Job work Income	3.31	8.96
Path lab testing charges	70.09	17.51
Total	73.40	26.47
26.3 Particulars of traded goods		
Steel	531.39	-
Advance ceramics / Sanitaryware items	88.05	8.57
Total	619.44	8.57

Notes forming part of standalone financial statements

26.4 Particulars of other operating revenue		
Export incentives	592.99	508.68
Scrap sales	98.91	173.50
	691.90	682.18
26.5 Reconciliation of sale of products		
Revenue from contract with customer	42468.90	43567.05
Adjustment made to contract price on account of :		
(a) Discounts / rebates / incentives	(15.97)	(6.60)
(b) Sales return	(150.12)	(279.60)
	42302.81	43280.85

Note No. 27 : OTHER INCOME

(₹ in Lacs)

PARTICULARS	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Foreign exchange fluctuation (net)	294.80	135.45
Liabilities and sundry balances written back (net)	92.06	98.66
Interest income	465.83	237.48
Profit on sale of Property, plant & equipment (net)	32.12	0.64
Miscellaneous income	316.29	357.28
Total	1201.10	829.51

Note No. 28 : COST OF MATERIALS CONSUMED

(₹ in Lacs)

PARTICULARS	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Raw materials at the beginning of the year	2068.39	1978.03
Add: Purchases	13747.98	13114.34
Less: Raw materials at the end of the year	2755.02	2068.39
Cost of materials consumed	13061.35	13023.98

Note No. 29 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE & STOCK IN PROCESS

(₹ in Lacs)

PARTICULARS	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Inventories at the beginning of the year		
Finished goods	3888.65	2646.30
Stock-in-trade	23.81	23.22
Stock in process	2442.89	2341.33
	6355.35	5010.85
Inventories at the end of the year		
Finished goods	5604.17	3888.65
Stock-in-trade	42.76	23.81
Stock in process	3095.14	2442.89
	8742.07	6355.35
Total changes in inventories	(2386.72)	(1344.50)

Note No. 30 : EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

PARTICULARS	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Salaries, wages, gratuity, bonus and allowances	6500.19	5617.39
Contribution to provident fund and other Funds (Refer note no. 35)	596.47	566.93
Staff & labour welfare	67.91	63.25
Total	7164.57	6247.57

Notes forming part of standalone financial statements
Note No. 31: FINANCE COSTS

(₹ in Lacs)

PARTICULARS	Year Ended	Year Ended
	31st March, 2020	31st March, 2019
Interest Expenses	1134.85	915.87
Other Borrowing Cost	157.26	189.35
Total	1292.11	1105.22

Note No. 32 : OTHER EXPENSES

(₹ in Lacs)

PARTICULARS	Year Ended	Year Ended
	31st March, 2020	31st March, 2019
Manufacturing Expenses		
Power consumption	4265.83	4527.11
Fuel consumption	4985.16	5633.23
Stores & Spares Consumption	3609.84	3683.97
Packing	2141.83	2190.85
Job Charges	1365.41	1451.26
Making up Expenses	121.48	150.63
Repairs & Maintenance:		
Plant & Machinery	811.47	843.50
Buildings	586.28	641.06
Others	41.21	47.41
Other expenses	622.13	558.66
	18550.64	19727.68
Administrative Expenses		
Rent	86.27	74.60
Insurance	52.42	34.41
Rates & Taxes	19.59	15.57
Travelling & Conveyance	419.83	320.82
Legal & Professional Expenses	428.20	198.24
Telecommunication Expenses	9.92	9.39
Directors fees and Expenses	0.77	1.10
Corporate social responsibility(CSR) activities (Refer note no. 45)	44.32	41.32
Payment to Auditors		
for Audit fee	3.90	3.15
for Limited review	1.40	1.40
for Tax audit fee	1.40	1.15
for Expenses	1.42	2.20
Other expenses	548.61	477.22
	1618.05	1180.57
Selling Expenses		
Commission, rebates etc.	113.03	111.59
Carriage outward (Net)	866.03	876.70
Provision for doubtful debts	40.65	90.54
Bad debts	8.28	220.34
Provision for doubtful debts written back	(8.27)	(176.28)
Sales Promotion & Advertisement	87.10	58.26
Insulators testing charges	167.57	185.63
Other expenses	58.48	44.01
	1332.87	1410.79
Other Expenses		
Lease rent on land	0.07	0.07
Loss on fair valuation of investment carried at FVTPL	543.73	115.15
Allowance towards doubtful deposits / investment in VSLP	172.10	–
	715.90	115.22
Total	22217.46	22434.26

Other notes on standalone financial statements
Note No. 33 : EARNINGS PER SHARE

(₹ in Lacs except EPS)

PARTICULARS	Units	Year Ended	Year Ended
		31st March, 2020	31st March, 2019
Net profit for the year attributable to equity shareholders (Basic & diluted earnings per share)	₹ In Lacs	2264.34	2552.45
Weighted average number of equity shares outstanding	Nos.	4,71,43,900	4,71,43,900
Nominal value per share	₹	10	10
Earnings Per Share:			
– Basic	₹	4.80	5.41
– Diluted	₹	4.80	5.41

Note No. 34 : INCOME TAX
i) Tax expense recognised in Statement of Profit and Loss

(₹ in Lacs)

PARTICULARS	31st March, 2020	31st March, 2019
(a) Statement of Profit and Loss		
Current tax for the year	–	–
Deferred tax for the year	(375.25)	(201.88)
Income tax expense recognised in Statement of Profit and Loss	(375.25)	(201.88)
(b) Other Comprehensive Income		
Income tax on actuarial gain/loss on defined benefit plan	16.81	35.59
Income tax charged to Other comprehensive income	16.81	35.59

ii) Reconciliation of effective tax rate

(₹ in Lacs)

PARTICULARS	31st March, 2020	31st March, 2019
Profit before tax	1889.09	2350.57
Enacted tax rate in India	34.944%	34.944%
Current tax expenses on profit before tax at the enacted income tax rate in India	660.12	821.38
Tax effect of		
Expenses disallowed under Income Tax Act, 1961	16.24	14.95
Capital loss (differential tax rate)	76.75	0.00
Weighted deduction under section 35(2AB) of Income Tax Act, 1961	(68.11)	(67.15)
Income set off from brought forward losses pursuant to proposed amalgamation	(1106.63)	(983.52)
Others	46.38	12.46
Total tax expenses in the statement of profit and loss account	(375.25)	(201.88)
Effective Tax Rate	(19.86)	(8.59)

iii) The movement in deferred tax assets and liabilities
During the year ended 31st March, 2020

(₹ in Lacs)

Particulars	As at 1st April, 2019	Recognised in Profit and Loss	Recognised in OCI	As at 31st March, 2020
Property, plant & equipment and intangible assets	4026.82	(97.60)	–	3929.22
Provisions	(803.59)	(79.53)	(16.81)	(899.93)
Receivables and advances	(73.57)	(71.45)	–	(145.02)
Financial assets	(26.82)	(126.67)	–	(153.49)
Net Deferred Tax Liability	3122.84	(375.25)	(16.81)	2730.78

During the year ended 31st March, 2019

(₹ in Lacs)

Particulars	As at 1st April, 2018	Recognised in Profit and Loss	Recognised in OCI	As at 31st March, 2019
Property, plant & equipment and tangible assets	4174.98	(148.16)	–	4026.82
Provisions	(711.14)	(56.86)	(35.59)	(803.59)
Receivables and advances	(103.53)	29.96	–	(73.57)
Financial assets	–	(26.82)	–	(26.82)
Net Deferred Tax Liability	3360.31	(201.88)	(35.59)	3122.84

- iv) (a) Provision for taxation including interest estimated ₹ 1392.88 lacs for the year ended 31st March, 2020 (Previous year ₹ 1134.51 lacs; upto the year ₹ 3003.10 lacs) has not been made in accounts in view of the proposed amalgamation under the provisions of Companies Act, 2013.
- (b) Meanwhile the Company has claimed the losses pertaining to Modern Denim Limited for AY 2017-18, with which the company has proposed amalgamation. Income Tax Department has completed assessment for Assessment Year 2017-18 and has disallowed such losses claimed pursuant to proposed amalgamation pending approval from concerned authorities. However, the Company has filed appeal against the said order before CIT (Appeals) which is pending. The Company is confident for favourable order as it has received relief in previous years in similar matter.
- v) Income tax department had completed assessments for A.Y. 2008-09 to 2017-18 wherein assessments on substantive basis were done with NIL liability by allowing losses of MTTL (the amalgamated entity) and simultaneously assessments on protective basis were also done (except for A.Y. 2014-15, 2016-17 & 2017-18) presuming that no amalgamation had taken place. Since amalgamation scheme have been sanctioned by the Hon'ble BIFR vide its order dated 28.07.2016, protective assessment orders passed by the department have become ineffective and substantive assessment orders are prevailed. However, effect of BIFR order is yet to be given by the department for which company is taking necessary steps. There is no recoverable demand as on date.

Other notes on standalone financial statements
Note No. 35 : EMPLOYEE BENEFIT
i) Defined contribution plan

During the year company has recognised the following amounts in the statement of profit and loss account.

(₹ in Lacs)

PARTICULARS	2019-20	2018-19
Benefits (Contributed to)		
Provident Fund	449.79	397.24
Employee State Insurance	73.20	98.90
National Pension Scheme	62.23	61.30
Group Insurance Scheme/DLI Contribution	11.25	9.49
Total	596.47	566.93

ii) Defined benefits plan
Gratuity

The Company provides gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation :

(₹ in Lacs)

PARTICULARS	31st March, 2020	31st March, 2019
Present Value of obligation as at the beginning of the year	1782.92	1566.46
Current service cost	142.31	126.00
Interest cost	136.52	121.17
Past Service Cost	–	–
Actuarial (gain)/loss	48.10	101.87
Benefit paid	(154.47)	(132.58)
Present value of obligation as at the end of the year	1955.38	1782.92

Amount recognized in the balance sheet:

(₹ in Lacs)

PARTICULARS	31st March, 2020	31st March, 2019
Present value of defined benefit obligation	1955.38	1782.92
Fair value of plan assets	–	–
Net liability	1955.38	1782.92
Amounts shown in the balance sheet		
Current Liabilities	239.87	198.76
Non-current liabilities	1715.51	1584.16
Net liability	1955.38	1782.92

Amount recognized in Profit and Loss:

(₹ in Lacs)

PARTICULARS	31st March, 2020	31st March, 2019
Current service cost	142.31	126.00
Past service cost	–	–
Interest cost	136.52	121.17
Total amount recognized in Profit and Loss:	278.83	247.17

Amount recognized in other comprehensive income:

(₹ in Lacs)

PARTICULARS	31st March, 2020	31st March, 2019
Actuarial (Gain)/Loss on Obligation	48.10	101.87
Return on plan assets less interest on plan assets	–	–
Total Actuarial (Gain)/Loss recognised in other comprehensive income	48.10	101.87

Other notes on standalone financial statements
Actuarial (Gain)/Loss on obligation consists:

PARTICULARS	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
Actuarial (gain)/loss arising from change in demographic assumption	(0.98)	-
Actuarial (gain)/loss arising from change in financial assumption	(28.23)	10.09
Actuarial (gain)/loss arising from change in experience adjustment on plan liabilities	77.31	91.78
Total Actuarial (Gain)/Loss on obligation	48.10	101.87

Information for funded plans with a defined benefit obligation less than plan assets:

PARTICULARS	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
Defined benefit obligation	1955.38	1782.92
Fair value of plan assets	-	-
Net Liability/(Assets)	1955.38	1782.92

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

PARTICULARS	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
Present value of obligation at year end	1955.38	1782.92
Fair value of plan assets at year end	-	-
Funded status excess of actual over estimated.	(1955.38)	(1782.92)
Assets/(Liabilities) recognized in the Balance Sheet	(1955.38)	(1782.92)

iii) Defined benefit obligation
a) Actuarial assumption

The following were the principal actuarial assumptions at the reporting date:

PARTICULARS	31st March, 2020	31st March, 2019
	Discount rate*	6.80% & 6.63%
Expected return on plan assets		
Gratuity	NA	NA
Leave encashment	NA	NA
Salary escalation rate**	4.50%	5.50% & 6.50%
Mortality rate inclusive of provision for disability	100% of IALM (2006-08)	

* The discount rate assumed is determined by reference to market yield at the balance sheet date on government bonds.

** The estimates of future salary increase considered in actuarial valuation, taking account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b) Sensitivity analysis

Reasonable possible change at the reporting date to one of the relevant actuarial assumption, holding other assumption constant, would have affected the defined benefit obligation by the amount shown below.

PARTICULARS	31st March, 2020		31st March, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(68.36)	73.15	(63.68)	68.10
Salary escalation rate (0.5% movement)	74.44	(64.23)	68.91	(64.99)

c) Expected Maturity analysis of the defined benefits plan in future years

PARTICULARS	(₹ in Lacs)			
	First Year	Second Year	Third to fifth year	More than 5 years
Gratuity	239.87	162.17	405.96	1147.38

d) Risk exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow –

– Salary Increase- Actual salary increase will increase the plan's liability. Increase in salary increase rate assumption in future valuations which also increase the liability.

– Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Other notes on standalone financial statements

- Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact liability.

iv) Long term employee benefit
Leave encashment

The company has a policy to pay leave encashment. Every employee is entitled to claim leave encashment after his/her retirement/termination which is calculated based upon no. of leaves earned. The company has a total provision for leave encashment as on 31st March, 2020 ₹ 468.59 Lacs and as on 31st March, 2019 ₹ 381.47 Lacs. Total expenses provided during the year 2019-20 is ₹ 94.75 Lacs and for the year 2018-19 ₹ 116.85 Lacs. This includes Current Service Cost of ₹ 142.31 Lacs for the year 2019-20 and ₹ 126.00 Lacs for the year 2018-19 based on actuarial valuation.

Note No. 36 : RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development expenditure debited to the statement of profit and loss by charge to relevant heads of account amounting to ₹ 389.84 lacs (previous year ₹ 384.35 lacs).

Note No. 37 : SEGMENT INFORMATION
A. Primary segment reporting (by business segment)

The two identified segments are:

- (i) Insulators
- (ii) Terry Towels

(₹ in Lacs)

	31st March, 2020			31st March, 2019		
	Insulators	Terry Towels	Total	Insulators	Terry Towels	Total
1. Segment Revenue						
Revenue from operations	38728.76	4958.79	43687.55	39250.69	4747.38	43998.07
2. Segment results						
Profit before financial expenses	4149.21	(968.01)	3181.20	4298.56	(842.77)	3455.79
Less: financial expenses	1292.11	-	1292.11	1105.22	-	1105.22
Profit before tax	2857.10	(968.01)	1889.09	3193.34	(842.77)	2350.57
3. Capital employed						
Segment assets	44715.70	8265.65	52981.35	39035.53	9044.16	48079.69
Segment liabilities	21566.54	868.18	22434.72	18869.66	896.45	19766.11
Capital employed	23149.16	7397.47	30546.63	20165.87	8147.71	28313.58

B. Secondary segment reporting (by geographical segment)

The analysis of geographical segment is based on geographical location of the customers, which is domestic and export.

Revenue by geographical market

(₹ in Lacs)

	31st March, 2020			31st March, 2019		
	Insulator	Terry Towels	Total	Insulators	Terry Towels	Total
In India	27805.98	4376.57	32182.55	29366.92	4452.24	33819.16
Other than India	10922.78	582.22	11505.00	9883.77	295.14	10178.91
	38728.76	4958.79	43687.55	39250.69	4747.38	43998.07

Carrying amount of segment assets (Trade receivables)

	31st March, 2020			31st March, 2019		
	Insulator	Terry Towels	Total	Insulators	Terry Towels	Total
In India	5453.62	223.36	5676.98	5926.06	664.06	6590.12
Other than India	2784.84	45.33	2830.17	2481.47	45.33	2526.80
	8238.46	268.69	8507.15	8407.53	709.39	9116.92

Other notes on standalone financial statements
Note No. 38 : RELATED PARTY DISCLOSURES AS PER IND AS 24
i) Name of related parties and description of relationship

- a) **Company which exercises significant influence**
 Modern Denim Limited
- b) **Subsidiary Company**
 Modern Inviro Pvt. Ltd - Wholly owned subsidiary
- c) **Joint Venture**
 Shriji Designs MIL JV - Joint Venture Firm
- d) **Key Management Personnel**
 Shri Sachin Ranka - Chairman & Managing Director
 Shri Shreyans Ranka -Whole Time Director
- e) **Relatives of the Key Management Personnel & their enterprises where transactions have taken place**
 Shubham Corporate Advisory Services Pvt. Ltd.
 Jumbo Finance Limited
 Modern Medisciences Private Limited
 H.S. Ranka Foundation
 P.B. Ranka Foundation
 Meena Ranka Foundation
 Acharya Shri Nanesh Samta Vikas Trust
 Smt. Smriti Ranka
 Smt. Aditi Ranka
- f) **Independent director/Non Executive director**
 Shri Tara Chand Chejara – Non- Executive Director
 Shri R. Raniwala – Independent Director
 Shri S. K. Sharma – Independent Director
 Smt. Meenu Sacheti – Independent Director

ii) The following transactions were carried out with the related parties during the year :

(₹ in Lacs)

Description of the nature of the transactions	Name	Volume of transactions		Balance Outstanding	
		Year ended 31st March, 2020	Year ended 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
a) Company which exercises significant influence					
Purchase of goods	Modern Denim Ltd.	63.79	19.30	-	-
Loans & advances given	Modern Denim Ltd.	85.00	717.00	4766.00	4681.00
Purchase Returns	Modern Denim Ltd.	1.22	-	-	-
Sale of goods	Modern Denim Ltd.	14.87	1.71	-	-
Job charges received	Modern Denim Ltd.	0.80	9.21	-	-
Reimbursement of expenses	Modern Denim Ltd.	0.66	1.81	-	-
b) Subsidiary Company					
Subscription towards equity shares	Modern Inviro Private Limited	10.00	-	10.00	-
c) Joint Venture					
Sale of goods/services	Shriji Designs MIL JV	849.52	-	121.52	-
Loan Given	Shriji Designs MIL JV	840.04	-	840.04	-
Interest Income	Shriji Designs MIL JV	50.82	-	50.82	-
d) Key Managerial Personnel					
Remuneration*	Shri Sachin Ranka	73.20	73.20	-	-
	Shri D. B. Deshpande	-	101.21	-	-
	Shri Shreyans Ranka	23.06	23.06	-	-

Other notes on standalone financial statements

e) Relatives of the key managerial personnel & their enterprises					
Loan given	Jumbo Finance Limited	120.00	(335.00)	785.00	665.00
	Modern Medisciences Pvt. Ltd.	257.95	–	–	–
Interest income	Jumbo Finance Limited	291.56	177.37	140.47	48.98
	Modern Medisciences Pvt. Ltd.	6.78	–	–	–
Rent paid	Shubham Corporate Advisory Services Pvt. Ltd.	15.58	15.58	–	–
	Smt. Smriti Ranka	14.40	14.40	–	–
Remuneration*	Smt. Aditi Ranka	11.54	5.77	–	–
Contribution towards CSR activities	Acharya Shri Nanesh Samta Vikas Trust	5.00	5.00	–	–
	H.S. Ranka Foundation	20.00	–	–	–
	P.B. Ranka Foundation	15.00	–	–	–
	Meena Ranka Foundation	–	25.00	–	–
f) Independent Directors/ Non Executive Directors					
Professional fees	Shri Tara Chand Chejara	25.20	25.20	–	–
Sitting fees paid to Independent Directors	Shri S.B.L Jain	–	0.46	–	–
	Shri R. Raniwala	0.69	0.51	–	–
	Smt. Meenu Sacheti	0.08	0.13	–	–

Terms and conditions:

Related party relationships are as identified by the management and relied upon by the auditor.

All the transactions with related parties were made on normal commercial terms and conditions and at market rates. The above transactions are as per the approval of audit committee.

Decision relating to remuneration to key management personnel were taken based on the recommendation of Nomination and Remuneration committee.

*Expenses towards gratuity and leave encashment are determined actuarially on overall company basis at the end of each year and accordingly have not been considered in remuneration.

Note No. 39 : CONTINGENT LIABILITIES
Contingent liabilities to the extent not provided for in respect of
(₹ in Lacs)

PARTICULARS	31st March, 2020	31st March, 2019
Guarantees given by bankers on behalf of the Company	1342.40	1157.99
Outstanding Letters of Credit	132.51	331.11
Disputed liabilities, not acknowledged as debts	490.90	497.42
Disputed Income Tax demand (Deposited under protest ₹ 7.50 Lacs, 31st March, 2019- ₹ 7.50 Lacs)	7.50	7.50
Disputed Land Tax demand (Deposited under protest ₹ 15.70 Lacs, 31st March, 2019- ₹ 15.70 Lacs)	15.70	15.70
Disputed Excise duty /Service Tax demand (Deposited under protest ₹ Nil, 31st March, 2019- ₹ 12.75 Lacs)	–	255.98

The Company, in respect of contingent liability, has assessed that it is not probable that outflow of economic resources will be required and hence not provided by the Company.

Note No. 40 : CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances) for ₹ 2.71 Lacs (31st March, 2019- ₹ Nil).

Note No. 41 : CAPITAL MANAGEMENT

For the purpose of Company's Capital Management, capital includes issued equity share capital and other equity reserves attributable to equity holders. The primary objective of Company's Capital Management is to maximize shareholder's wealth. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of financial covenants.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholder. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market

Other notes on standalone financial statements

confidence. The management and the Board of Directors monitors the return on capital. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Note No. 42 : FINANCIAL RISK MANAGEMENT

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Company's financial risk management is set by the Managing Board. The Company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade & other receivables, investments, cash and short term deposits.

i) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers and other counter parties, taking into account financial conditions, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or 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 and loss.

The Company measures the expected credit loss of trade receivables based on historical trend and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. The Company provides loss allowance on trade receivables using life time expected credit loss and as per simplified approach.

The Ageing of trade receivables is as below:

Particulars	₹ in Lacs	
	31st March, 2020	31st March 2019
Not due	6523.69	7275.62
0-6 months	1170.17	1563.15
6 months to 12 months	522.60	78.53
1 year to 3 year	269.67	219.52
beyond 3 years	263.93	190.63
	8750.06	9327.45
Less: Allowance for doubtful debts	242.91	210.53
Total	8507.15	9116.92

Financial assets are considered to be good quality and there is no significant increase in credit risk.

Particulars	₹ in Lacs	
	31st March, 2020	31st March 2019
Opening Balance	210.53	296.27
Allowances made	40.65	90.54
Provision for doubtful debts written back	(8.27)	(176.28)
Closing Balance	242.91	210.53

ii) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity pattern of borrowings & other financial liabilities

Particulars	₹ in Lacs				
	12 months or less	1-2 years	2-5 years	More than 5 years	Total
Borrowing	9975.79	30.64	52.98	-	10059.41
Trade payable	4560.13	-	-	-	4560.13
Other financial liabilities	1867.35	-	-	-	1867.35
Total	16403.27	30.64	52.98	-	16486.89

Other notes on standalone financial statements

As at 31st March, 2019					(₹ in Lacs)
Particulars	12 months or less	1-2 years	2-5 years	More than 5 years	Total
Borrowing	9195.82	10.20	79.90	-	9285.92
Trade payable	2696.26	-	-	-	2696.26
Other financial liabilities	1804.54	-	-	-	1804.54
Total	13696.62	10.20	79.90	-	13786.72

iii) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

a) Foreign currency risk

The company operates internationally and portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risk through its sales in overseas and purchase from overseas suppliers in various foreign currencies.

The company evaluate exchange rate exposure arising from foreign currency transaction and the company follow established risk management policies, including the use of derivative like foreign exchange forward contracts to hedge exposure to foreign risk.

Foreign currency derivatives and exposures not hedged

A. Foreign currency derivatives outstanding				(In Lacs)
Name of Instrument	As at 31st March, 2020		As at 31st March, 2019	
	Foreign Currency	INR	Foreign Currency	INR
Forward Contract	-	-	-	-

B. Foreign currency exposure not hedged

As at 31st March, 2020		(Foreign currency in Lacs)		
		USD	EURO	GBP
Trade receivable		29.57	8.09	1.41
Trade payable		2.59	0.97	-
As at 31st March, 2019		USD	EURO	GBP
Trade receivable		21.61	7.53	1.35
Trade payable		2.50	1.22	-

Foreign currency sensitivity

1% increase or decrease in foreign exchanges rates will have the following impact on profit before tax					(₹ in Lacs)
Particulars	2019-20		2018-19		
	1% increase	1% decrease	1% increase	1% decrease	
USD	20.07	(20.07)	13.10	(13.10)	
EURO	5.77	(5.77)	4.82	(4.82)	
GBP	1.29	(1.29)	1.21	(1.21)	

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk			(₹ in Lacs)
Particulars	31st March, 2020	31st March, 2019	
Borrowings bearing floating rate of interest	9975.79	9195.82	
Interest rate sensitivity			(₹ in Lacs)
Particulars	2019-20	2018-19	
100 bps increase which decrease the profit before tax by	(99.76)	(91.96)	
100 bps decrease which increase the profit before tax by	99.76	91.96	

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

Other notes on standalone financial statements
Note No 43. DISCLOSURE AS PER IND AS- 27, SEPARATE FIANANCIAL STATEMENT

The company has entered into Joint Venture Agreement with Shriji Designs to participate in railways EPC tender. The JV has been awarded tender for design, supply, erection, testing and commissioning of 25 KV OHE between sanwad-nimarkhedi NTPC siding of western railway. As per the joint venture working agreement entered with Shriji Designs, execution is entirely in the scope of MIL and company has to pay 2% fees to JV partner. Accordingly 100% profit/loss of JV will be part of the company.

Accounting method used for consolidation purpose - Equity Method

Nature of Business- Railway EPC

The Company's share of assets, liabilities, income and expenses of Joint Venture is as follows:

(₹ in Lacs)

Particulars	Financial Year	Assets	Liabilities	Income	Expenses	Profit / (Loss)
Shriji Designs MIL JV	2019-20	1052.29	1072.29	823.90	842.97	(19.07)

Note No 44. FAIR VALUE MEASUREMENT

i) Financial Instruments by category

As at 31st March, 2020

(₹ in Lacs)

Particulars	FVTPL	FVTOCI	Amortized Cost
Financial Assets:			
Investments			
– Equity Share	236.31	-	10.00
– Preference Share	-	-	-
– National saving certificate	-	-	0.01
Trade receivables	-	-	8507.15
Cash and cash equivalents	-	-	79.70
Other bank balances	-	-	65.99
Other non current financial assets	-	-	1342.76
Loans	-	-	8889.17
Other financial assets	-	-	420.04
Total financial assets	236.31	-	19314.82
Financial Liability:			
Borrowings	-	-	10059.41
Trade payables	-	-	4560.13
Other financial liabilities	-	-	1867.35
Total financial liabilities	-	-	16486.89

As at 31st March, 2019

(₹ in Lacs)

Particulars	FVTPL	FVTOCI	Amortized Cost
Financial Assets:			
Investments			
– Equity Share	183.32	-	-
– Preference Share	-	29.13	-
– National saving certificate	-	-	0.01
Trade receivables	-	-	9116.92
Cash and cash equivalents	-	-	1456.67
Other bank balances	-	-	217.70
Other non current financial assets	-	-	1078.75
Loans	-	-	5917.63
Other financial assets	-	-	357.48
Total financial assets	183.32	29.13	18145.16
Financial Liability:			
Borrowings	-	-	9285.92
Trade payables	-	-	2696.26
Other financial liabilities	-	-	1804.54
Total financial liabilities	-	-	13786.72

Other notes on standalone financial statements
ii) Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

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.

Valuation process to determine fair value

Specific valuation technique is used to determine the fair value of the financial instruments which include:

-Investment in unquoted equity shares- Lowest level input that is significant to the fair value measurement is unobservable.

Financial instrument measured at fair value
As at 31st March 2020
(₹ in Lacs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Equity Instruments	236.31	-	10.00	246.31
Total	236.31	-	10.00	246.31

As at 31st March 2019
(₹ in Lacs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Equity Instruments	183.32	-	-	183.32
Total	183.32	-	-	183.32

Fair Value of Financial instrument measured at Amortised Cost

The carrying amount of short term borrowings, trade payables, trade receivables, cash & cash equivalents and other financial assets and liabilities are considered to be the same as their Fair values, due to their short term nature.

Note No. 45 : CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(i) As per section 135 of Companies Act, 2013 gross amount required to be spent by the Company during the year 2019-20 - ₹ 42.56 Lacs (Year 2018-19 ₹ 40.64 Lacs)

(ii) Amount spent
(₹ in Lacs)

CSR Activities	2019-20			2018-19		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
i) Construction/Acquisition of any assets	-	-	-	-	-	-
ii) Purposes other than (i) above	44.32	-	44.32	41.32	-	41.32

Note No. 46 : NON CURRENT LOANS

Non current loans includes interest free unsecured loan of ₹ 4766 Lacs (previous year ₹ 4681 Lacs) (maximum amount outstanding at any time during the year ₹ 5346 lacs; 31st march 2019- ₹ 4681 lacs) paid to a company covered under section 189 of the Companies Act, 2013 in view of proposed amalgamation under the provisions of the Companies Act, 2013. Since the amount paid is in connection to proposed amalgamation, no terms have been specified for repayment of loans and interest. In view of likely advantage to the company on such amalgamation, granting of such loan is not prejudicial to interest of the company.

Note No. 47 : INVESTMENT / DEPOSIT IN VSLP

Company had entered into Power Delivery Agreement (PDA) with VSLP on 25th September, 2008 for supply of 4 MW Power. As per PDA, company had subscribed in equity and preference shares of VSLP and paid required security deposit amount. Now, VSLP is under process of insolvency under Insolvency & Bankruptcy Code (IBC), 2016. National Company Law Tribunal, Hyderabad Bench has also appointed Insolvency Resolution Professional (IRP). Accordingly, Company has filed its claims under the provisions of IBC, 2016 which has been categorised by IRP under "other creditors". Since networth of VSLP has completely eroded hence as a prudent business practice, company has made provision of 90% of its total recoverable amount towards above referred investment and deposit lying with it and shown the balance recoverable amount under other non current financial assets.

Other notes on standalone financial statements
Note No. 48 : NOTE ON IMPACT OF COVID-19

World Health Organization had declared COVID-19 a global pandemic in March, 2020. Consequent to this, Government of India declared a nation-wide lockdown from 24th March 2020, which has impacted normal business operations of the Company. The Company has resumed its business activities in line with the guidelines issued by the Government authorities and had taken all appropriate steps to smoothen operations and strengthen its liquidity position. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available upto the date of approval of these financial statements, to determine the impact on the Company's revenue from operations for foreseeable future and the recoverability / carrying value of certain assets such as property, plant and equipment, investments, inventories, trade receivables & other financial assets and no significant impact is expected. The impact of Covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial statements, which may differ from that considered as at the date of approval of these financials statements. However the Company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, while the lockdown is gradually lifting, the Company is yet closely monitoring the situation as it evolves in the future.

Note No. 49 : The Company has a process whereby periodically all long term contracts (including derivative contract) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

Note No 50 : Figures for previous years have been regrouped/rearranged/restated wherever considered necessary to make them comparable with the figures for the current year.

As per our report of even date attached

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma
 Partner
 Membership No. 404029
 Place : Abu Road
 Date : 30th July, 2020

For and on behalf of the Board

Sachin Ranka	– Chairman & Managing Director	(DIN : 00335534)
Shreyans Ranka	– Whole-Time Director	(DIN : 06470710)
R. Raniwala	– Independent Director	(DIN : 00506419)
S.K. Sharma	– Independent Director	(DIN : 01378040)
D.S. Singhvi	– Chief Financial Officer	
Gaurav Goyal	– Company Secretary	

INDEPENDENT AUDITOR'S REPORT

To the members of **Modern Insulators Limited**

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Modern Insulators Limited** (the 'Holding Company') and its wholly owned subsidiary company Modern Inviro Private Limited (together referred to as the 'Group') and its joint venture firm Shriji Designs – MIL JV, which comprise the Consolidated Balance Sheet as at **31 March, 2020**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the 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 and based on consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiary and joint venture, except for the effect of the matters described in "Basis for Qualified Opinion" section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the 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 of the Group and joint venture as at 31 March 2020, their consolidated profit (including Other Comprehensive Income), their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

Provision for taxation including interest estimated at Rs.1392.88 Lacs for the year ended 31 March, 2020 (Previous Year Rs.1134.51 Lacs; upto the year Rs.3003.10 Lacs) has not been made in accounts of Holding Company

in view of the proposed amalgamation under the provisions of Companies Act, 2013. (Refer note no. 33(iv)(a)).

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 made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their report referred to in "Other matters" section of our report, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to note no. 48 of the consolidated financial statements, which describes the impact of COVID 19 on the operations of the Group and joint venture. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of the other auditors on separate financial statements and other financial information of subsidiary and joint venture, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion, on these matters.

In addition to what has been stated in the "Basis for Qualified Opinion" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the Key Audit Matter
Measurement, presentation and disclosure of allowance for Expected Credit Losses (ECL) on trade receivables	Our audit procedure included the following:
<ul style="list-style-type: none"> The Company is required to recognize allowance for ECL on trade receivables due to the credit risks associated with each individual trade receivable. Management determines the allowance for ECL on trade receivables by reviewing customers ageing profile, historical loss adjusted to reflect current and estimated future economic conditions, credit history and suit filed cases for additional allowance. The determination of allowance for ECL is subjective and requires management to make judgements and assumptions, hence this is considered as key audit matter. Refer note no. 1, 1A and 7 to the consolidated financial statements. 	<ul style="list-style-type: none"> Testing effectiveness of controls with respect to (i) development of methodology for allowance for expected credit losses, (ii) completeness and accuracy of the information used and (iii) computation of allowance for expected credit losses. Testing a sample of the data used in the model to the underlying accounting records. Evaluating the ECL model calculation, agreeing the data inputs and checking the mathematical accuracy of the calculations. Assessing whether the disclosures in the financial statements are adequate.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the

consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Consolidated Financial Statements

The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial

position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and joint venture in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements. Further in terms of the provisions of the Act, the respective Board of Directors / Management of the subsidiary company and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors / Management of the subsidiary company and joint venture are responsible for assessing the ability of Group and joint venture, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors / Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors / Management of the companies included in the Group and its Joint venture, are also responsible for overseeing the financial reporting process of companies included in the Group and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its joint venture, to express an opinion on the financial statements. We are responsible for direction, supervision and performance of the audit of the financial statements of such entities included in the financial statements of which we are independent auditors. For the other entities included in 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the annual financial statements of the subsidiary company and joint venture, consolidated in the financial statements, whose financial information (before eliminating intercompany balances/transactions) reflects (i) in respect of subsidiary company total assets of Rs.9.79 Lacs as at 31 March 2020, total revenue of Rs.Nil, net loss after tax Rs.0.24 Lacs, total comprehensive loss of Rs.0.24 Lacs and cash inflow (net) of Rs.9.79 Lacs for the year ended as on 31 March 2020 and (ii) in respect of joint venture total assets of Rs.1052.29 Lacs as at 31 March 2020, total revenue of Rs.823.90 Lacs, net loss after tax Rs.19.07 Lacs and cash outflow (net) of Rs.0.24 Lacs for the year ended as on 31 March 2020, as considered in the financial statements. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion on consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and joint venture, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforementioned subsidiary and joint venture, are based solely on the audit reports of such other auditors.

The figures for immediately preceding periods have not been given as these are first consolidated financial statements prepared by the Holding Company.

Report on Other Legal and Regulatory Requirements

As required by section 143(11) of the Companies Act, 2013 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us and on the consideration of the reports of other auditors on separate financial statements and other financial information of subsidiary and joint venture, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

- b) In our opinion, proper books of account as required by law relating to preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- d) Except for the effects of the matter described in the "Basis for Qualified Opinion" section, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act;
- e) On the basis of written representations received from the directors of the Holding Company as on 31 March, 2020 and taken on record by the Board of Directors of Holding Company and the reports of statutory auditors of subsidiary company and joint venture covered under the Act, none of the directors of the Group are disqualified as on 31 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 with reference to financial statements of the Holding Company and its subsidiary and joint venture covered under the Act and the operating effectiveness of such controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013, refer to our report in Annexure A;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors is in accordance with the provisions of section 197 of the Act. Further subsidiary company covered under the Act has not paid / provided for any managerial remuneration during the year.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements has disclosed the impact of pending litigations on consolidated financial position of the Group and its joint venture in consolidated financial statements (Refer note no. 38).
 - The Group and its joint venture did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary.

For **R B Verma & Associates**
 Chartered Accountants
 Firm Registration No.012650C

Rajesh Verma
 Partner

Membership No.404029
 UDIN - 20404029AAAAAU1360

Place : Abu Road
 Date : 30th July, 2020

ANNEXURE A FORMING PART OF THE INDEPENDENT AUDITOR'S REPORT

Referred to in the report of even date of the Auditors to members of Modern Insulators Limited on Consolidated Financial Statements

We have audited the internal financial controls with reference to financial statements of **Modern Insulators Limited** (the 'Holding Company') and its wholly owned subsidiary company Modern Inviro Private Limited (together referred to as the 'Group') and its joint venture firm Shriji Designs – MIL JV as of **31 March, 2020** in conjunction with our audit of the Ind AS consolidated financial statements of Modern Insulators Limited (the 'Holding Company') and its subsidiary and joint venture.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of Holding Company and its subsidiary are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the '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 (the 'Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of Holding Company and its subsidiary based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial control with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in "Other Matters" section below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements of Holding Company and its subsidiary, as aforesaid.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and

directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Other Matters

We did not audit the internal financial controls with reference to financial statements of the subsidiary company, consolidated in the financial statements, whose financial statements (before eliminating intercompany balances/transactions) reflects in respect of subsidiary company total assets of Rs.9.79 Lacs as at 31 March 2020, total revenue of Rs.Nil, net loss after tax Rs.0.24 Lacs, total comprehensive loss of Rs.0.24 Lacs and cash inflow (net) of Rs.9.79 Lacs for the year ended as on 31 March 2020, as considered in the financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company

have been audited by other auditors whose reports has been furnished to us by the management and our report of adequacy and operating effectiveness of the internal financial controls with reference to financial statements for Holding Company and its subsidiary, under section 143(3)(i) of the Act, in so far as it relates to subsidiary company, is based solely on the reports of the auditors of such company.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the reports of other auditors, the Holding Company and its subsidiary have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March, 2020, based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiary considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **R B Verma & Associates**

Chartered Accountants

Firm Registration No.012650C

Rajesh Verma

Partner

Membership No.404029

UDIN - 20404029AAAAAU1360

Place : Abu Road

Date : 30th July, 2020

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2020
ASSETS		
Non-current assets		
(a) Property, plant & equipment	2	19132.57
(b) Capital work-in-progress	2	-
(c) Intangible assets	2	53.59
(d) Financial assets		
(i) Investments	3	0.01
(ii) Loans	4	4766.00
(iii) Other financial assets	5	1342.76
(e) Other non-current assets		-
Total Non-current assets		<u>25294.93</u>
Current assets		
(a) Inventories	6	12959.89
(b) Financial assets		
(i) Trade receivables	7	8476.96
(ii) Cash and cash equivalents	8	89.57
(iii) Bank balance other than cash and cash equivalents	9	209.01
(iv) Investments	10	236.31
(v) Loans	11	3232.31
(vi) Other financial assets	12	443.01
(c) Other current assets	13	2079.06
Total Current assets		<u>27726.12</u>
TOTAL ASSETS		<u>53021.05</u>
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	14	4714.39
(b) Other equity	15	25811.74
Equity attributable to owners		<u>30526.13</u>
Non-controlling interest		
Total Equity		<u>30526.13</u>
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	16	83.62
(b) Provisions	17	2089.02
(c) Deferred tax liabilities (Net)	18	2730.78
(d) Other non-current liabilities	19	40.99
Total Non-current liabilities		<u>4944.41</u>
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	20	9975.79
(ii) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	21	344.69
- Total outstanding dues of creditors other than micro enterprises and small enterprises	21	4263.96
(iii) Other financial liabilities	22	1870.85
(b) Provisions	23	334.95
(c) Other current liabilities	24	760.27
Total Current liabilities		<u>17550.51</u>
TOTAL EQUITY AND LIABILITIES		<u>53021.05</u>
Significant accounting policies	1	
Other notes on consolidated financial statements	33 to 50	

As per our report of even date attached

For and on behalf of the Board

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Sachin Ranka – Chairman & Managing Director (DIN : 00335534)
 Shreyans Ranka – Whole-Time Director (DIN : 06470710)
 R. Raniwala – Independent Director (DIN : 00506419)
 S.K. Sharma – Independent Director (DIN : 01378040)
 D.S. Singhvi – Chief Financial Officer
 Gaurav Goyal – Company Secretary

Rajesh Verma
 Partner
 Membership No. 404029

Place : Abu Road
 Date : 30th July, 2020

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

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2020
Income		
Revenue from operations	25	43972.04
Other income	26	1152.65
Total Income		45124.69
Expenses		
Cost of materials consumed	27	13263.07
Purchase of stock-in-trade		617.22
Changes in inventories of finished goods, stock-in-trade & stock-in-process	28	(2474.09)
Employee benefits expense	29	7255.09
Finance costs	30	1292.11
Depreciation and amortization expense	2	1033.92
Other expenses	31	22267.59
Total Expenses		43254.91
Profit before exceptional items and tax		1869.78
Exceptional items		-
Profit before tax		1869.78
Tax Expense		
Current tax		-
Deferred tax		(375.25)
Total tax expenses		(375.25)
Profit for the year		2245.03
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Actuarial gain/(loss) on defined benefit plan		(48.10)
Income tax relating to above		16.81
Total other comprehensive income for the year (net of tax)		(31.29)
Total comprehensive income for the year		2213.74
Profit attributable to:		
owners		2245.03
Non-controlling interest		-
		2245.03
Other Comprehensive income/(Loss) attributable to:		
owners		(31.29)
Non-controlling interest		-
		(31.29)
Total Comprehensive income attributable to:		
owners		2213.74
Non-controlling interest		-
		2213.74
Earnings per equity share (face value ₹ 10 per share)	32	
Basic (₹)		4.76
Diluted (₹)		4.76

Significant accounting policies**Other notes on consolidated Financial Statements**

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

1
33 to 50

As per our report of even date attached

For and on behalf of the Board

For R B Verma & AssociatesChartered Accountants
Firm Registration No. 012650C**Rajesh Verma**Partner
Membership No. 404029

Place : Abu Road

Date : 30th July, 2020

Sachin Ranka	– Chairman & Managing Director	(DIN : 00335534)
Shreyans Ranka	– Whole-Time Director	(DIN : 06470710)
R. Raniwala	– Independent Director	(DIN : 00506419)
S.K. Sharma	– Independent Director	(DIN : 01378040)
D.S. Singhvi	– Chief Financial Officer	
Gaurav Goyal	– Company Secretary	

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

(₹ in Lacs)

PARTICULARS	Year ended 31st March, 2020
A. Cash Flow from Operating Activities	
Profit before tax	1869.78
Adjustments for:	
– Depreciation and amortisation expenses	1033.92
– Provisions	211.48
– Foreign exchange	127.55
– Profit on disposal of property, plant and equipment	(32.12)
– Finance costs	1292.11
– Loss on fair valuation of investment carried at FVTPL	543.73
– Interest income	(417.37)
Operating profit before working capital changes	2759.30
Adjustment for	
– Trade and other receivables	(264.95)
– Inventories	(3704.04)
– Trade and other Payables	2084.62
Net Cash from Operating Activities (A)	2744.71
B. Cash Flow from Investing Activities	
– Proceeds from sale of property, plant and equipment	64.89
– Purchase of property, plant and equipment (including capital work-in progress)	(1240.62)
– Loans and advances given	(2080.68)
– Interest Income	417.37
– Investment in Equity shares	(596.72)
Net Cash used in Investing Activities (B)	(3435.76)
C. Cash Flow from Financing Activities	
– Repayment of Long term borrowings (net)	(3.74)
– Proceeds from Short term borrowings	619.48
– Interest Paid	(1292.11)
Net cash used in Financing Activities (C)	(676.37)
Net increase in cash and cash equivalents(A+B+C)	(1367.42)
Cash and cash equivalents at the beginning of the year	1456.99
Cash and cash equivalents at the close of the year	89.57
Cash and Cash Equivalent includes:-	

PARTICULARS	Year ended 31st March, 2020
Cash on hand	16.95
With Banks	
– In current accounts	72.62
– In deposit accounts maturing within 3 months	–
Total	89.57

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

Note: The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

As per our report of even date attached

For and on behalf of the Board

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Sachin Ranka – Chairman & Managing Director (DIN : 00335534)
 Shreyans Ranka – Whole-Time Director (DIN : 06470710)
 R. Raniwala – Independent Director (DIN : 00506419)
 S.K. Sharma – Independent Director (DIN : 01378040)
 D.S. Singhvi – Chief Financial Officer
 Gaurav Goyal – Company Secretary

Rajesh Verma
 Partner
 Membership No. 404029

Place : Abu Road
 Date : 30th July, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

A. Equity Share Capital

(₹ in Lacs)

As at 1st April, 2019	4714.39
Changes in Equity Share Capital	–
As at 31st March, 2020	4714.39

B. Other Equity

(₹ in Lacs)

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings	
Balance as at 1st April, 2019	2911.45	1285.87	19400.68	23598.00
Profit for the year	–	–	2245.03	2245.03
Other comprehensive income	–	–	(31.29)	(31.29)
Total Comprehensive Income for the Year	–	–	2213.74	2213.74
Balance as at 31st March, 2020	2911.45	1285.87	21614.42	25811.74
Non Controlling Interest	–	–	–	–
Balance as at 31st March, 2020	2911.45	1285.87	21614.42	25811.74

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

As per our report of even date attached

For R B Verma & Associates
Chartered Accountants
Firm Registration No. 012650C

Rajesh Verma
Partner
Membership No. 404029
Place : Abu Road
Date : 30th July, 2020

For and on behalf of the Board

Sachin Ranka – Chairman & Managing Director (DIN : 00335534)
Shreyans Ranka – Whole-Time Director (DIN : 06470710)
R. Raniwala – Independent Director (DIN : 00506419)
S.K. Sharma – Independent Director (DIN : 01378040)
D.S. Singhvi – Chief Financial Officer
Gaurav Goyal – Company Secretary

Notes forming part of Consolidated Financial Statements

CORPORATE INFORMATION

Modern Insulators Limited (the 'Company or the Holding Company'), its subsidiary and joint venture (the Holding Company and its subsidiary and joint venture together referred to as the 'Group') engaged in the business of manufacturing insulators, terry towels and EPC projects.

Note no. 1: SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

- (i) The Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods in the Financial Statements.
- (ii) The Financial Statements are prepared on accrual basis under the historical cost convention except financial assets and liabilities (including derivatives instruments) that are measured at fair value as required by relevant Ind AS. The methods used to measure fair values are discussed in notes to financial statements.
- (iii) The preparation of financial statements requires judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimated. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Major estimates are discussed in Note No. 1A.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the functional currency of the group and the currency of the primary economic environment in which the group operates.

(c) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are being changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

(ii) Joint Ventures

Investments in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(iii) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise

the Group's share of the post-acquisition profits or losses of the investee in statement of profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised 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 recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Such further losses are disclosed as part of Current Liabilities. Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(d) Classification of assets and liabilities into current and non-current

The Group has ascertained its operating cycle as twelve months for the purpose of Current and Non-Current classification of its Assets and Liabilities. Classification is done in accordance with Schedule III Division II of the Companies Act, 2013.

For the purpose of Balance Sheet, an asset is classified as current when:

- (i) It is expected to be realised or intended to be sold or consumed in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to be realised within twelve months after the reporting period; or
- (iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current when:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

(e) Property, plant & equipment (PPE)

Freehold land is carried at Cost. All other items of Property, plant and equipment (PPE) are stated at acquisition or construction cost less accumulated depreciation / amortisation and impairment loss. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

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

Subsequent expenditure incurred after the PPE have been put into operations is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from

the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Items such as spare parts, standby equipments and servicing equipments are recognised as PPE when it is held for use in the production or supply of goods or services or for administrative purpose and are expected to be used for more than one year. Otherwise such items are classified as inventory.

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

(f) Expenditure during construction period

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non Current Assets".

(g) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical evaluation. Leasehold lands are amortised over the lease term unless it is reasonably certain that the Group will obtain ownership by the end of lease term.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Group or the number of production or similar units expected to be obtained from the asset by the Group.

In case of certain classes of PPE, the Group uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical evaluation, taking into consideration the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

The useful life considered for calculation of depreciation / amortisation for various Asset class are as under:

S.No.	Asset class	Useful life
1.	Leasehold Assets	Lease period
2.	Factory Building	4-30 Years
3.	Non- factory Building	4-60 Years
4.	Plant & Machinery	1-30 Years
5.	Furniture & Fixtures	2-10 Years
6.	Office Equipments	0-5 Years
7.	Vehicles	2-10 Years

Based on technical evaluation, management believes that the useful life as given above best represent the period over which the management expects to use these assets.

Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition and in case of Projects from the date of commencement of commercial production.

Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

(h) Intangible assets and amortization

Internally generated intangible assets

Expenditure incurred on development is capitalized if such expenditure leads to creation of any intangible asset, otherwise, such expenditure

is charged to the Statement of Profit and Loss. PPE procured for research and development activities are capitalised.

Intangible assets acquired separately

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment loss, if any. The Group determines the amortisation period as the period over which the future economic benefits will flow to the Group after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

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

The useful life considered for calculation of depreciation / amortisation for various Asset class are as under:

Asset class	Useful life
Computer Software	1-3 Years

Based on technical evaluation, management believes that the useful life as given above best represent the period over which the management expects to use these assets.

Intangible asset having definite life are amortised on systematic basis over their useful life. If life of any intangible asset is indefinite then it is not amortised but tested for impairment loss at the end of each reporting date.

(i) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, development or erection of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing cost are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value.

Raw material, stores and spare parts and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted average basis.

Cost of finished goods and work- in- progress includes cost of conversion based on normal capacity and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts, other than those capitalised as PPE are carried as inventories.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained after review and if found material, suitable provision is made / written down based on technical evaluation, its recoverable value and management's best estimate.

(k) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash in hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

(l) Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all associated conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are

expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

(m) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligations. Provisions are reviewed at each reporting date and are adjusted to reflect the management's best estimate.

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

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

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(n) Foreign currency transactions and translations

Transactions in foreign currencies, other than the Group's functional currency are recognised at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which these arise.

(o) Revenue recognition

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- (i) The customer simultaneously receives and consumes the benefits provided by the Group's performance; or
- (ii) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) The Group's performance does not create an asset with an alternative use to the Group and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

If the Group has any contract wherein the period between transfer of the promised goods or services to the customer and payment by the

customer exceeds one year, transaction price is adjusted for the time value of money.

(p) Other operating revenues / other income

- (i) Income from services is recognized (net of service tax / GST as applicable) based on the services rendered in accordance with the terms of contracts.
- (ii) For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset.
- (iii) Interest income for all financial instruments measured at fair value through other comprehensive income is recognized in the statement of profit and loss.
- (iv) Dividend income is accounted for when the right to receive the income is established.
- (v) Export incentives under various schemes are recognized in the year of export.

(q) Employee Benefits

Short term employee benefits

Short-term employee benefit obligations are recognized as an expense on accrual basis.

Defined contribution plans

Defined contribution plans are those plans in which an entity pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident fund and employee state insurance are defined contribution plans in which group pays a fixed contribution and will have no further obligation.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Group pays Gratuity as per provisions of the Payment of Gratuity Act, 1972. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a liability to the Group, the present value of liability is recognized as provision for employee benefit. Any actuarial gains or losses are recognized in Other Comprehensive Income in the period in which they arise.

Other long-term employee benefits

Benefits under the Group's leave encashment constitute other long term employee benefits.

The Group's net obligation in respect of leave encashment is the amount of future benefits that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in the Statement of profit and loss in the period in which they arise.

(r) Research and development expenditure

Revenue expenditure on research and development is charged as an expense in the year in which it is incurred under the respective heads of accounts. Expenditure which results in the creation of capital assets is capitalised and depreciation is provided on such assets as applicable.

(s) Income taxes

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable.

Income tax expenses relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement Profit and Loss.

(t) Leases

Leases are classified as finance leases, when the terms of the lease, transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

Operating Lease: Lease rentals are charged or recognised in the statement of profit and loss on a straight-line basis over the lease term.

Finance Lease: Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease obligation. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's policy on borrowing costs.

(u) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(v) Impairment of financial assets

At the end of each reporting period, the Company applies the expected credit loss model for recognizing the impairment loss on financial assets including trade receivables. Expected credit loss is the difference between the contractual cash flows and the cash flows the entity expects to receive using effective interest rate.

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses. For other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses unless there is significant increase in the credit risk from initial recognition in which case those are measured at lifetime expected credit losses. Lifetime expected credit losses are expected credit losses that result from all possible defaults over the expected life of financial instrument. Lifetime expected credit losses are computed based on provision matrix which takes into account historical credit losses adjusted for forward looking information, suit filed cases and credit information of customers.

(w) Segment reporting**Identification of Segments**

Operating Segments are identified based on monitoring of operating results by the Board of Directors separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss of the Group.

Operating Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system.

Segment Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

(x) Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period presented, are restated.

(y) Earnings Per Share (EPS)

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

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

(z) Fair value Measurement

The Group measures financial instruments, such as investments and derivatives at fair value at each reporting date.

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

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

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

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

Fair values are categorized into different levels in the hierarchy as under:

- 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.

(aa) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Group becomes a party to the contractual provisions of the instruments.

i) Initial Recognition: Financial assets and Financial liabilities

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

ii) Classification and Subsequent Measurement: Financial Assets

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

At amortised cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

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

After initial recognition, such financial assets are subsequently measured at amortised cost using expected interest rate (EIR) method. In case of financial assets at amortised costs, interest income, foreign exchange gain or loss and impairment are recognized in Statement of profit and loss.

At fair value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Where the Group has elected to present the fair value gain on equity instruments in other comprehensive income, there is no subsequent classification of fair value gain or losses to profit and loss account. Dividend from such instruments is recognized in profit and loss account as other income where right to receive is established.

At fair value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss other than those measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The Group recognises a loss allowance for expected credit losses on financial asset. The Group's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time credit expected losses. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets:

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises associated liabilities.

On derecognition of a financial asset, other than investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

iii) Classification and Subsequent Measurement: Financial Liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial

recognition as FVTPL. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of Financial Liabilities:

The Group derecognises a financial liability 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 exchange or modification is treated as derecognition of the original liability and the recognition of a new financial liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

The difference between the carrying amount of financial liability derecognized and consideration paid and payable is recognized in the statement of profit and loss.

On derecognition of equity investments classified as FVOCI, accumulated gains or loss recognised in OCI is transferred to retained earnings.

(bb) Financial liabilities and equity instruments

• **Classification as debt or equity**

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

• **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group are recognised at the proceeds received.

(cc) Derivative financial instruments

The Group enters into derivative financial instruments viz. foreign exchange forward contracts to manage foreign exchange risks. The Group does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date derivative contracts are entered into and are subsequently remeasured at their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss.

Note no. 1A. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying

disclosures and the disclosure of contingent liabilities. Continuous evaluation is done on estimates and judgments based on historical experience and other factors, including expectation of future events that are believed to be reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates made in preparing Financial Statements:

(a) Useful life of Property, plant and equipment and intangible assets

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

(b) Post-employment benefit plans

Employees benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

(c) Expected credit losses on financial assets

The loss allowance on financial assets including trade receivables are based on assumption about the risk of default and expected timing of collection. The Company uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculation based on Company's history of credit losses adjusted to reflect current and estimated future economic conditions, suit filed cases and credit information of customers at the end of each reporting period.

(d) Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events requires best judgment by the management regarding the probability of exposure to potential loss. If circumstances change following unforeseeable developments, this likelihood could alter.

(e) Impairment of non-financial assets

The Group has used certain judgments and estimation to estimate future projection and discount rate to compute value in used of assets/cash generating units and to assess impairment.

(f) Revenue recognition

The Group recognised the revenue from contract with customers based on 5 steps model as per Ind AS- 115 which involve judgments relating to identification of contracts with customers, identification of distinct performance obligation, determination of transaction price with respect to identified performance obligation, appropriateness of the basis used to recognise revenue and when the control of goods and services are being transferred.

Notes forming part of Consolidated Financial Statements
Note No. 2 : PROPERTY, PLANT & EQUIPMENT, CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS
As at 31st March 2020
(₹ in Lacs)

Particulars	Gross Block				Depreciation/Amortization			Net Block	
	As at 01.04.2019	Additions	Deductions/ Adjustments	As at 31.03.2020	As at 01.04.2019	Depreciation for the year	Deductions/ Adjustments	As at 31.03.2020	As at 31.03.2020
A. Property, Plant & Equipment									
Leasehold Land	3644.49	–	–	3644.49	160.79	53.59	–	214.38	3430.11
Freehold Land	3792.50	–	–	3792.50	–	–	–	–	3792.50
Building	4492.79	6.48	–	4499.27	491.32	167.16	–	658.48	3840.79
Plant & Machinery	9355.15	1154.46	15.15	10494.46	2083.55	711.03	10.66	2783.92	7710.54
Furniture & Fixtures	173.32	17.24	10.00	180.56	57.49	19.49	4.46	72.52	108.04
Office Equipments	102.21	20.82	0.20	122.83	54.59	19.72	0.07	74.24	48.59
Vehicles	289.14	39.97	44.25	284.86	70.94	33.56	21.64	82.86	202.00
Total (A)	21849.60	1238.97	69.60	23018.97	2918.68	1004.55	36.83	3886.40	19132.57
B. Intangible assets									
Computer Software	109.31	1.65	–	110.96	28.00	29.37	–	57.37	53.59
Total (B)	109.31	1.65	–	110.96	28.00	29.37	–	57.37	53.59
Total (A+B)	21958.91	1240.62	69.60	23129.93	2946.68	1033.92	36.83	3943.77	19186.16
Capital work-in-progress									–

- 2.1 Leasehold land classified as finance lease is recognised under PPE as substantially all the significant risk and rewards incidental to the ownership of the land under lease have been transferred to the company.
- 2.2 In accordance with the Indian accounting standard (Ind AS 36) Impairment of assets, management has during the year carried out exercise of identifying assets that may have been impaired. On the basis of review carried out by management there was no impairment loss on PPE during the year.

Notes forming part of Consolidated Financial Statements

Note No. 3 : NON CURRENT INVESTMENTS	(₹ in Lacs)
PARTICULARS	As at 31st March, 2020

Trade Investments (Unquoted)	
Investment in Govt. securities (carried at cost)	
National Saving Certificates (Deposited with Govt. department)	0.01
Investment in shares of VS Lignite Power Pvt. Ltd. (VSLP) (Refer note no. 47)	
Preference shares (carried at FVTOCI) 742814 Class 'A'- 0.01% Cumulative Redeemable Preference shares of ₹ 10/- each, fully paid up;	-
Total	0.01
3.1 Aggregate amount of unquoted investments	0.01
3.2 Aggregate amount of impairment in the value of investments	-

Note No. 4 : NON CURRENT LOANS	(₹ in Lacs)
PARTICULARS	As at 31st March, 2020

(Unsecured, considered good)	
Loans and advances to related party (Refer note no. 46)	4766.00
Total	4766.00
Break-up:	
Loans considered good- Secured	-
Loans considered good- Unsecured	4766.00
Loans which have significant increase in credit risk	-
Loans- credit impaired	-
Total	4766.00
Less: Allowance for doubtful loans	-
Total Loans	4766.00

Note No. 5 : OTHER NON CURRENT FINANCIAL ASSETS	(₹ in Lacs)
PARTICULARS	As at 31st March, 2020

(Unsecured, considered good)	
Fixed Deposits with banks	266.41
Security Deposits	1057.23
Recoverable from VSLP (Refer note no. 47)	191.22
Less: Allowance for doubtful deposits	(172.10)
Total	1342.76
5.1 Fixed deposits are kept towards margin against limits availed from the banks.	
5.2 Fixed deposits with banks are those having maturity period more than 12 months.	
5.3 Security deposits includes balances with electricity board and have been given for business purpose.	

Note No. 6 : INVENTORIES	(₹ in Lacs)
PARTICULARS	As at 31st March, 2020

(Valued at lower of cost or net realisable value)	
Raw materials (Including in transit ₹ 269.25 Lacs)	3267.76
Stock in process	3182.51
Finished stock	5604.17
Stock-in-trade (Traded goods)	42.76
Fuel	86.05
Packing Material	202.82
Stores & spares (Including in transit ₹ 34.01 Lacs)	573.82
Total	12959.89

6.1 Inventory write downs are accounted, considering the value of inventory ageing and net realisable value. Write downs of inventory during the year amounted to ₹ Nil. These write downs were recognised as an expense in the statement of Profit & Loss. The reversal on account of above during the year amounted to ₹ Nil.

Notes forming part of Consolidated Financial Statements

Note No. 7 : TRADE RECEIVABLES	(₹ in Laacs)
PARTICULARS	As at 31st March, 2020
Trade receivables	8719.87
Trade receivables which have significant increase in credit risk	-
Trade receivables - Credit Impaired	-
Less: Allowance for doubtful trade receivables	242.91
Total receivables	8476.96
Current portion	8459.52
Non-current portion	17.44
Break up of security details:	
Secured, considered good	-
Unsecured, considered good	8476.96
Doubtful	242.91
Total	8719.87
Allowance for doubtful trade receivables	(242.91)
Total trade receivables	8476.96

7.1 Balance of trade receivables are subject to reconciliations, confirmation and consequential adjustment, if any.

7.2 Includes ₹ 87.34 Lacs under litigation for which adequate provision has been made.

Note No. 8 : CASH AND CASH EQUIVALENTS	(₹ in Laacs)
PARTICULARS	As at 31st March, 2020
Cash on Hand	16.95
Balances with Banks	
In Current accounts	72.62
In Deposit accounts (Original maturity upto 3 months)	-
Total	89.57

Note No. 9 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS	(₹ in Laacs)
PARTICULARS	As at 31st March, 2020
Bank deposits (With maturity more than 3 months but less than 12 months)	209.01
Total	209.01

9.1 Bank deposits are kept towards margin against limits availed from the banks.

Note No. 10 : CURRENT INVESTMENTS	(₹ in Laacs)
PARTICULARS	As at 31st March, 2020
Investment in Equity Instruments (Quoted) (Carried at FVTPL)	
Centrum Capital Limited	52.22
(567555 Equity Shares of ₹ 1/- each fully paid up)	
Uniply Industries Limited	29.53
(642000 Equity Shares of ₹ 2/- each fully paid up)	
HDFC Life Insurance Company Limited	154.56
(35000 Equity Shares of ₹ 10/- each fully paid up)	
Total	236.31
10.1 Aggregate amount of quoted investments (At cost)	895.19
10.2 Aggregate amount of impairment in the value of investment	658.88

Notes forming part of Consolidated Financial Statements
Note No. 11 : CURRENT LOANS (₹ in Laacs)

PARTICULARS	As at 31st March, 2020
(Unsecured, considered good)	
Loan to related party	925.47
Loans to others	2306.84
Total	<u>3232.31</u>
Break-up:	
Loans considered good- Secured	-
Loans considered good- Unsecured	3232.31
Loans which have significant increase in credit risk	-
Loans- credit impaired	-
Total	<u>3232.31</u>
Less: Allowance for doubtful loans	-
Total Loans	<u>3232.31</u>

11.1 Disclosure as per the requirements of Section 186 of the Companies Act, 2013.

Name of the Company	Terms of Loan	Maximum balance outstanding	Amount Outstanding
		Current Year	Current Year
Jumbo Finance Limited	- Payable on demand - Interest rate- 11% p.a.	3435.00	925.47

Note No. 12 : OTHER CURRENT FINANCIAL ASSETS (₹ in Laacs)

PARTICULARS	As at 31st March, 2020
(Unsecured, considered good)	
Deposits	74.70
Advances to employees	44.97
Export benefits receivables	261.88
Accrued interest	46.75
Others	14.71
Total	<u>443.01</u>

Note No. 13 : OTHER CURRENT ASSETS (₹ in Laacs)

PARTICULARS	As at 31st March, 2020
Prepaid expenses	85.91
Advances to suppliers for goods & services	227.88
Balance with Govt. authorities	775.59
Income Tax advance	456.01
Tax Deducted at Source	462.16
Others	71.51
Total	<u>2079.06</u>

13.1 Advances to suppliers for goods & services include advances against purchases & services which are receivable in kind in next 12 Months & are for business purpose.

Note No. 14 : EQUITY SHARE CAPITAL (₹ in Laacs)

PARTICULARS	As at 31st March, 2020
Authorised	
9,00,00,000 Equity shares of ₹ 10/- each	9000.00
5,00,000 Preference shares of ₹ 100/- each	500.00
Total	<u>9500.00</u>
Issued, subscribed and paid-up	
4,71,43,900 Equity shares of ₹ 10/- each fully paid-up	4714.39
Total	<u>4714.39</u>

Notes forming part of Consolidated Financial Statements
14.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-

Particulars	As at 31st March, 2020	
	Number of Shares	₹ in Lacs
Balance as at the beginning of the year	47143900	4714.39
Add : Issued during the year	—	—
Balance as at the end of the year	47143900	4714.39

14.2 Terms/rights attached to equity shares

The holding company has only one class of equity shares having a par value of Rs. 10/- per share. Each Holder of equity shares is entitled to one vote per share.

14.3 Details of Shareholders holding more than 5% of Shares of the Holding Company:-

Particulars	As at 31st March, 2020	
	Number of Shares	% of Shareholding
Vijay Beneficiary Trust	16244047	34.46
Jay Beneficiary Trust	6530886	13.85
Pride Mercantiles Pvt. Ltd.	5343453	11.33

14.4 Aggregate 25400400 equity shares of Rs. 10/- each issued as fully paid during the period of five years immediately preceding the reporting date without payment being received in cash pursuant to the scheme of amalgamation of Modern Terry Towels Limited (MTTL) with the holding company.

Note No. 15 : OTHER EQUITY

(₹ in Lacs)

PARTICULARS	Reserves and Surplus			Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings	
Balance as at 1st April, 2019	2911.45	1285.87	19400.68	23598.00
Profit for the year	-	-	2245.03	2245.03
Other comprehensive income	-	-	(31.29)	(31.29)
Balance as at 31st March, 2020	2911.45	1285.87	21614.42	25811.74
Non-controlling interest	-	-	-	-
Balance as at 31st March, 2020	2911.45	1285.87	21614.42	25811.74

15.1 The description of the nature and purpose of each reserve within equity is as follows:

- A. Capital Reserve:** Capital Reserve is created mainly on amalgamation of MTTL with the Company. This reserve is utilised in accordance with the provisions of the Act.
- B. Securities Premium Reserve:** Securities premium reserve is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

Note No. 16 : NON CURRENT BORROWINGS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2020
Secured Term Loans	
From Banks	83.62
Total	83.62

16.1 Term loans from banks are secured against hypothecation of the specific vehicles.

16.2 Term loans from banks (for vehicles) are repayable as per various payment schedules. Last installment due in December 2024. Rate of Interest varies from 8.55% to 9.15% p.a.

16.3 Breakup of amount due within 12 months (current) and after 12 months (non-current) is as under:

Particulars	As at 31st March, 2020	
	Non-Current	Current*
From Banks	83.62	32.74
Sub Total	83.62	32.74

* Considered in other current financial liabilities (Note no. 22).

Note No. 17 : NON CURRENT PROVISIONS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2020
Provision for Employee Benefits (Refer note no. 34)	
For Gratuity	1715.51
For Leave Encashment	373.51
Total	2089.02

Notes forming part of Consolidated Financial Statements
Note No. 18 : DEFERRED TAX LIABILITES (NET) (₹ in Lacs)
PARTICULARS **As at 31st March, 2020**

Deferred Tax Liability in relation to: (Refer note no. 33)	
Property, plant & equipment and intangible assets	3929.22
Deferred Tax Asset in relation to:	
Provisions	899.93
Receivables and advances	145.02
Financial Assets	153.49
Net Deferred Tax Liability	<u>2730.78</u>

Note No. 19 : OTHER NON CURRENT LIABILITIES (₹ in Lacs)
PARTICULARS **As at 31st March, 2020**

Other non current liabilities	40.99
Total	<u>40.99</u>

Note No. 20 : CURRENT BORROWINGS (₹ in Lacs)
PARTICULARS **As at 31st March, 2020**

Secured	
Bank borrowings for working capital	9975.79
Total	<u>9975.79</u>

20.1 Bank borrowings for working capital are repayable on demand.

20.2 Bank borrowings for working capital are secured by hypothecation of stocks, book debts and first charge on fixed assets of Insulator Division and are personally guaranteed by one of the directors.

Note No. 21 : TRADE PAYABLES (₹ in Lacs)
PARTICULARS **As at 31st March, 2020**

Trade Payables	
Outstanding dues of micro enterprises and small enterprises	344.69
Outstanding dues of creditors other than micro enterprises and small enterprises	4263.96
Total	<u>4608.65</u>

21.1 Balances of trade payables are subject to reconciliation, confirmation and consequential adjustments, if any.

21.2 Dues to Micro, Small and Medium 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
a. The Principal amount remaining unpaid to any supplier at the end of the year	344.69
b. Interest due remaining unpaid to any supplier at the end of the year	-
c. Amount of interest paid by the Company in terms of section 16 of MSMED Act	-
d. 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.	-
e. Amount of interest accrued and remaining unpaid at the end of accounting year	-
f. 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 enterprise for the purpose of disallowance of a deductible expenditure under section 23 of MSMED Act, 2006	-

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.

Note No. 22 : OTHER CURRENT FINANCIAL LIABILITIES (₹ in Lacs)
PARTICULARS **As at 31st March, 2020**

Current maturities of long-term borrowings (Refer note no. 16)	32.74
Sundry deposits	58.77
Payable towards capital goods	129.80
Other payables	1649.54
Total	<u>1870.85</u>

22.1 Other payables include employees dues and liability for expenses etc.

Notes forming part of Consolidated Financial Statements
Note No. 23 : CURRENT PROVISIONS (₹ in Laacs)
PARTICULARS As at 31st
March, 2020

Provision for Employee Benefits (Refer note no. 34)	239.87
For Gratuity	95.08
For Leave Encashment	<u>334.95</u>
Total	334.95

Note No. 24 : OTHER CURRENT LIABILITIES (₹ in Laacs)
PARTICULARS As at 31st
March, 2020

Advances received from customers	653.74
Statutory Dues	106.53
Total	<u>760.27</u>

Note No. 25 : REVENUE FROM OPERATIONS (₹ in Laacs)
PARTICULARS As at 31st
March, 2020

Sale of products	42302.81
Sale of services	889.28
Sale of traded goods	88.05
Other operating revenues	691.90
Total	<u>43972.04</u>

25.1 Particulars of sale of products

Insulators & metal fitting	37428.96
Towels & fabric	4831.40
Yarn & waste	42.45
	<u>42302.81</u>

25.2 Particulars of sale of services

Railway overhead electrification	815.88
Job work Income	3.31
Path lab testing charges	70.09
	<u>889.28</u>

25.3 Particulars of traded goods

Advance ceramics / Sanitaryware items	88.05
	<u>88.05</u>

25.4 Particulars of other operating revenue

Export incentives	592.99
Scrap sales	98.91
	<u>691.90</u>

25.5 Reconciliation of sale of products

Revenue from contract with customer	42468.90
Adjustment made to contract price on account of	
(a) Discounts / rebates / incentives	(15.97)
(b) Sales return	(150.12)
	<u>42302.81</u>

Note No. 26 : OTHER INCOME (₹ in Laacs)
PARTICULARS As at 31st
March, 2020

Foreign exchange fluctuation (net)	294.80
Liabilities and sundry balances written back (net)	92.06
Interest income	417.37
Profit on sale of Property, plant & equipment (net)	32.12
Miscellaneous income	316.30
Total	<u>1152.65</u>

Notes forming part of Consolidated Financial Statements
Note No. 27 : COST OF MATERIALS CONSUMED
(₹ in Lacs)

PARTICULARS	As at 31st March, 2020
Raw materials at the beginning of the year	2070.54
Add: Purchases	14460.29
Less: Raw materials at the end of the year	3267.76
Cost of materials consumed	13263.07

Note No. 28 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE & STOCK IN PROCESS
(₹ in Lacs)

PARTICULARS	As at 31st March, 2020
Inventories at the beginning of the year	
Finished goods	3888.65
Stock-in-trade	23.81
Stock in process	2442.89
	6355.35
Inventories at the end of the year	
Finished goods	5604.17
Stock-in-trade	42.76
Stock in process	3182.51
	8829.44
Total changes in inventories	(2474.09)

Note No. 29 : EMPLOYEE BENEFITS EXPENSE
(₹ in Lacs)

PARTICULARS	As at 31st March, 2020
Salaries, wages, gratuity, bonus and allowances	6590.68
Contribution to provident fund and other Funds (Refer note no. 34)	596.47
Staff & labour welfare	67.94
Total	7255.09

Note No. 30 : FINANCE COSTS
(₹ in Lacs)

PARTICULARS	As at 31st March, 2020
Interest Expenses	1134.85
Other Borrowing Cost	157.26
Total	1292.11

Note No. 31 : OTHER EXPENSES
(₹ in Lacs)

PARTICULARS	As at 31st March, 2020
Manufacturing Expenses	
Power consumption	4265.83
Fuel consumption	4985.16
Stores & Spares Consumption	3609.84
Packing	2141.83
Job Charges	1365.41
Making up Expenses	121.48
Repairs & Maintenance:	
Plant & Machinery	811.47
Buildings	586.28
Others	41.21
Other expenses	622.13
	18550.64
Administrative Expenses	
Rent	91.57
Insurance	54.88
Rates & Taxes	27.75
Travelling & Conveyance	428.77
Legal & Professional Expenses	428.52

Notes forming part of Consolidated Financial Statements

PARTICULARS	(₹ in Lacs)	
	As at 31st March, 2020	
Telecommunication Expenses		10.02
Directors fees and Expenses		0.77
Corporate social responsibility(CSR) activities (Refer note no. 43)		44.32
Payment to Auditors		
for Audit fee		4.68
for Limited review		1.40
for Tax audit fee		1.65
for Expenses		1.42
Other expenses		572.43
		1668.18
Selling Expenses		
Commission, rebates etc		113.03
Carriage outward(Net)		866.03
Provision for doubtful debts		40.65
Bad debts		8.28
Provision for doubtful debts written back		(8.27)
Sales Promotion & Advertisement		87.10
Insulators testing charges		167.57
Other expenses		58.48
		1332.87
Other Expenses		
Lease rent on land		0.07
Loss on fair valuation of investment carried at FVTPL		543.73
Allowance towards doubtful deposits / investment in VSLP		172.10
		715.90
Total		22267.59

Note No. 32 : EARNINGS PER SHARE

(₹ in Lacs except EPS)

PARTICULARS	Unit	Year Ended	
		31st March 2020	
Net profit for the year attributable to equity shareholders (Basic & diluted earnings per share)	₹ In Lacs		2245.03
Weighted average number of equity shares outstanding	Nos.		4,71,43,900
Nominal value per share	₹		10
Earnings Per Share:			
– Basic	₹		4.76
– Diluted	₹		4.76

Note No. 33 : INCOME TAX
i) Tax expense recognised in Consolidated Statement of Profit and Loss

(₹ in Lacs)

PARTICULARS	As at 31st March, 2020
(a) Statement of Profit and Loss	
Current tax for the year	–
Deferred tax for the year	(375.25)
Income tax expense recognised in Statement of Profit and Loss	(375.25)
(b) Other Comprehensive Income	
Income tax on actuarial gain/loss on defined benefit plan	16.81
Income tax charged to Other comprehensive income	16.81

ii) Reconciliation of effective tax rate

(₹ in Lacs)

PARTICULARS	As at 31st March, 2020
Profit before tax	1869.78
Enacted tax rate in India	34.944%
Current tax expenses on profit before tax at the enacted income tax rate in India	653.38
Tax effect of	
Expenses disallowed under Income Tax Act, 1961	16.24
Capital loss (differential tax rate)	76.75
Weighted deduction under section 35(2AB) of Income Tax Act, 1961	(68.11)
Income set off from brought forward losses pursuant to proposed amalgamation	(1100.00)
Others	46.49
Total tax expenses in the consolidated statement of profit and loss account	(375.25)
Effective Tax Rate	(20.07)

Notes forming part of Consolidated Financial Statements
iii) The movement in deferred tax assets and liabilities during the year ended 31st March, 2020
(₹ in Lacs)

Particulars	As at 1st April, 2019	Recognised in Profit and Loss	Recognised in OCI	As at 31st March, 2020
Property, plant & equipment and intangible assets	4026.82	(97.60)	-	3929.22
Provisions	(803.59)	(79.53)	(16.81)	(899.93)
Receivables and advances	(73.57)	(71.45)	-	(145.02)
Financial assets	(26.82)	(126.67)	-	(153.49)
Net Deferred Tax Liability	3122.84	(375.25)	(16.81)	2730.78

iv) (a) Provision for taxation including interest estimated ₹ 1392.88 lacs for the year ended 31st March, 2020 (Previous year ₹ 1134.51 lacs; upto the year ₹ 3003.10 lacs) has not been made in accounts in view of the proposed amalgamation under the provisions of Companies Act, 2013.

(b) Meanwhile the Holding Company has claimed the losses pertaining to Modern Denim Limited for AY 2017-18, with which the holding company has proposed amalgamation. Income Tax Department has completed assessment for Assessment Year 2017-18 and has disallowed such losses claimed pursuant to proposed amalgamation pending approval from concerned authorities. However, the Holding Company has filed appeal against the said order before CIT (Appeals) which is pending. The Company is confident for favourable order as it has received relief in previous years in similar matter.

(v) Income tax department had completed assessments for A.Y. 2008-09 to 2017-18 of holding company wherein assessments on substantive basis were done with NIL liability by allowing losses of MTTL (the amalgamated entity) and simultaneously assessments on protective basis were also done (except for A.Y. 2014-15, 2016-17 & 2017-18) presuming that no amalgamation had taken place. Since amalgamation scheme have been sanctioned by the Hon'ble BIFR vide its order dated 28.07.2016, protective assessment orders passed by the department have become ineffective and substantive assessment orders are prevailed. However, effect of BIFR order is yet to be given by the department for which company is taking necessary steps. There is no recoverable demand as on date.

Note No. 34 : EMPLOYEE BENEFIT
i) Defined contribution plan
During the year company has recognised the following amounts in the consolidated statement of profit and loss account.
(₹ in Lacs)

PARTICULARS	2019-20
Benefits (Contributed to)	
Provident Fund	449.79
Employee State Insurance	73.20
National Pension Scheme	62.23
Group Insurance Scheme/DLI Contribution	11.25
Total	596.47

ii) Defined benefits plan
Gratuity

The Company provides gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation :
(₹ in Lacs)

PARTICULARS	31 March, 2020
Present Value of obligation as at the beginning of the year	1782.92
Current service cost	142.31
Interest cost	136.52
Past Service Cost	-
Actuarial (gain)/loss	48.10
Benefit paid	(154.47)
Present value of obligation as at the end of the year	1955.38

Amount recognized in the consolidated balance sheet:
(₹ in Lacs)

PARTICULARS	31 March, 2020
Present value of defined benefit obligation	1955.38
Fair value of plan assets	-
Net liability	1955.38
Amounts shown in the consolidated balance sheet	
Current Liabilities	239.87
Non-current liabilities	1715.51
Net liability	1955.38

Notes forming part of Consolidated Financial Statements

Amount recognized in consolidated profit and loss:		(₹ in Lacs)
PARTICULARS	31 March, 2020	
Current service cost	142.31	
Past service cost	-	
Interest cost	136.52	
Total amount recognized in Consolidated Profit and Loss:	278.83	

Amount recognized in other comprehensive income:		(₹ in Lacs)
PARTICULARS	31 March, 2020	
Actuarial (Gain)/Loss on Obligation	48.10	
Return on plan assets less interest on plan assets	-	
Total Actuarial (Gain)/Loss recognised in other comprehensive income	48.10	

Actuarial (Gain)/Loss on obligation consists:		(₹ in Lacs)
PARTICULARS	31 March, 2020	
Actuarial (gain)/loss arising from change in demographic assumption	(0.98)	
Actuarial (gain)/loss arising from change in financial assumption	(28.23)	
Actuarial (gain)/loss arising from change in experience adjustment on plan liabilities	77.31	
Total Actuarial (Gain)/Loss on obligation	48.10	

Information for funded plans with a defined benefit obligation less than plan assets:		(₹ in Lacs)
PARTICULARS	31 March, 2020	
Defined benefit obligation	1955.38	
Fair value of plan assets	-	
Net Liability/(Assets)	1955.38	

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:		(₹ in Lacs)
PARTICULARS	31 March, 2020	
Present value of obligation at year end	1955.38	
Fair value of plan assets at year end	-	
Funded status excess of actual over estimated.	(1955.38)	
Assets/(Liabilities) recognized in the Balance Sheet	(1955.38)	

iii) Defined benefit obligation
a) Actuarial assumption

The following were the principal actuarial assumptions at the reporting date.

PARTICULARS	31 March, 2020
Discount rate*	6.80% & 6.63%
Expected return on plan assets	
Gratuity	NA
Leave encashment	NA
Salary escalation rate**	4.50%
Mortality rate inclusive of provision for disability	100% of IALM (2006-08)

* The discount rate assumed is determined by reference to market yield at the balance sheet date on government bonds.

** The estimates of future salary increase considered in actuarial valuation, taking account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b) Sensitivity analysis

Reasonable possible change at the reporting date to one of the relevant actuarial assumption, holding other assumption constant, would have affected the defined benefit obligation by the amount shown below.

Particulars	31st March, 2020	
	Increase	Decrease
Discount rate (0.5% movement)	(68.36)	73.15
Salary escalation rate (0.5% movement)	74.44	(64.23)

c) Expected Maturity analysis of the defined benefits plan in future years

Particulars	(₹ in Lacs)			
	First Year	Second Year	Third to fifth year	More than 5 Years
Gratuity	239.87	162.17	405.96	1147.38

Notes forming part of Consolidated Financial Statements
d) Risk exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- Salary Increase- Actual salary increase will increase the plan's liability. Increase in salary increase rate assumption in future valuations which also increase the liability.
- Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact liability.

iv) Long term employee benefit
Leave encashment

The group has a policy to pay leave encashment. Every employee is entitled to claim leave encashment after his/her retirement/termination which is calculated based upon no. of leaves earned. The company has a total provision for leave encashment as on 31st March, 2020 ₹ 468.59 Lacs. Total expenses provided during the year 2019-20 is ₹ 94.75 Lacs. This includes Current Service Cost of ₹ 142.31 Lacs for the year 2019-20 based on actuarial valuation.

Note No. 35 : RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development expenditure debited to the consolidated statement of profit and loss by charge to relevant heads of account amounting to ₹ 389.84 Lacs.

Note No. 36 : SEGMENT INFORMATION
A. Primary segment reporting (by business segment)

The two identified segments are:

- (i) Insulators
- (ii) Terry Towels
- (iii) Others

(₹ in Lacs)

	31st March, 2020			
	Insulators	Terry Towels	Others	Total
1. Segment Revenue				
Revenue from operations	38197.37	4958.79	815.88	43972.04
2. Segment results				
Profit before financial expenses	4149.21	(968.01)	(19.31)	3161.89
Less: financial expenses	1292.11	-	-	1292.11
Profit before tax	2857.10	(968.01)	(19.31)	1869.78
3. Capital employed				
Segment assets	43693.32	8265.65	1062.08	53021.05
Segment liabilities	21566.54	868.18	60.20	22494.92
Capital employed	22126.78	7397.47	1001.88	30526.13

B. Secondary segment reporting (by geographical segment)

The analysis of geographical segment is based on geographical location of the customers, which is domestic and export.

(₹ in Lacs)

	31st March, 2020			
	Insulators	Terry Towels	Others	Total
In India	27274.59	4376.57	815.88	32467.04
Other than India	10922.78	582.22	-	11505.00
	38197.37	4958.79	815.88	43972.04

Carrying amount of segment assets (Trade receivables)

(₹ in Lacs)

	31st March, 2020			
	Insulators	Terry Towels	Others	Total
In India	5332.1	223.36	91.33	5646.79
Other than India	2784.84	45.33	-	2830.17
	8116.94	268.69	91.33	8476.96

Note No. 37 : RELATED PARTY DISCLOSURES AS PER IND AS 24
i) Name of related parties and description of relationship

- a) **Company which exercises significant influence**
Modern Denim Limited
- b) **Subsidiary Company**
Modern Inviro Pvt. Ltd - Wholly owned subsidiary

Notes forming part of Consolidated Financial Statements

- c) **Joint Venture**
 Shriji Designs MIL JV – Joint Venture Firm
- d) **Key Management Personnel**
 Shri Sachin Ranka – Chairman & Managing Director
 Shri Shreyans Ranka – Whole-Time Director
- e) **Relatives of the Key Management Personnel & their enterprises where transactions have taken place**
 Shubham Corporate Advisory Services Pvt. Ltd.
 Jumbo Finance Limited
 Modern Medisciences Private Limited
 H.S. Ranka Foundation
 P.B. Ranka Foundation
 Meena Ranka Foundation
 Acharya Shri Nanesh Samta Vikas Trust
 Smt. Smriti Ranka
 Smt. Aditi Ranka
- f) **Independent director/Non Executive director**
 Shri Tara Chand Chejara – Non-Executive Director
 Shri R. Raniwala – Independent Director
 Shri S. K. Sharma – Independent Director
 Smt. Meenu Sacheti – Independent Director

ii) The following transactions were carried out with the related parties during the year :-

(₹ in Lacs)

Description of the nature of the transactions	Name	Volume of transactions	Balance Outstanding
		Year ended 31st March, 2020	As at 31st March, 2020
a) Company which exercises significant influence			
Purchase of goods	Modern Denim Ltd.	63.79	–
Loans & advances given	Modern Denim Ltd.	85.00	4766.00
Purchase Returns	Modern Denim Ltd.	1.22	–
Sale of goods	Modern Denim Ltd.	14.87	–
Job charges received	Modern Denim Ltd.	0.80	–
Reimbursement of expenses	Modern Denim Ltd.	0.66	–
b) Subsidiary Company			
Subscription towards equity shares	Modern Inviro Private Limited	10.00	10.00
c) Joint Venture			
Sale of goods/services	Shriji Design MIL JV	849.52	121.52
Loan Given	Shriji Design MIL JV	840.04	840.04
Interest Income	Shriji Design MIL JV	50.82	50.82
d) Managerial Personnel			
Remuneration*	Shri Sachin Ranka	73.20	–
	Shri Shreyans Ranka	23.06	–
e) Relatives of the key managerial personnel & their enterprises			
Loan given	Jumbo Finance Limited	120.00	785.00
	Modern Medisciences Pvt. Ltd.	257.95	–
Interest income	Jumbo Finance Limited	291.56	140.47
	Modern Medisciences Pvt. Ltd.	6.78	–
Rent paid	Shubham Corporate Advisory Services Pvt. Ltd.	15.58	–
	Smt. Smriti Ranka	14.40	–
Remuneration*	Smt. Aditi Ranka	11.54	–
Contribution towards CSR activities	Acharya Shri Nanesh Samta Vikas Trust	5.00	–
	H.S. Ranka Foundation	20.00	–
	P.B. Ranka Foundation	15.00	–
f) Independent Directors/Non Executive Directors			
Professional fees	Shri Tara Chand Chejara	25.20	–
Sitting fees paid to Independent Directors	Shri S.B.L Jain	–	–
	Shri R. Raniwala	0.69	–
	Smt. Meenu Sacheti	0.08	–

Terms and conditions:

Related party relationships are as identified by the management and relied upon by the auditor.

All the transactions with related parties were made on normal commercial terms and conditions and at market rates. The above transactions are as per the approval of audit committee.

Decision relating to remuneration to key management personnel were taken based on the recommendation of Nomination and Remuneration committee.

*Expenses towards gratuity and leave encashment are determined actuarially on overall company basis at the end of each year and accordingly have not been considered in remuneration.

Notes forming part of Consolidated Financial Statements
Note No. 38 : CONTINGENT LIABILITIES
Contingent liabilities to the extent not provided for in respect of
(₹ in Lacs)

PARTICULARS	31 March, 2020
Guarantees given by bankers on behalf of the Company	1342.40
Outstanding Letters of Credit	132.51
Disputed liabilities, not acknowledged as debts	490.90
Disputed Income Tax demand (Deposited under protest ₹ 7.50 Lacs)	7.50
Disputed Land Tax demand (Deposited under protest ₹ 15.70 Lacs)	15.70
Disputed Excise duty /Service Tax demand (Deposited under protest ₹ Nil)	-

The Group, in respect of contingent liability, has assessed that it is not probable that outflow of economic resources will be required and hence not provided by the Group.

Note No. 39 : CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 2.71 Lacs.

Note No. 40 : CAPITAL MANAGEMENT

For the purpose of Group's Capital Management, capital includes issued equity share capital and other equity reserves attributable to equity holders. The primary objective of Company's Capital Management is to maximize shareholder's wealth. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of financial covenants.

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholder. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence. The management and the Board of Directors monitors the return on capital. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Note No. 41 : FINANCIAL RISK MANAGEMENT

The Group's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Group's financial risk management is set by the Managing Board. The Group's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the group's operations. The group's principal financial assets include trade & other receivables, investments, cash and short term deposits.

i) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers and other counter parties, taking into account financial conditions, current economic trends and analysis of historical bad debts and ageing of financial assets. 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. Where loans or 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 and loss.

The Group measures the expected credit loss of trade receivables based on historical trend and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. The Group provides loss allowance on trade receivables using life time expected credit loss and as per simplified approach.

The Ageing of trade receivables is as below:

PARTICULARS	(₹ in Lacs) 31 March, 2020
Not due	6493.50
0-6 months	1170.17
6 months to 12 months	522.60
1 year to 3 year	269.67
beyond 3 years	263.93
	8719.87
Less: Allowance for doubtful debts	242.91
Total	8476.96

Financial assets are considered to be good quality and there is no significant increase in credit risk.

Movement in allowance for doubtful debts
(₹ in Lacs)

PARTICULARS	31 March, 2020
Opening Balance	210.53
Allowances made	40.65
Provision for doubtful debts written back	(8.27)
Closing Balance	242.91

Notes forming part of Consolidated Financial Statements
ii) 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. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity pattern of borrowings & other financial liabilities
As at 31st March, 2020
(₹ in Lacs)

Particulars	12 months or less	1-2 years	2-5 years	More than 5 years	Total
Borrowing	9975.79	30.64	52.98	-	10059.41
Trade payable	4608.65	-	-	-	4608.65
Other financial liabilities	1870.85	-	-	-	1870.85
Total	16455.29	30.64	52.98	-	16538.91

iii) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

a) Foreign currency risk

The group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales in overseas and purchase from overseas suppliers in various foreign currencies.

The group evaluate exchange rate exposure arising from foreign currency transaction and the group follow established risk management policies, including the use of derivative like foreign exchange forward contracts to hedge exposure to foreign risk.

Foreign currency derivatives and exposures not hedged

A. Foreign currency derivatives outstanding
(₹ in Lacs)

Name of Instrument	As at 31 March, 2020	
	INR	Foreign Currency
Forward Contract	-	-

B. Foreign currency exposure not hedged
As at 31st March, 2020
(Foreign currency in Lacs)

	USD	EURO	GBP
Trade receivable	29.57	8.09	1.41
Trade payable	2.59	0.97	-

Foreign currency sensitivity
1% increase or decrease in foreign exchanges rates will have the following impact on profit before tax
(₹ in Lacs)

Particulars	2019-20	
	1% increase	1% decrease
USD	20.07	(20.07)
EURO	5.77	(5.77)
GBP	1.29	(1.29)

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk
(₹ in Lacs)

PARTICULARS	31 March, 2020
Borrowings bearing floating rate of interest	9975.79

Notes forming part of Consolidated Financial Statements
Interest rate sensitivity

PARTICULARS	2019-2020
100 bps increase which decrease the profit before tax by	(99.76)
100 bps decrease which increase the profit before tax by	99.76

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

Note No 42. FAIR VALUE MEASUREMENT
i) Financial Instruments by category
As at 31st March, 2020
(₹ in Lacs)

Particulars	FVTPL	FVTOCI	Amortized cost
Financial Assets:			
Investments			
– Equity Share	236.31	-	-
– Preference Share	-	-	-
– National saving certificate	-	-	0.01
Trade receivables	-	-	8476.96
Cash and cash equivalents	-	-	89.57
Other bank balances	-	-	209.01
Other non current financial assets	-	-	1342.76
Loans	-	-	7998.31
Other financial assets	-	-	443.01
Total financial assets	236.31	-	18559.63
Financial Liability:			
Borrowings	-	-	10059.41
Trade payables	-	-	4608.65
Other financial liabilities	-	-	1870.85
Total financial liabilities	-	-	16538.91

ii) Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

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.

Valuation process to determine fair value

Specific valuation technique is used to determine the fair value of the financial instruments which include:

– Investment in unquoted equity shares- Lowest level input that is significant to the fair value measurement is unobservable.

Financial instrument measured at fair value
As at 31st March 2020
(₹ in Lacs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Equity Instruments	236.31	-	-	236.31
Total	236.31	-	-	236.31

Fair Value of Financial instrument measured at Amortised Cost

The carrying amount of short term borrowings, trade payables, trade receivables, cash & cash equivalents and other financial assets and liabilities are considered to be the same as their Fair values, due to their short term nature.

Note No 43. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(i) As per section 135 of Companies Act, 2013 gross amount required to be spent by the Holding Company during the year 2019-20 - ₹ 42.56 Lacs .

Notes forming part of Consolidated Financial Statements
(ii) Amount spent

(₹ in Lacs)

CSR Activities	2019-20		
	In Cash	Yet to be paid in cash	Total
i) Construction/Acquisition of any assets	–	–	
ii) Purposes other than (i) above	44.32	–	44.32

Note No. 44 : INTEREST IN OTHER ENTITIES

(i) The Consolidated Financial Statements present the Consolidated Accounts of Modern Insulators Limited with its following subsidiary and joint ventures:

A. Subsidiary

Name	Country	Activities	Proportion of ownership of interest
			As on 31st March, 2020
Modern Inviro Pvt. Ltd.	Indian	Construction, EPC etc.	100%

B. Joint Venture

The company has entered into Joint Venture Agreement with Shriji Designs to participate in railways EPC tender. The JV has been awarded tender for design, supply, erection, testing and commissioning of 25 KV OHE between sanwad-nimarkhedi NTPC siding of western railway. As per the joint venture working agreement entered with Shriji Designs, execution is entirely in the scope of MIL and company has to pay 2% fees to JV partner. Accordingly 100% profit/loss of JV will be part of the company. There were no commercial transactions during previous year.

(ii) Summarised performance of Subsidiary and Joint Venture

(₹ in Lacs)

	Subsidiary		Joint Venture	
	Modern Inviro Pvt. Ltd.		Shriji Designs MIL JV	
	2019-20		2019-20	
Revenue	–		815.88	
Profit/(Loss) before tax	(0.24)		(19.07)	
Tax Expense	–		–	
Profit/(Loss) after tax	(0.24)		(19.07)	
Other Comprehensive Income	–		–	
Total Comprehensive Income	(0.24)		(19.07)	
Depreciation and amortisation	–		0.35	
Interest income	–		8.01	
Interest expense	–		56.47	

(iii) Reconciliation of net assets considered for consolidated financial statements to net assets as per financial statement of Subsidiary and Joint Venture

	Subsidiary		Joint Venture	
	Modern Inviro Pvt. Ltd.		Shriji Designs MIL JV	
	2019-20		2019-20	
Net assets as per entity's financial statement	9.76		992.12	
Add/(less): Consolidation adjustment				
– Loan/Investment	(10.00)		(1012.38)	
Net assets as per entity's consolidated financial statement	(0.24)		(20.26)	

Notes forming part of Consolidated Financial Statements
(iv) Reconciliation of profit and loss/other comprehensive income (OCI) considered for consolidated financial statements to profit and loss/OCI as per financial statements of Subsidiary and Joint Venture

	Subsidiary	Joint Venture
	Modern Inviro Pvt. Ltd.	Shriji Designs MIL JV
	2019-20	2019-20
Profit/(Loss) as per entity's financial statement	(0.24)	(19.07)
Add/(less): Consolidation adjustment	-	-
Profit/(Loss) as per entity's consolidated financial statement	(0.24)	(19.07)

Note No. 45 : DISCLOSURE MANDATED BY SCHEDULE III OF COMPANIES ACT 2013, BY WAY OF ADDITIONAL INFORMATION, REFER BELOW:

Name of the entity	Net Assets i.e. 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	Amount (₹ in Lacs)	As a % of consolidated profit	Amount (₹ in Lacs)	As a % of other comprehensive income	Amount (₹ in Lacs)	As a % of other comprehensive income	Amount (₹ in Lacs)
Parent:								
- Modern Insulators Limited	96.82	30546.63	100.86	2264.34	100.00	(31.29)	100.87	2,233.05
Subsidiary:								
- Modern Inviro Pvt. Ltd	0.03	9.76	(0.01)	(0.24)	-	-	(0.01)	(0.24)
Joint Venture								
- Shriji Designs MIL JV	3.14	992.12	(0.85)	(19.07)	-	-	(0.86)	(19.07)
Sub total	100.00	31548.51	100.00	2245.03	100.00	(31.29)	100.00	2213.74
Inter company elimination	-	(1022.38)	-	-	-	-	-	-
Total	100.00	30526.13	100.00	2245.03	100.00	(31.29)	100.00	2213.74
Non controlling interests in subsidiary	-	-	-	-	-	-	-	-
Grand Total	100.00	30526.13	100.00	2245.03	100.00	(31.29)	100.00	2213.74

Note No. 46 : NON CURRENT LOANS

Non current loans includes interest free unsecured loan of ₹ 4766 Lacs (maximum amount outstanding at any time during the year ₹ 5346 lacs) paid to a company covered under section 189 of the Companies Act, 2013 in view of proposed amalgamation under the provisions of the Companies Act, 2013. Since the amount paid is in connection to proposed amalgamation, no terms have been specified for repayment of loans and interest. In view of likely advantage to the company on such amalgamation, granting of such loan is not prejudicial to interest of the company.

Note No. 47 : INVESTMENT / DEPOSIT IN VSLP

Holding Company had entered into Power Delivery Agreement (PDA) with VSLP on 25th September, 2008 for supply of 4 MW Power. As per PDA, company had subscribed in equity and preference shares of VSLP and paid required security deposit amount. Now, VSLP is under process of insolvency under Insolvency & Bankruptcy Code (IBC), 2016. National Company Law Tribunal, Hyderabad Bench has also appointed Insolvency Resolution Professional (IRP). Accordingly, Company has filed its claims under the provisions of IBC, 2016 which has been categorised by IRP under "other creditors". Since network of VSLP has completely eroded hence as a prudent business practice, company has made provision of 90% of its total recoverable amount towards above referred investment and deposit lying with it and shown the balance recoverable amount under other non current financial assets.

Note No. 48 : NOTE ON IMPACT OF COVID-19

World Health Organization had declared COVID-19 a global pandemic in March, 2020. Consequent to this, Government of India declared a nationwide lockdown from 24th March 2020, which has impacted normal business operations of the Group. The Group has resumed its business activities in line with the guidelines issued by the Government authorities and had taken all appropriate steps to smoothen operations and strengthen its liquidity position. The Group has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available upto the date of approval of these financial statements, to determine the impact on the Group's revenue from operations for foreseeable future and the recoverability / carrying value of certain assets such as property, plant and equipment, investments, inventories, trade receivables & other financial assets and no significant impact is expected. The impact of Covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Group's financial statements, which may differ from that considered as at the date of

Notes forming part of Consolidated Financial Statements

approval of these financial statements. However the Group does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, while the lockdown is gradually lifting, the Group are yet closely monitoring the situation as it evolves in the future.

Note No. 49: The Group has a process whereby periodically all long term contracts (including derivative contract) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

Note No 50. Figures for previous year have not been given as these are first consolidated financial statements prepared by the company.

As per our report of even date attached

For R B Verma & Associates

Chartered Accountants

Firm Registration No. 012650C

Rajesh Verma

Partner

Membership No. 404029

Place : Abu Road

Date : 30th July, 2020

For and on behalf of the Board

Sachin Ranka – Chairman & Managing Director (DIN : 00335534)

Shreyans Ranka – Whole-Time Director (DIN : 06470710)

R. Raniwala – Independent Director (DIN : 00506419)

S.K. Sharma – Independent Director (DIN : 01378040)

D.S. Singhvi – Chief Financial Officer

Gaurav Goyal – Company Secretary

MODERN INSULATORS LIMITED

Registered Office : Talheti, Village Karoli, Teh. Abu Road, Dist. Sirohi - 307510
 Phone : 02974-228044 E-mail : compliance@moderninsulators.com
 CIN : L31300RJ1982PLC002460

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting hall)
35th Annual General Meeting-30th September, 2020

I hereby record my presence at the THIRTY FIFTH ANNUAL GENERAL MEETING of the Company held at Registered Office of the Company at Talheti, Village Karoli, Teh. Abu Road, Dist. Sirohi - 307510 (Rajasthan) on Wednesday the 30th September, 2020 at 11:00 A.M.

Full Name of Member (IN BLOCK LETTERS)

Folio No./ Client ID D.P. ID No. of Shares held

Full Name of Proxy (IN BLOCK LETTERS)

Member's/Proxy's Signature

NOTE : ADMISSION WILL BE STRICTLY PERMITTED FOR SHAREHOLDERS/VALID PROXY HOLDERS ONLY.



MODERN INSULATORS LIMITED

Registered Office : Talheti, Village Karoli, Teh. Abu Road, Dist. Sirohi - 307510
 Phone : 02974-228044 E-mail : compliance@moderninsulators.com
 CIN : L31300RJ1982PLC002460

PROXY FORM

Name of the member(s) :

Registered Address :

E-mail ID : Folio No./Client Id :

DP ID :

I/We, being the members(s) of Shares of the Modern Insulators Limited, hereby appoint.

1. Name : Address :

Email ID : Signature :, or failing him

2. Name : Address :

Email Id : Signature :, or failing him

3. Name : Address :

E mail Id : Signature :

as may/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company, to be held on Wednesday, the 30th September, 2020 at 11:00 A.M. at Talheti, Village Karoli, Teh. Abu Road, Dist. Sirohi - 307510 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

1 2 3 4 5 6 7

Signed this day of 2020.

Signature of Shareholder :

Signature of Proxy Holder(s) :

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Talheti, Village Karoli, Teh. Abu Road, Dist. Sirohi - 307510 not less than FORTY EIGHT HOURS before the commencement of the meeting.

Affix Re 1/- Revenue Stamp

**Book Post
(Printed Matter)**

If undelivered please return to :



**Modern Insulators Limited
Talheti, Village Karoli
Teh. Abu Road, Dist. Sirohi - 307510
(Rajasthan)**