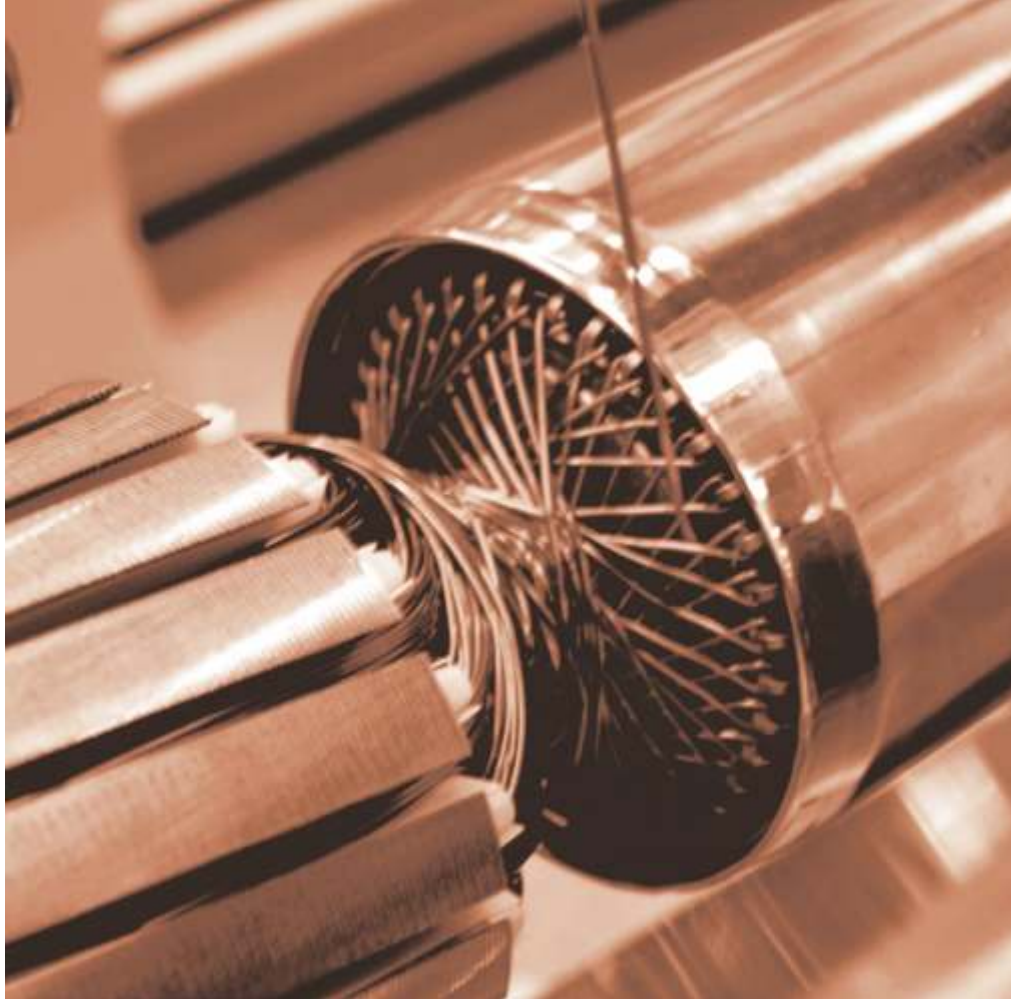


वसुदेवसुतं देवं कंसचाणूरमर्दनम् । देवकीपरमानन्दं कृष्णं वन्दे जगद्गुरुम् ॥

**29<sup>th</sup> Annual Report 2020-21**  
**RAM RATNA WIRES LTD.**



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## **29<sup>th</sup> ANNUAL GENERAL MEETING**

Day & Date : Friday, 17<sup>th</sup> September, 2021

Time : 11:00 a.m.

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## COMPANY INFORMATION

### CHAIRMAN EMERITUS

**Shri Rameshwarlal Kabra** ..... Chairman Emeritus

### BOARD OF DIRECTORS

**Shri Tribhuvanprasad Kabra** ..... Chairman

**Shri Mahendrakumar Kabra** ..... Managing Director

**Shri Hemant Kabra** ..... Executive Director and CFO  
(Designated as President and CFO w.e.f. 29<sup>th</sup> June, 2021)

**Shri Sandeep Jhanwar** ..... Independent Director

**Shri R. Kannan** ..... Independent Director

**Shri Ramesh Chandak** ..... Independent Director

**Smt. Payal Agarwal** ..... Additional Director  
(Non-Executive Independent Woman Director, appointed w.e.f. 30<sup>th</sup> June, 2021)

### OFFICE & MANUFACTURING UNITS

**REGISTERED OFFICE** : Ram Ratna House, Oasis Complex, P. B. Marg, Worli, Mumbai - 400 013.  
Website : [www.rrshramik.com](http://www.rrshramik.com) • CIN : L31300MH1992PLC067802

**CORPORATE OFFICE** : 305/A, Windsor Plaza, R. C. Dutt Road, Alkapuri, Vadodara - 390 007.

**WORKS (Unit -1)** : Survey No. 142/2, Madhuban Dam Road, Rakholi, Silvassa - 396 240, U.T. of D.N.H. & D.D.

**WORKS (Unit -2)** : Survey No. 212/2, Near Dadra Check Post, Dadra, Silvassa - 396 193, U.T. of D.N.H. & D.D.

**WORKS (Unit -3)** : Survey No. 16/1, Sayali Road, Village Karad, Rakholi, Silvassa - 396 240, U.T. of D.N.H. & D.D.

### REGISTRAR AND SHARE TRANSFER AGENT

**Datamatics Business Solutions Limited**, Plot No. B-5, Part B Cross Lane, MIDC, Andheri East, Mumbai - 400 093.  
T : 91-22-66712001-10 • F : 91-22-66712011 • E : [shares@datamaticsbpm.com](mailto:shares@datamaticsbpm.com) • W : [www.datamaticsbpm.com](http://www.datamaticsbpm.com)

**COMPANY SECRETARY**

Shri Saurabh Gupta

**STATUTORY AUDITORS**

M/s. Bhagwagar Dalal & Doshi ..... Chartered Accountants, Mumbai

**COST AUDITORS**

M/s. Poddar and Company ..... Cost Accountants, Thane

**SECRETARIAL AUDITOR**

M/s. Khanna & Co. .... Practicing Company Secretaries, Navi Mumbai

**INTERNAL AUDITORS**

M/s. DMKH & Co. .... Chartered Accountants, Mumbai

**BANKERS**

- State Bank of India
- Standard Chartered Bank
- AXIS Bank Limited
- HDFC Bank Limited
- Kotak Mahindra Bank Limited
- Yes Bank Limited
- The Federal Bank Limited
- ICICI Bank Limited



## CHAIRMAN EMERITUS



**SHRI RAMESHWARLAL KABRA**  
CHAIRMAN EMERITUS

## BOARD OF DIRECTORS



**SHRI TRIBHUVANPRASAD KABRA**  
CHAIRMAN



**SHRI MAHENDRAKUMAR KABRA**  
MANAGING DIRECTOR



**SHRI HEMANT KABRA**  
EXECUTIVE DIRECTOR AND CFO  
(Designated as President and CFO w.e.f. 29<sup>th</sup> June, 2021)



**SHRI SANDEEP JHANWAR**  
INDEPENDENT DIRECTOR



**SHRI R. KANNAN**  
INDEPENDENT DIRECTOR



**SHRI RAMESH CHANDAK**  
INDEPENDENT DIRECTOR



**SMT. PAYAL AGARWAL**  
ADDITIONAL DIRECTOR  
(Non-Executive Independent Woman Director, appointed w.e.f. 30<sup>th</sup> June, 2021)

## CHAIRMAN'S LETTER



**Dear Shareholders,**

With a warm welcome and the news that the world citizens are slowly getting back to normal life after the pandemic, I am delighted to present the 29<sup>th</sup> Annual Report 2020-21 of Ram Ratna Wires Limited.

At Ram Ratna Wires Limited, keeping in line with the expectations of the shareholders we always put in our best efforts. Even in these challenging times your company delivered remarkable performance. The Revenue was ₹ 1,387 crores and EBDITA ₹ 53.80 crores for FY 2020-21. This against ₹ 1,255 Crores and ₹ 56.41 Crores respectively for FY 2019-20

In these pandemic times, the phrase "Change is Constant" has never been more relevant than it is any time before. Waves of infections, lock-downs and unlock-downs have changed the way the world lives.

World is undergoing a 360-degree transformation in all spheres of business - Right from cost optimization to efficient deliveries. End to End solutions with continually increasing product portfolios under a single umbrella have become inevitable. Focus on every little business nuance plays a part in strategic decision-making. In the new normal, the success of any business depends on quick adaptability to constant changes.

Your Company analysed and strived to adopt the best of working methods to match the ever-changing business scene. We did our best to establish a virtual factory model in these times to facilitate advance decision making. To provide updated information to the marketing and sales teams, we interacted with our work force on a daily basis to face and handle the rising challenges. Your company kept a close watch on the financial health of our suppliers and customers to maintain a rational business continuity.

Over the years Ram Ratna Wires Ltd. has widened its product basket to expand its footprints in the electrical industry. In continuation of the trend, your Company now also manufactures Brushless DC (BLDC) motors. For this your Company has entered in to a Joint venture named "EPAVO ELECTRICALS PRIVATE LIMITED" with ENNOV Techno Tools Private Limited ("ENNOV") in the sharing pattern of 74:26. The management of ENNOV comprises of Mr. Ajay Singhanian and Mr. Sanjay Singhanian, who are also promoters of E- Pack Polymers Private Limited. These BLDC motors are small, have high power density, good speed-torque characteristics, high efficiency, wide speed ranges and low maintenance. BLDC Motors are widely used in Submersible machines, Air Conditioners, E-bikes, CNC machines, Washing Machines & Computers.

Amidst a very adverse health situation, each and every team member gave his/her best to achieve the organizational goals. During the pandemic waves, quite a few of our colleagues were infected with COVID and we lost some of them. In support, your Company initiated an employee benefit plan under the name "RR CARES" for the family of deceased. RR CARES provides 24 months CTC to the deceased employee's legal heirs, Job assurance to competent family members on merit basis and Education expense up to Graduation level for up to 2 children.

To conclude, I would like to extend my heartfelt thanks to all Board members for bringing in synergy through their professional inputs and to the Shareholders for their continued faith in us. Last but not the least, a big thanks to all the dedicated and committed team members who have given their sweat and heart to bring this Company to the level where it is today.

With Warm Regards,  
**Tribhuvanprasad Kabra**  
Chairman

## FINANCIAL HIGHLIGHTS - STANDALONE

(₹ in Lakhs)

Description	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
<b>A. Operating Results:</b>								
Net Revenue from Operations	1,38,698.12	1,25,548.28	1,25,013.64	1,02,724.95	80,082.95	71,904.81	74,091.18	69,859.49
Other Income	247.30	408.39	341.45	284.06	164.70	170.24	230.53	112.48
<b>Net Profit before Taxation</b>	<b>1,788.76</b>	<b>1,638.04</b>	<b>2,442.61</b>	<b>4,175.61</b>	<b>3,339.40</b>	<b>1,447.32</b>	<b>1,508.38</b>	<b>1,080.40</b>
Provision for Taxation	437.76	211.74	845.79	1,524.54	1,150.70	512.59	526.18	387.47
<b>Net Profit after Taxation</b>	<b>1,351.00</b>	<b>1,426.30</b>	<b>1,596.82</b>	<b>2,651.07</b>	<b>2,188.70</b>	<b>934.73</b>	<b>982.20</b>	<b>692.93</b>
<b>B. Financial Position:</b>								
Tangible Fixed Assets & Intangible Assets (Net)	13,033.80	13,993.98	14,193.30	11,972.89	7,219.21	5,203.73	4,590.28	4,599.22
Non- Current Assets	684.42	662.63	754.14	1,052.62	964.06	643.57	716.65	655.86
Current Assets	39,020.60	28,394.54	32,697.76	25,432.80	21,556.45	14,830.97	15,390.11	15,155.85
Investments	4,919.82	3,657.71	5,721.49	7,552.02	4,097.49	284.29	284.42	251.91
<b>TOTAL ASSETS</b>	<b>57,658.64</b>	<b>46,708.86</b>	<b>53,366.69</b>	<b>46,010.33</b>	<b>33,837.21</b>	<b>20,962.56</b>	<b>20,981.46</b>	<b>20,662.84</b>
Share Capital	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00
Reserves and Surplus	18,642.39	16,623.23	17,153.87	15,498.94	11,381.18	6,278.69	5,542.55	4,848.52
<b>SHAREHOLDERS' FUND</b>	<b>19,742.39</b>	<b>17,723.23</b>	<b>18,253.87</b>	<b>16,598.94</b>	<b>12,481.18</b>	<b>7,378.69</b>	<b>6,642.55</b>	<b>5,948.52</b>
Non-Current Liabilities	7,435.39	5,084.89	5,377.70	4,835.73	3,053.34	1,224.04	1,338.40	1,239.27
Current Liabilities	29,457.42	23,041.24	28,119.53	22,629.00	17,125.19	12,057.74	12,658.63	13,079.33
Deferred Tax	1,023.44	859.50	1,615.59	1,946.66	1,177.50	302.09	341.88	395.72
<b>TOTAL CAPITAL EMPLOYED</b>	<b>57,658.64</b>	<b>46,708.86</b>	<b>53,366.69</b>	<b>46,010.33</b>	<b>33,837.21</b>	<b>20,962.56</b>	<b>20,981.46</b>	<b>20,662.84</b>
<b>C. Equity Share Data:</b>								
Earning per share (Rs.)	6.14	6.48	7.26	12.05	9.95	4.25	4.46	3.15
Book value (Rs.)	89.74	80.56	82.97	75.45	56.73	33.54	30.19	27.04
Final/Interim Dividend (%)	20.00	10.00	25.00	25.00	25.00	15.00	20.00	15.00
Number of Shares (in Lakhs)	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00

The financial results summary for financial years 2016-17 and onwards are prepared in accordance with Ind-AS and Schedule III of the Companies Act, 2013 and the financial results for financial years 2015-16 and prior are prepared as per the Accounting Standards and Indian GAAP.



## NOTICE

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting ("AGM") of the members of Ram Ratna Wires Limited (the "Company") will be held on Friday, 17<sup>th</sup> September, 2021 at 11:00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a. the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021, together with the Reports of the Board of Directors and Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021, together with the Report of the Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2021.
3. To appoint a Director in place of Shri Hemant Kabra (DIN - 01812586), who retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

4. To consider appointment of Smt. Payal Agarwal (DIN: 07198236) as an Independent Director and in this regard, to pass, with or without modification(s), the following resolution as an ORDINARY Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable provisions of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modifications or re-enactment thereof), Smt. Payal Agarwal (DIN: 07198236) who has been appointed as an Additional Independent Director of the Company by the Board of Directors with effect from 30<sup>th</sup> June, 2021 and who holds office until the date of the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and has submitted a declaration that she meets the criteria for Independence, and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 30<sup>th</sup> June, 2021 to 29<sup>th</sup> June, 2026, not liable to retire by rotation."
5. To consider and ratify the remuneration payable to M/s. Poddar & Co., Cost Accountants, for the financial year ending 31<sup>st</sup> March, 2022 and in this regard, to pass with or without modification(s), the following resolution as an ORDINARY Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the payment of the remuneration of ₹ 5,00,000/- (Rupees Five Lakhs only) with applicable tax plus reimbursement of related business expenses, at actuals, to M/s. Poddar & Co., Cost Accountants (Firm Registration No. 101734), who were appointed by the Board of Directors of the Company, as Cost Auditors, to conduct audit of the cost records maintained by the Company, for the Financial Year ending 31<sup>st</sup> March, 2022, be and is hereby ratified."

By the Order of the Board

Place: Mumbai

Date: 29<sup>th</sup> June, 2021

#### REGISTERED OFFICE:

Ram Ratna House, Oasis Complex, P.B.Marg, Worli, Mumbai - 400 013

CIN: L31300MH1992PLC067802

E-MAIL: [investorrelations@rrglobal.com](mailto:investorrelations@rrglobal.com)

Website: [www.rrshramik.com](http://www.rrshramik.com)

**Saurabh Gupta**

Company Secretary & Compliance Officer

ACS - 53006

**NOTES:**

1. In view of the ongoing COVID-19 pandemic situation, the Ministry of Corporate Affairs ("MCA") has pursuant to its Circular No. 14/2020 dated 08<sup>th</sup> April, 2020, Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, Circular No. 20/2020 dated 05<sup>th</sup> May, 2020 and Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 (the "MCA Circulars") and other applicable circulars issued by the Securities and Exchange Board of India (SEBI) have permitted the companies to conduct AGM through VC or OAVM and dispensed the requirement of physical attendance of the Members at a common venue and has granted relaxation in respect of sending physical copies of the annual report to shareholders. In view of the aforementioned MCA and SEBI Circulars and in a view to follow social distancing norms, the Company is holding this year's AGM through VC/OAVM and as such the route map is not annexed to this notice. The venue for the AGM shall be deemed to be the registered office of the Company.
2. Since this AGM is being held pursuant to MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with and accordingly, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the proxy form and attendance slip are not annexed to this Notice. However, Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) intending to nominate their authorised representative(s) to attend the AGM through VC/OAVM are requested to send a certified true copy of the Board Resolution / Authority letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to attend and vote on their behalf at the AGM, by e-mail to Scrutinizer at [rrwl.scrutinizer@gmail.com](mailto:rrwl.scrutinizer@gmail.com) with a copy marked to [investorrelations@rrglobal.com](mailto:investorrelations@rrglobal.com) and [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., Friday, 17<sup>th</sup> September, 2021. Members seeking to inspect such documents can send an email to [investorrelations@rrglobal.com](mailto:investorrelations@rrglobal.com).
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) (hereinafter referred to as "SEBI Listing Regulation"), and MCA circulars as mentioned above, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. The Members, whose names appear in the Register of Members/ list of Beneficial Owners as on Friday, 10<sup>th</sup> September, 2021, i.e., the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in the Notice. A person who is not a member as on the cut-off date should treat the Notice of AGM for information purpose only. In case of Joint Shareholders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. In accordance with the MCA and SEBI Circulars, the Notice calling the AGM along with the Annual Report 2020-21 is being sent through electronic mode to those Members whose email addresses are registered with the Company/Registrar & Transfer Agent (RTA) /Depository participant and the same can also be accessed from the website of the Company at [www.rrshramik.com](http://www.rrshramik.com), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
9. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA and SEBI Circulars.
10. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of item nos. 4 and 5 of the Notice set out above and the details pursuant to Regulation 36(3) of the SEBI Listing Regulations and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re- appointment at this AGM is annexed herewith.

11. The Register of Members and Share Transfer Register will remain closed from Saturday, 11<sup>th</sup> September, 2021 to Friday, 17<sup>th</sup> September, 2021 (both days inclusive).
12. The Dividend for the financial year ended 31<sup>st</sup> March, 2021, as recommended by the Board, if approved at the Annual General Meeting, will be paid subject to tax deduction at source on or from Saturday, 18<sup>th</sup> September, 2021 to those Members whose name appears in the Register of Members on Friday, 10<sup>th</sup> September, 2021 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on Friday, 10<sup>th</sup> September, 2021 furnished by NSDL and CDSL in respect of shareholders holding shares in electronic form.
13. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in Demat mode). In case the PAN is not registered, the tax will be deducted at a higher rate of 20%.

A Resident individual shareholder with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source to Datamatics Business Solutions Limited by email to [investorsqry@datamaticsbpm.com](mailto:investorsqry@datamaticsbpm.com) latest by 11:59 P.M. (IST) by Friday, 10<sup>th</sup> September, 2021.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending the same by email to [investorsqry@datamaticsbpm.com](mailto:investorsqry@datamaticsbpm.com). The aforesaid declarations and documents need to be submitted by the shareholders latest by 11:59 P.M. (IST) on Friday, 10<sup>th</sup> September, 2021.

14. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Company so as to reach the Registered Office of the Company at least ten days before the date of the Meeting to enable the Company to make available the relevant information and answer them in the Meeting.
15. i) Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars or any change in their residential address or registration of E-mail Id for obtaining Annual Report and User id/password for e-voting are requested to immediately intimate to Datamatics Business Solutions Limited, E mail: [shares@datamaticsbpm.com](mailto:shares@datamaticsbpm.com), Registrars and Transfer Agent of the Company, providing Folio No., Name of shareholder, scanned copy of share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) so that change could be effected in the Register of Members before closure. Members are encouraged to convert their physical holdings to dematerialized form at the earliest in view of the restrictions imposed by SEBI on physical transfer of Shares and to update their bank details to enable expeditious credit of dividend into their respective bank accounts electronically through Automated Clearing House (ACH) mode or such other permitted mode for credit of dividend.

Also, as per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

- ii) Members who are holding shares in dematerialized mode are requested to notify to their Depository Participants (DP) for any change(s) in their residential address, Bank A/c details and/ or e-mail address immediately and are hereby informed that bank particulars registered with their respective DP, with whom they maintain their demat accounts, will be used by the Company for payment of dividend.
- iii) Securities and Exchange Board of India (SEBI) & Ministry of Corporate Affairs (MCA) is promoting electronic communication as a contribution to greener environment. Accordingly, the Company sends all communication including the Notice along with Annual Report in electronic form to all Members whose e-mail Id's are registered with the Company/ Depository Participant(s). Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Datamatics Business Solutions Limited in case the shares are held by them in physical form.
16. All dividends remaining unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account, are required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, till date the Company has transferred to IEPF the unclaimed and unpaid amount pertaining to dividends declared up to the financial year 2012-13. Members who have not yet encashed their dividend warrants for the financial year 2013-14 onwards are requested to

make their claims to the Company immediately and contact the Company's Registrar and Share Transfer Agent Datamatics Business Solutions Limited, Plot No. B-5, Part-B Cross Lane, MIDC, Andheri East, Mumbai-400093, Tel No.: 022-66712001-10, Fax No.: 022-66712209, Email: [shares@datamaticsbpm.com](mailto:shares@datamaticsbpm.com).

Also, in terms of Section 124(6) of the Act, read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more are required to be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Accordingly, equity shares which were/ are due to be so transferred, have been/ shall be transferred by the Company to the Demat Account of IEPFA. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to the Demat Account of IEPFA and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholder from IEPFA by following the procedure prescribed under the aforesaid rules. Details of shares transferred to the Demat Account of IEPFA have been uploaded by the Company on its website at [www.rrshramik.com](http://www.rrshramik.com). Shareholders may kindly check the same and claim back their shares. Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company and opt for Electronic Clearing Service by registering/ updating their bank details, so that dividends paid by the Company are credited to the Member's account on time.

17. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made there under, Shareholders are entitled to make nomination in respect of shares held by them.

Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled to Datamatics Business Solutions Limited. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.

18. Instructions for e-voting and joining the AGM through VC/OAVM are as under:

**A) VOTING THROUGH ELECTRONIC MEANS:**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations (including any statutory modification(s) and / or re-enactment(s) for the time being in force) and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9<sup>th</sup> December, 2020, the members are provided with the facility to cast their vote electronically, through the e- voting services provided by NSDL, on all the resolutions set forth in this Notice. The Instructions for e-voting are as under:

- (i) The remote e-voting period will commence on Tuesday, 14<sup>th</sup> September, 2021 at 9.00 a.m. and will end on Thursday, 16<sup>th</sup> September, 2021 at 5.00 p.m. During this period, members of the Company holding shares either in physical or dematerialized form as on Friday, 10<sup>th</sup> September, 2021 i.e., cut off date, may cast their vote electronically. The remote e-voting module will be disabled by NSDL for voting thereafter.
- (ii) Members who have cast their votes by remote e-voting prior to the AGM may also attend the Meeting but they shall not be entitled to cast their vote again and Members who will be present in the AGM through VC/OAVM and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- (iii) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e. Friday, 10<sup>th</sup> September, 2021.
- (iv) The Board of Directors have appointed Mr. Anup Vaibhav C. Khanna (Membership No. F6786) of M/s. Khanna & Co., Practicing Company Secretaries, as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

The instructions for e-voting are as under:

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

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

Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through demat accounts/ website of Depositories / DP's in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility.

**A) Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode is given below:**

Type of Shareholders	Login method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "<b>Beneficial Owner</b>" icon under "Login" which is available under "<b>IDeAS</b>" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on options available against company name or <b>e-voting service provider - NSDL</b> and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS</b>" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on options available against company name or <b>e-voting service provider - NSDL</b> and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>4. Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> <li>1. Shareholders can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility.</li> <li>2. Once logged in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature.</li> <li>3. Click on the options available against company name or <b>e-voting service provider-NSDL</b> and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

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



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

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

**B) Login method for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:**

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

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

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

- Your User ID details are given below:

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

- Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ID's are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

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

##### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [rrwl.scrutinizer@gmail.com](mailto:rrwl.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or may:

Send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no.: 1800 1020 990 and 1800 22 44 30;

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

1. In case shares are held in physical mode, please provide a request letter duly signed stating Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investorrelations@rrglobal.com](mailto:investorrelations@rrglobal.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [investorrelations@rrglobal.com](mailto:investorrelations@rrglobal.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 09<sup>th</sup> December, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER :-**

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
3. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investorrelations@rrglobal.com](mailto:investorrelations@rrglobal.com). The same will be replied by the company suitably. Questions/queries received by the Company till 05:00 p.m. on Tuesday, 14<sup>th</sup> September, 2021 shall only be considered and responded during the AGM.

**Other Instructions**

- The Results of e-voting shall be aggregated and declared on or after the date of the AGM by the Chairman or by any other person duly authorized in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.rrshramik.com](http://www.rrshramik.com) and on the website of NSDL immediately after the results are declared and communicated to the Stock Exchange.

By the Order of the Board

Place: Mumbai  
Date: 29<sup>th</sup> June, 2021

**Saurabh Gupta**  
Company Secretary & Compliance Officer  
ACS - 53006

**REGISTERED OFFICE:**

Ram Ratna House, Oasis Complex, P.B. Marg, Worli, Mumbai - 400 013  
CIN: L31300MH1992PLC067802  
E-MAIL: [investorrelations@rrglobal.com](mailto:investorrelations@rrglobal.com)  
Website: [www.rrshramik.com](http://www.rrshramik.com)

## EXPLANATORY STATEMENT

### STATEMENT ANNEXED TO THE NOTICE AND SETTING OUT THE MATERIAL FACTS CONCERNING EACH ITEM OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SECRETARIAL STANDARD ON GENERAL MEETINGS

#### ITEM NO. 4

Smt. Payal Agarwal (DIN: 07198236) has been appointed as an Additional Director of the Company with effect from 30<sup>th</sup> June, 2021 pursuant to the provisions of Section 161 of the Companies Act, 2013, and the Articles of Association of the Company. As such Smt. Payal Agarwal holds office up to the date of the forthcoming Annual General Meeting and is eligible for appointment as a Director. The Company has received a notice under Section 160(1) of the Act proposing her candidature for the office of Director of the Company.

Smt. Payal Agarwal holds a bachelor's degree in Commerce (Honours) and is professionally qualified as a Chartered Accountant and also a certified Chartered Financial Analyst from CFA Institute, U.S.A. Smt. Agarwal is currently the CFO and whole-time director of GEE Limited, a leading welding consumable company.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and is not liable to retire by rotation. Smt. Payal Agarwal has consented to act as Director of the Company and has given declaration to the Board that she meets the criteria of independence as provided under Section 149 of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Smt. Agarwal fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director of the Company. The Board considers that, given her experience and professional background, the appointment of Smt. Agarwal would be beneficial to the Company and it is desirable to avail her services as an Independent Director. Accordingly, the Board, based on the recommendation of the Nomination and Remuneration Committee, recommends her appointment as an Independent Director for a period of five years commencing from 30<sup>th</sup> June, 2021.

Consent of the Members is required for appointment of Smt. Payal Agarwal, in terms of Section 149 of the Act read with Schedule IV of the Act. The terms and conditions of appointment of Smt. Agarwal, pursuant to Schedule IV of the Act, shall be open for inspection at the registered office of the Company by any Member during business hours on any working day of the Company.

None of the Directors or Key Managerial Personnel and their respective relatives, except Smt. Payal Agarwal, is concerned or interested (financially or otherwise) in this Resolution. The Board recommends the resolution set out at Item No. 4 of the Notice for approval of the Members.

#### ITEM NO. 5

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the re-appointment and remuneration of M/s. Poddar & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2022.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2022.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution proposed at item no. 5 of the Notice.

#### Profile of Director being appointed/re-appointed: -

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2, following information is furnished in respect of Director proposed to be appointed/re-appointed at the Annual General Meeting.

<b>Name</b>	<b>Shri Hemant Kabra</b>
Age and Date of Birth	34 years, 07 <sup>th</sup> April, 1987
Date of Appointment on the Board	12 <sup>th</sup> December, 2017
Qualifications & Nature of Expertise	Masters Degree with wide experience in the field of Copper and Winding Wire

Terms and conditions of appointment	In terms of Section 152(6) of the Companies Act, 2013, Shri Hemant Kabra who was re-appointed as an Executive Director & CFO (Designated as President & CFO w.e.f. 29 <sup>th</sup> June, 2021) at the Annual General Meeting held on 24 <sup>th</sup> September, 2020, is liable to retire by rotation.
Remuneration last drawn and remuneration proposed to be paid	As per existing approved terms of appointment. For details of remuneration earned, please refer the Corporate Governance Report.
List of outside Directorship held as on 31 <sup>st</sup> March, 2021 (Excluding Private Limited Companies and Foreign Companies)	1. Hemlata Home Solutions Limited 2. Bombay Metal Exchange Limited
List of outside Chairmanship / Membership of Committees as on 31 <sup>st</sup> March, 2021	Nil
Number of Shares held in Ram Ratna Wires Limited	1,29,600 Equity Shares
Number of meetings of the Board attended during the financial year 2020-21	Five (5)
Relationship Between Directors	Son of Shri Mahendrakumar Kabra

<b>Name</b>	<b>Smt. Payal Agarwal</b>
Age and Date of Birth	39 years, 23 <sup>rd</sup> August, 1981
Date of Appointment on the Board	30 <sup>th</sup> June, 2021
Qualifications & Nature of Expertise	Bachelor's degree in Commerce (Honours) from Calcutta University and is qualified as a professional Chartered Accountant (All India Rank 37). She is also a Chartered Financial Analyst (CFA) and has earned her certification from CFA Institute (U.S.A.)  Experience in handling financial, regulatory as well as secretarial matters of the Company.
Terms and conditions of appointment	As per the resolution at Item No. 4 of the Notice convening this Meeting read with explanatory statement thereto, Smt. Payal Agarwal is proposed to be appointed as an Independent Director.
Remuneration last drawn and remuneration proposed to be paid	Sitting fees as per the Company's policy.
List of outside Directorship held as on 31 <sup>st</sup> March, 2021 (Excluding Private Limited Companies and Foreign Companies)	GEE Limited
List of outside Chairmanship / Membership of Committees as on 31 <sup>st</sup> March, 2021	Member of the Audit Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of GEE Limited.
Number of Shares held in Ram Ratna Wires Limited	NIL
Number of meetings of the Board attended during the financial year 2020-21	NA
Relationship Between Directors	None

By the Order of the Board

Place: Mumbai  
Date: 29<sup>th</sup> June, 2021

**Saurabh Gupta**  
Company Secretary & Compliance Officer  
ACS - 53006

**REGISTERED OFFICE:**

Ram Ratna House, Oasis Complex, P.B. Marg, Worli, Mumbai - 400 013  
CIN: L31300MH1992PLC067802  
E-MAIL: [investorrelations@rrglobal.com](mailto:investorrelations@rrglobal.com)  
Website: [www.rrshramik.com](http://www.rrshramik.com)



## DIRECTORS' REPORT

To,  
The Members,

Your Directors have the pleasure in presenting Company's 29<sup>th</sup> Annual Report on the business and operations of your Company along with the audited financial statements (standalone and consolidated) for the financial year ended 31<sup>st</sup> March, 2021.

### FINANCIAL RESULTS

The summarised financial results of the Company on Standalone and Consolidated basis for the Financial Year ended 31<sup>st</sup> March, 2021 are presented below:

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations including Other Income	1,38,945.42	1,25,956.67	1,52,966.92	1,45,013.78
<b>Earning before Interest, Taxes, Depreciation and Amortisation Expense</b>	<b>5,380.82</b>	<b>5,641.46</b>	<b>6,384.31</b>	<b>6,366.54</b>
Less: Finance Cost	1,951.14	2,267.08	2,540.90	2,843.00
Less: Depreciation & Amortisation Expense	1,640.92	1,736.34	1,759.58	1,852.23
<b>Profit for the year before share of Profit in Jointly Controlled Entity</b>	<b>1,788.76</b>	<b>1,638.04</b>	<b>2,083.83</b>	<b>1,671.31</b>
Share of (Loss)/Profit of Jointly Controlled Entity	-	-	31.64	(2.47)
<b>Profit before Tax</b>	<b>1,788.76</b>	<b>1,638.04</b>	<b>2,115.47</b>	<b>1,668.84</b>
Tax Expense	437.76	211.74	542.91	210.50
<b>Profit for the year</b>	<b>1,351.00</b>	<b>1,426.30</b>	<b>1,572.56</b>	<b>1,458.34</b>
Attributable to:				
- Owners of the Company	1,351.00	1,426.30	1,490.05	1,444.61
- Non-Controlling Interest	-	-	82.51	13.73
<b>Total Comprehensive Income</b>	<b>2,129.16</b>	<b>(199.10)</b>	<b>2,343.65</b>	<b>(131.84)</b>
Attributable to:				
- Owners of the Company	2,129.16	(199.10)	2,258.60	(144.32)
- Non-Controlling Interest	-	-	85.05	12.48

During the financial year 2020-21, revenue from operations including other income on standalone basis is ₹ 1,38,945.42 Lakhs as against ₹ 1,25,956.67 Lakhs in the previous year and on consolidated basis is ₹ 1,52,966.92 Lakhs as against ₹ 1,45,013.78 Lakhs in the previous year. Earning before interest, taxes, depreciation and amortization on standalone basis for the current year is ₹ 5,380.82 Lakhs as against ₹ 5,641.46 Lakhs in the previous year and on consolidated basis is ₹ 6,384.31 Lakhs as against ₹ 6,366.54 Lakhs in the previous year. The operations and financial results of the Company are elaborated in the Management Discussion and Analysis Report.

### COVID-19 and its IMPACT

The COVID-19 pandemic has impacted the business activities across the globe. Your Directors have been periodically reviewing with the Management, the impact of the COVID-19 on the Company. During the 1<sup>st</sup> quarter of FY 2020-21, it had impacted severely due to lockdowns at various locations and other restrictions imposed to contain the spread of virus. The operations of the Company started picking up gradually from 2<sup>nd</sup> quarter onwards. The Company is taking all measures of cost optimization, maintaining adequate liquidity etc to face challenges in these difficult times. The Company is also following all the Standard Operating Procedures and guidelines issued by the Government and taking all measures for safety of its employees across all its manufacturing locations and its registered office. The Board and the Management are closely monitoring the situation and are taking adequate steps as required in the best interest of the Company and its Stakeholders.

### DIVIDEND

For the financial year 2020-21, based on Company's profitability, free cash flow and overall financial performance, the Board of Directors of the Company are pleased to recommend for approval of the members a dividend of ₹ 1.00 (previous year ₹ 0.50) per equity share of

face value of ₹ 5/- each (i.e., 20%). The dividend recommended, if approved by the members, will be paid to members within the period stipulated under the Companies Act, 2013. The distribution of Dividend will result in expected payout of ₹ 220 lakhs (Rupees Two Crores Twenty Lakhs Only).

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the shareholders and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at prescribed rates as per the Income-tax Act, 1961.

The dividend pay-out is in accordance with the Company's efforts to pay sustainable dividend linked to long-term growth objectives of the Company and enhancing stakeholder value.

#### **TRANSFER TO RESERVES**

Your Directors do not propose to transfer any amount to the general reserves for the year ended 31<sup>st</sup> March, 2021.

#### **CREDIT RATINGS**

During the year, the Company has sustained its long term bank facilities credit rating of BBB+ assigned by India Ratings and Research (Ind-Ra). The Company's short term bank facilities credit rated as A2 by Ind-Ra. The rating indicates the Company's reputation for its prudent financial management and its ability regarding timely servicing of financial obligation.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report, in compliance with Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), forms an integral part of this report.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

Pursuant to the applicable provisions of the Companies Act, 2013 read with the rules issued thereunder, the Consolidated Financial Statements of the Company have been prepared in the same form and manner as mandated by Schedule III to the Companies Act, 2013 and are in accordance with relevant Accounting Standards issued by the Institute of Chartered Accountants of India. Consolidated revenue was ₹ 1,52,966.92 Lakhs as against ₹ 1,45,013.78 Lakhs in the previous year. Net Profit after tax for the year stood at ₹ 1,572.56 Lakhs as against ₹ 1,458.34 Lakhs in the previous year.

The Consolidated Financial Statements together with the Auditor's report form part of this Annual Report.

#### **SUBSIDIARIES AND JOINT VENTURE COMPANY**

During the year under review, your Company has incorporated a new subsidiary company named, Epavo Electricals Private Limited, through a Joint Venture agreement entered into with Ennov Techno Tools Private Limited. This subsidiary company was incorporated on 26<sup>th</sup> August, 2020 and is in the business of manufacturing of BLDC Motors and HVLS fan. The Company holds 74% of the total paid up share capital of Epavo Electricals Private Limited and the remaining 26% is held by Ennov Techno Tools Private Limited.

During the year, the Board of Directors reviewed the affairs of the joint venture / subsidiaries. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of its subsidiaries and joint venture Company in Form AOC-1, forms part of the consolidated financial statements. The said form also highlights the financial performance of the subsidiaries and joint venture Company included in the consolidated financial statements of the Company pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014.

Further, in accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements, including the Consolidated Financial Statements and related information of the Company and separate Audited Financial Statements in respect of its subsidiaries are available on Company's website at [www.rrshramik.com](http://www.rrshramik.com).

As on 31<sup>st</sup> March, 2021, your Company has one material Subsidiary Company, Global Copper Private Limited, based at Gujarat and one Subsidiary Company, Epavo Electricals Private Limited, in Maharashtra. The Company also has a Joint Venture company, RR-Imperial Electricals Limited, in Bangladesh.

Pursuant to SEBI Listing Regulations, the Company has formulated a policy for determining its material subsidiaries. The said policy is uploaded on the website of the Company at [www.rrshramik.com](http://www.rrshramik.com).

#### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

Other than the ongoing COVID-19 situation, there have been no other material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report. There has been no change in the nature of business of the Company.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Pursuant to the applicable provisions of the Companies Act, 2013 read with the rules made thereunder and the Articles of Association of the Company, Shri Hemant Kabra (DIN - 01812586), Executive Director & CFO designated as President & CFO effective from 29<sup>th</sup> June, 2021, will retire by rotation at the ensuing Annual General Meeting (AGM), and being eligible, offers himself for re-appointment.

During the financial year 2020-21, Dr. Ajai Singh (DIN - 00281743) ceased to be the Independent Director of the Company w.e.f. 05<sup>th</sup> February, 2021 due to completion of his tenure. Shri Upendra Hosdurg Sundar Kamath (DIN - 02648119) resigned as an Independent Director of the Company w.e.f. 09<sup>th</sup> June, 2021 and Smt. Kirtidevi Shreegopal Kabra (DIN - 00150796) resigned as a Director w.e.f. the conclusion of the Board Meeting held on 29<sup>th</sup> June, 2021 on account of personal reasons and commitments and there were no other material reasons as mentioned in their respective resignation letters.

The Board places on record their appreciation for the invaluable guidance, contribution and assistance provided by the outgoing Directors during their respective tenure as Directors of the Company.

Smt. Payal Agarwal (DIN - 07198236) has been appointed as an Additional Director of the Company to hold office as a Non-Executive Independent Woman Director w.e.f. 30<sup>th</sup> June, 2021. She is being recommended for appointment as an Independent Director of the Company at the ensuing Annual General Meeting for a period of 5 years w.e.f. 30<sup>th</sup> June, 2021 and not liable to retire by rotation. In the opinion of the Board, Smt. Agarwal possesses requisite expertise, integrity and experience (including proficiency) for appointment as an Independent Director of the Company and the Board considers that, given her professional background and experience, the association of Smt. Payal Agarwal would be beneficial to the Company.

The Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence as laid down in Section 149(6) of the Companies 2013, along with the Rules framed thereunder and pursuant to the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

All the appointment / re-appointment of Directors proposed at the ensuing Annual General Meeting have been recommended by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committees of the Company.

### **Key Managerial Personnel (KMP)**

Pursuant to Section 203 of the Companies Act, 2013, the following are the Key managerial Personnel (KMP) of the Company:

- i) Shri Mahendrakumar Kabra, Managing Director
- ii) Shri Hemant Kabra, Executive Director and CFO (Designated as President & CFO w.e.f. 29<sup>th</sup> June, 2021)
- iii) Shri Saurabh Gupta, Company Secretary

## **MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES**

Five (5) meetings of the Board of Directors were held during the financial year under review. The details of the meetings of the Board and its Committees held during the year under review are stated in the Corporate Governance Report, which forms part of this report.

### **AUDIT COMMITTEE**

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013. The details relating to the same are given in the Corporate Governance report forming part of this Report. The Committee has adequate powers to play an effective role as required under the provisions of the Companies Act, 2013 and Listing Regulations. The Board has accepted all recommendations made by the Audit Committee during the year.

### **FAMILIARISATION PROGRAMME**

The Company has put in place familiarisation programmes for Independent Directors to familiarise them with the business and operations of the Company, nature of the industry in which the Company operates, their roles, rights and responsibilities vis-a-vis the Company, etc. through various programmes. Details of the familiarisation programmes are put up on the Company's website at [www.rshrshramik.com](http://www.rshrshramik.com).

## **PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with the Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board

of the Company, its Committees and individual Directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements.

The annual performance evaluation of the Board, its Committees and each Director has been carried out for the financial year 2020-21 in accordance with the framework. The details of evaluation process of the Board, its Committees and of individual Directors, including Independent Directors have been provided under the Corporate Governance Report which forms part of this Report.

#### **APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY**

The Company has formulated and adopted the Nomination and Remuneration Policy in accordance with the provisions of Companies Act, 2013, read with the Rules issued thereunder and the Listing Regulations. The same is also available on the website of the Company at <http://www.rrshramik.com/corporate-governance>. The relevant information has been disclosed in the Corporate Governance report which forms part of this report.

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations as amended from time to time.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions under Section 134(3)(c) & 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Board of Directors, to the best of its knowledge and ability, confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2021, the applicable accounting standards have been followed and no material departures have been made from the same;
- b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts for the Financial Year ended 31<sup>st</sup> March, 2021 on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **CORPORATE GOVERNANCE**

Corporate Governance is the system of rules, practices and processes through which objectives of a corporate entity are set and pursued in the context of the social, regulatory and market environment. It essentially involves balancing the interests of various stakeholders, such as Shareholders, Management, Customers, Suppliers, Bankers, Government and the community. Fundamentals of Corporate Governance includes transparency, accountability and independence.

The Company is committed to follow good corporate governance practices so as to create value and protect interests of various stakeholders. The Annual Report contains a separate section on Company's Corporate Governance practices, together with a certificate from the Independent Secretarial Auditor, a Practicing Company Secretary confirming compliance, as per Listing Regulations which forms part of this Report.

#### **LISTING**

The Company's equity shares are listed on BSE Limited (BSE). The Company has paid annual listing fees to the Stock Exchange for the financial year 2021-22. The shares of the Company are actively traded on BSE and have not been suspended from trading.

#### **ANNUAL RETURN**

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the copy of the annual return as on 31<sup>st</sup> March, 2021 is uploaded on the website of the Company at :

[https://www.rrshramik.com/wp-content/uploads/sites/2/2021/08/RRWL\\_Form\\_MGT\\_7\\_2020-21-draft-website.pdf](https://www.rrshramik.com/wp-content/uploads/sites/2/2021/08/RRWL_Form_MGT_7_2020-21-draft-website.pdf).

## **VIGIL MECHANISM / WHISTLE-BLOWER POLICY**

Your Company has adopted a Whistle Blower Policy approved and adopted by Board of Directors and has established the necessary vigil mechanism for Directors and employees in compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations.

The purpose of the policy is to enable employees, Directors and business associates to raise concerns regarding unacceptable or improper practices and/ or any unethical practices in the organization without the knowledge of the management. The policy also provides protection to those who report such irregularities or unfair practices and provides access to Chairman of the Audit Committee. The policy is available on the Company's website at [www.rrshramik.com/corporate-governance/](http://www.rrshramik.com/corporate-governance/).

## **CORPORATE SOCIAL RESPONSIBILITY**

Your Company believes that Corporate Social Responsibility is an integral part of its business. It seeks to operate its business in a sustainable manner which would benefit the Society at large in alignment with the interest of its stakeholders. Your Company has constituted Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Details of the composition of the CSR Committee have been disclosed separately as part of Corporate Governance Report, which is a part of this report. The CSR committee of the Company inter alia gives strategic directions to the CSR initiatives, formulates and reviews annual CSR plan(s) and programmes and monitors the progress on various CSR activities. The initiatives undertaken by the Company on Corporate Social Responsibility (CSR) activities, in accordance with Schedule VII of the Act, during the financial year 2020-21 are annexed as Annexure-I of this report as per the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. The CSR Policy of the Company is available at [www.rrshramik.com/corporate-governance/](http://www.rrshramik.com/corporate-governance/).

## **RISK MANAGEMENT**

Your Company recognises that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The Company through its risk management framework periodically assesses the risks in the internal and external environment and aim to contain the risk within its risk appetite.

Mitigation plans are prepared for significant risks and are reviewed and monitored by Management team on a continuous basis. The Company has a robust structure for managing and reporting on risks.

Your Company's Audit Committee, monitors and reviews the risk mitigation plan and ensures its effectiveness. In the opinion of the Board there has been no identification of elements of risk that may threaten the existence of the Company.

## **AUDIT AND AUDITORS REPORT**

### **(1) Statutory Auditors**

Pursuant to the provisions of the Companies Act, 2013 and the Rules made thereunder, M/s. Bhagwagar Dalal & Doshi, Chartered Accountants (Firm Registration Number - 128093W), were appointed as Statutory Auditors of the Company from the conclusion of the 25<sup>th</sup> AGM held on 16<sup>th</sup> September, 2017 till the conclusion of the 30<sup>th</sup> AGM to be held in the year 2022 subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from 07<sup>th</sup> May, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM. M/s. Bhagwagar Dalal & Doshi, Chartered Accountants have submitted a certificate confirming that their appointment is in accordance with Section 139 read with Section 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder as amended from time to time. The Auditors have also confirmed that they have subjected themselves to peer review process of Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI.

The Audit Report of M/s. Bhagwagar Dalal & Doshi, Chartered Accountants on the Standalone & Consolidated Financial Statements of the Company for the Financial Year 2020-21 is a part of this Annual Report. The Reports do not contain any qualifications, reservations, adverse remarks or disclaimer.

### **(2) Secretarial Auditors**

M/s. Khanna & Co., Company Secretaries in Practice, were appointed by the Board of Directors of the Company, as the Secretarial Auditors to carry out the Secretarial Audit of the Company for the financial year 2020-21, pursuant to Section 204 of the Companies



Act, 2013 and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report submitted by them in the prescribed Form MR-3 is attached as Annexure-II to this report and it contains observation with respect to delay in issuance of share certificate subsequent to effecting transfer of shares during the half year ended 31<sup>st</sup> March, 2021 in relation to a single application. As mentioned in the Secretarial Audit Report the delay was due to the change of Registrar and Share Transfer Agent (RTA) and takeover activities, updation of master data in RTA's system etc. The Company has issued necessary instruction to the RTA to avoid such delays in future years and to ensure that the requests are being processed within statutory timelines.

Further, M/s. Khanna & Co., Company Secretaries have been re-appointed to conduct the secretarial audit and annual secretarial compliance audit for the financial year 2021-22. They have confirmed that they are eligible for the said appointment.

### **(3) Cost Auditors**

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company is required to have the audit of its cost records conducted by a Cost Accountant in Practice.

M/s. Poddar & Co., Cost Accountants (Firm Registration No. 101734) have been appointed to conduct Cost Audit of the Company for the year ending 31<sup>st</sup> March, 2022. Pursuant to the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, members are requested to consider the ratification of the remuneration payable to M/s. Poddar & Co.

The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of ensuing Annual General Meeting. The Cost Auditors have confirmed that their appointment is within the limits prescribed u/s 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from being appointed within the meaning of the said Act.

### **CHANGE OF REGISTRAR AND SHARE TRANSFER AGENT**

During the year under review, your Company has appointed M/s. Datamatics Business Solutions Limited as the new Registrar and Share transfer Agent (RTA) w.e.f. 1<sup>st</sup> December, 2020 in place of M/s. Bigshare Services Private Limited with a view to avail better services both for the Company and its Shareholders.

### **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

The Statutory Auditors, Cost Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

### **APPLICABILITY & MAINTENANCE OF COST RECORDS**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and other applicable provisions of the Companies Act, 2013, as amended from time to time, the maintenance of cost records is applicable to the Company and accordingly such accounts and records are made and maintained.

### **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls. Detailed Standard Operating Procedures and policies are in place to ensure that all the Company's resources are protected against loss and all transactions are authorized, recorded and reported correctly and the same are periodically reviewed by the Management of the Company and improvements are made in the same on continuous basis. These internal controls are also evaluated and monitored by the Internal and Statutory Auditors of the Company and their reports are placed before the Audit Committee for its review and corrective actions and suggestions if any required. In the opinion of the Board, the existing internal financial controls framework is adequate and commensurate to the size and nature of the business of the Company.

### **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013**

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Companies Act, 2013, entered by the Company during the financial year, were in the ordinary course of business, and on an arm's length basis and are in compliance with the applicable provisions of the Act and the Listing Regulations.

During the year, the Company had not entered into any contract or arrangement with related parties which could be considered "material" that required shareholders' approval under Regulation 23 of the Listing Regulations, according to the policy of the Company on materiality of Related Party Transactions. Accordingly, the disclosure required u/s 134(3)(h) of the Act in Form AOC-2 is not applicable to

your Company. The details of Related Party transactions as per Indian Accounting Standards (IND AS) 24 may be referred at Note no. 34 of the Standalone Financial Statements, forming a part of this Annual Report.

The Company has adopted a policy for dealing with Related Party Transactions. The policy as approved by the Board is available on the website of the Company at [www.rrshramik.com/corporate-governance/](http://www.rrshramik.com/corporate-governance/).

The Company is also submitting the disclosures of related party transactions on a consolidated basis as per Regulation 23 of Listing Regulations in the format specified in the relevant accounting standards to the Stock Exchange and the same can be accessed on the Company's website at [www.rrshramik.com/corporate-governance/](http://www.rrshramik.com/corporate-governance/).

#### **PARTICULARS OF REMUNERATION OF DIRECTORS/KMP/EMPLOYEES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as Annexure-III to this report.

#### **DEPOSITS**

During the year under review, the Company has not accepted any deposits under Chapter V of the Companies Act, 2013. As on 31<sup>st</sup> March, 2021, there were no deposits lying unpaid or unclaimed.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note no. 43 of the Standalone Financial Statements, forming a part of this Annual Report.

#### **COMPLIANCE OF SECRETARIAL STANDARDS OF ICSI**

In terms of Section 118(10) of the Companies Act, 2013, the Company is complying with the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by Central Government with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

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

The Company has strong commitment towards conservation of energy, natural resources and adoption of latest technology in its areas of operation. The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, is attached as Annexure-IV to this report.

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

The Company has zero tolerance for sexual harassment of Women at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment of Women at workplace and has also constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act), 2013 and the Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's premises or women service providers are covered under the said Policy. The Company also conducts regular training sessions to increase awareness on the policy among its employees and also make amendments in the policy as and when required. The Policy also provides safeguard to the complainant and victim against any discrimination. The meetings of Sexual Harassment Committee are being conducted regularly to review any complaints of women employees.

During the year under review, there was no complaint received by the Committee constituted under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company is committed to provide a safe and healthy working environment to all its employees.

#### **DISCLOSURES IN RELATION TO THE COMPANIES (SHARE CAPITAL AND DEBENTURE) RULES, 2014**

- (a) the Company has not issued any equity shares with differential rights during the year under review and hence no information as per provisions of Rule 4(4) has been furnished;
- (b) the Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Rule 8(13) has been furnished; and
- (c) the Company does not have any ESOP scheme for its employees/Directors and hence no information as per provisions of Rule 12(9) has been furnished.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There were no significant and/or material orders, passed by any Court or Regulator or Tribunal, which may impact the going concern status or the Company's operations.

**INDUSTRIAL RELATIONS**

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across organization.

**ACKNOWLEDGEMENT**

Your Directors wish to convey their gratitude and appreciation to all the Company's employees at all locations for their tremendous personal efforts as well as their collective dedication and contribution to the Company's performance.

Your Directors would also like to thank the Shareholders, Customers, Dealers, Suppliers, Bankers, Government and all other business associates, consultants and all the stakeholders for their continued support extended to the Company and the Management.

The Directors mourn the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 29<sup>th</sup> June, 2021

**Tribhuvanprasad Kabra**

Chairman

DIN - 00091375

**“Annexure I” to the Directors’ Report**  
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**  
For the Financial Year ended 31<sup>st</sup> March, 2021

**1. Brief Outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken:**

At, Ram Ratna, it has been our constant endeavour to bring about a positive difference to communicate where we exist. Company's CSR initiatives and its vision aims towards improvement of quality of life for all communities through integrated and sustainable development in every possible way. Corporate Social Responsibility (CSR) is deeply rooted in our core values. Company's projects or programs focus on promoting education, women empowerment, promoting sports, eradicating hunger, poverty and malnutrition etc. We strive to undertake suitable activity as specified in Schedule VII to the Companies Act, 2013 and Rules made there under that will majorly benefit the local areas around the Company where it operates.

CSR for us is not merely the means to run our business successfully but the part of our individual responsibilities as global citizens. The Company would engage in activities whereby business further contributes to make a positive and distinguishing impact on the environment, customers and other stakeholders.

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

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of CSR Committee meetings attended during the year
1.	Shri Sandeep Jhanwar	Independent Non-Executive Director	2	2
2.	Shri Mahendrakumar Kabra	Managing Director	2	1
3.	Shri Hemant Kabra	Executive Director & CFO	2	2

Shri Saurabh Gupta acts as the Secretary to the Committee.

3. Weblink at which Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: [www.rrshramik.com/corporate-governance/](http://www.rrshramik.com/corporate-governance/).
4. Pursuant to provision of Sub Rule 3 of Rule 8 of Companies (Corporate Social Responsibility Rules), 2014, provide the details of impact assessment of CSR projects: Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule 3 of rule 7 of the Companies (Corporate Social Responsibility Rules), 2014 and amount required for set off for the financial year, if any: Not Applicable
6. Average Net profit of the Company as per Section 135(5): ₹ 2,912.96 Lakhs
7. (a) Prescribed CSR Expenditure for the financial year 2020-21 (2% of the amount as in Sr. No. 6 above) of the Company as per Section 135(5): ₹ 58.26 Lakhs.  
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
(c) Amount required to be set off for the financial year, if any: Nil  
(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 58.26 Lakhs.
8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (in ₹ Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of Fund	Amount	Date of transfer
₹ 58.88 Lakhs	-	NA	NA	-	NA

- (b) Details of CSR amount spent on Ongoing Project for the Financial Year: Nil

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

(₹ in Lakhs)

Sr. No.	Name of the Project	Item from the list of activities in schedule VII of the Act	Local Area (Yes/No)	Location of the project		Amount Spent for the project (₹ Lakh)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Promoting Education	Item no. 2 i.e. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	At various places in India			58.00	No	Hema Foundation	CSR00008710
2.	Upliftment of tribal areas	Item no. 10 i.e. Rural Development	At various places in India			0.88	No	Friends of tribal society	-
	<b>TOTAL</b>					<b>58.88</b>			

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 58.88 Lakhs

(g) Excess amount for set off, if any:

Sr. No.	Particulars	Amount (in ₹ Lakhs)
i.	Two percent of the Average Profit of the Company as per Section 135(5)	58.26
ii.	Total amount spent for the financial year	58.88
iii.	Excess amount spent for the financial year [(ii)-(i)]	0.62
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
v.	Unspent amount of previous Financial Year 2019-20 spent in FY 2020-21	0.43
vi.	Amount available for set off in succeeding financial years [(iii)-(iv)-(v)]	0.19*

\* As the excess amount spent is not substantial, it is not proposed to be set off in future years.

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account as per Section 135(6)	Amount spent in the Reporting Financial Year (in ₹ Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2019-20	NA	0.43	-	-	-	-
2.	2018-19	NA	-	-	-	-	-
3.	2017-18	NA	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset Wise Details): Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

**Mahendrakumar Kabra**

Managing Director

DIN - 00473310

**Sandeep Jhanwar**

Chairman

CSR Committee

DIN - 00124901

Place: Mumbai

Date: 29<sup>th</sup> June, 2021



**“Annexure II” to the Directors’ Report**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

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

To,  
The Members,  
**Ram Ratna Wires Limited**  
**Mumbai**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **RAM RATNA WIRES LIMITED** (hereinafter referred to as the "**Company**"), a public company listed on BSE Limited. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 (the "Audit Year") 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 31<sup>st</sup> March, 2021 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; and
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (the "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;
  - (c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - (d) SEBI (Depositories and Participants) Regulations, 2018.

The following regulations and guidelines prescribed under the SEBI Act were not applicable to the Company during the Audit Year as there were no events during the Audit Year attracting the applicability of these regulations and guidelines:

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- (g) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

We have also examined compliance by the Company with the applicable clauses of the Listing Agreement entered into by the Company with the Stock Exchange, including compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

During the Audit Year, the Company has complied with the provisions of the Act, Rules, Regulations, etc. mentioned above. However, we have the following observations in relation to certain compliances relating to issuance of share certificates during the financial year ended 31<sup>st</sup> March, 2021:

- a) We note that there was delay in issuance of share certificate subsequent to effecting transfer of shares during the half year ended 31<sup>st</sup> March, 2021 in relation to a single application. We have been informed that the delay was due to the change in the RTA, and the takeover activities, updation of Master data in RTA's system, etc.

The Company has complied with the requirements as laid down in Secretarial Standards - 1 and Secretarial Standards - 2 issued by the Institute of Company Secretaries of India in relation to the board and general meetings and resolutions.

**We further report** that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (i) Factories Act, 1948; and
- (ii) Environment Protection Act, 1986 and other environmental laws.

**We further report that**, based on the information provided by the Company, respective department heads and other officers, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws, such as labour laws, legal metrology related rules, dangerous goods and petroleum storage related laws and Motor Vehicles Act.

**We further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 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.
- As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

We further report that during the audit period of the Company there were no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

During the Audit Year, the Registrar and Transfer Agent of the Company was changed from Bigshare Services Private Limited to Datamatics Business Solutions Limited w.e.f. 1<sup>st</sup> December, 2020. Also, the Company incorporated a subsidiary joint-venture company named, Epavo Electricals Private Limited, through a joint-venture agreement entered into with Ennov Techno Tools Private Limited on 26<sup>th</sup> August, 2020 for the purpose of carrying business of manufacturing of BLDC Motors and HVLS fan, wherein, the Company's holding is 74% of the total paid up share capital of the subsidiary joint-venture company.

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

Place: Mumbai  
Dated: 29<sup>th</sup> June, 2021

**Anup Vaibhav C. Khanna**  
Partner  
FCS No.: 6786  
COP No.: 12906  
UDIN: F006786C000511037  
Peer Review: 638/2019

## **Annexure to Secretarial Audit Report**

To,  
The Members  
**Ram Ratna Wires Limited**

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

1. Maintenance of secretarial records 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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, and authorised representatives during the conduct of the audit, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like Labour Laws & Environment Laws.

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

Place: Mumbai  
Dated: 29<sup>th</sup> June, 2021

**Anup Vaibhav C. Khanna**  
Partner  
FCS No.: 6786  
COP No.: 12906  
UDIN: F006786C000511037  
Peer Review: 638/2019

### “Annexure III” to the Directors’ Report

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

**A. Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2020-21 is as follows:** (₹ in Lakhs)

Name of Director(s)	Remuneration Per Annum	Ratio of remuneration of Director to the Median Remuneration
Shri Tribhuvanprasad Kabra	1.75	0.79
Shri Mahendrakumar Kabra	71.81	32.35
Smt. Kirtidevi Kabra	1.40	0.63
Dr. Ajai Singh	1.40	0.63
Shri Sandeep Jhanwar	3.50	1.58
Shri R. Kannan	3.25	1.46
Shri Hemant Kabra	38.00	17.12
Shri Upendra Kamath	2.00	0.90
Shri Ramesh Chandak	3.50	1.58

**Notes:**

1. The aforesaid details are calculated on the basis of remuneration for the financial year 2020-21.
2. Median remuneration of the Company for all its employees is ₹ 2.22 Lakhs for the financial year 2020-21.
3. The remuneration of Directors includes sitting fees paid to them for the financial year 2020-21.

**B. Details of percentage increase in the remuneration of each Director, CFO & Company Secretary in the financial year 2020-21 are as follows:** (₹ in Lakhs)

Name	Designation	Remuneration		Increase (%)
		2020-21	2019-20	
Shri Tribhuvanprasad Kabra	Chairman	1.75	0.70	*
Shri Mahendrakumar Kabra	Managing Director	71.81	99.91	(28.12)
Smt. Kirtidevi Kabra	Director	1.40	-	*
Dr. Ajai Singh#	Director	1.40	1.65	*
Shri Sandeep Jhanwar	Director	3.50	3.15	*
Shri R. Kannan	Director	3.25	2.30	*
Shri Hemant Kabra	Executive Director & CFO	38.00	47.00	(19.15)
Shri Upendra Kamath	Director	2.00	0.60	*
Shri Ramesh Chandak	Director	3.50	3.15	*
Shri Saurabh Gupta	Company Secretary	12.82	12.72	0.79

- \* Percentage increase in Remuneration not given as only sitting fees is paid to them as per their attendance in Board and Committee meetings.
- # Dr. Ajai Singh resigned as Independent Director of the Company w.e.f. 05<sup>th</sup> February, 2021, due to completion of tenure of five consecutive years.

**C. Percentage increase in the median remuneration of all employees in the financial year 2020-21:**

(₹ in Lakhs)

Particulars	2020-21	2019-20	Increase (%)
Median Remuneration of all employees per annum	2.22	2.19	1.59

**D. Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2021 : 920 Employees**

**E. Comparison of average percentage increase in salary of employees other than the key managerial personnel and the percentage increase in the key managerial remuneration:**

(₹ in Lakhs)

Particulars	2020-21	2019-20	Increase (%)
Average Salary of all employees (other than key managerial personnel)	3.09	2.95	4.74
Key Managerial Personnel			
- Salary of MD	71.81	99.91	(28.12)
- Salary of CFO	38.00	47.00	(19.15)
- Salary of CS	12.82	12.72	0.79

**F. Key Parameters for the variable component of remuneration paid to Director's:**

The key parameters for the variable component of remuneration to the Directors are decided by the Nomination and Remuneration Committee in accordance with the principles laid down in the Nomination and Remuneration Policy.

**G. Affirmation:**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Nomination and Remuneration Policy of your Company.

**H. The Statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered office of the Company and has been uploaded on the website of the Company at [www.rrshramik.com](http://www.rrshramik.com). Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.**

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29<sup>th</sup> June, 2021

**Tribhuvanprasad Kabra**  
Chairman  
DIN - 00091375

## “Annexure IV” to Directors’ Report

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

(Pursuant to Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014)

#### A) **Conservation of Energy, Environment protection and Eco system restoration:**

Electricity generation by coal and petroleum products based thermal power plants, results in global warming which is mainly responsible for climate change and the consequent disaster to all living things on our planet, mother earth. Under the Paris agreement adopted in 2015, the member nations have agreed to limit the global warming to well below 2 degree C and pursue efforts to limit to 1.5 degree C. (Source: IEEMA journal)

Your Company has already been in the forefront in this regard, for over a decade. Further, RRWL endeavor to protect the environment and ecosystem restoration through the measures as below:

#### 1. **Reduction in overall power consumption and thereby, Conserving electrical energy**

- 1.1 Automation and continuous technological up gradation of processing methods, helps in reduction in electricity consumption.
- 1.2 Improvement in energy accounting over manual methods is achieved by monitoring energy consumption on daily basis by integrating all energy meters through PLC and gathering real time data on machine wise consumption by means of SMS and automails through ERP system. This enables in immediate fine tuning the process, in case of any deviation from set parameters. It results in higher level of energy efficiency.
- 1.3 Tapping the wind energy for ventilation inside the plant by installing M S roof ventilator fans and harnessing sunlight for plant lighting by suitable rooftop acrylic sheets have been adopted as a standard practice in roof design of structures for your Company. Change in Plant lay out to protect environment, LED bulbs for lighting, energy efficient motors and equipments for process, extraction of heat energy, from waste heat for processing, etc are some of the measures undertaken to conserve electrical energy.

#### 2. **Renewable Energy (RE power)**

During FY 2020-2021, your Company has installed and commissioned 400 kWp solar power panels. This is in addition to the 50 kWp installed in the previous financial year. Solar power helps in protecting environment, by reducing the consumption of electricity from incoming power grid.

#### 3. **Save water: Save energy**

**Reduce, Reuse And Recycle water**, is the slogan at your Company. Your Company's plants have installed effluent treatment plants and sewage treatment plants. The treated water has been used for gardening purposes etc.

Energy conservation is a collective effort by every individual of the company. In order to percolate the awareness on all forms of energy conservation among every level of employees, seminars & training programs have been conducted regularly & periodically. Further, company's Energy Policy and tips for energy saving have been displayed in flex boards at important location throughout the factory and it's premises, for educating the employees in this regard.

#### 4. **Environment protection and Eco system restoration**

World environment day is being celebrated on 05<sup>th</sup> June, every year. With a view to create awareness on environment protection among various sections of employees, various programmes were conducted on 05<sup>th</sup> June, 2021. Key high-lights of the event are;

- 4.1 Quiz competition on Environment aspects through KAHOOT mobile application. The questions were displayed on the screen through laptop and projector. Participants answered the questions through their mobile phones installed with Kahoot application, after logging in the relevant site. The session was highly appreciated and enjoyed by the participants and their associates.
- 4.2 Tree plantation:  
Active participation of employees in tree plantation in the factory premises is another highlight of the day's agenda. It helps in awareness on the importance of Ecosystem restoration.



**B) Technology Absorption:**

Company has not imported any technology. In line with Company's philosophy, your Company continues to develop technology for product development and process improvement, in house, through a strong and highly interactive R & D team, keeping in view of sustainable development goals (SDG), as per international commitment made in 2015, at Paris agreement on climate change.

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO**
**(₹ in Lakhs)**

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2021</b>	<b>Year ended 31<sup>st</sup> March, 2020</b>
Earnings in foreign currency	<b>5,951.64</b>	5,343.25
Expenditure in foreign currency	<b>15,495.28</b>	29,666.79

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29<sup>th</sup> June, 2021

**Tribhuvanprasad Kabra**  
Chairman  
DIN - 00091375

## REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the combination of rules, processes, or laws by which businesses are operated, regulated or controlled. Your Company's philosophy is to maintain highest standards of Corporate Governance by complying with all the legal requirements and to adopt best practices that helps in ensuring transparency, accountability, and maintaining long term value creation with its stakeholders. Your Company through its operations and processes strives to balance the interests of various stakeholders, such as Shareholders, Management, Customers, Suppliers, Bankers, Government and the Community. We believe that good corporate governance is an integral part of the business.

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is given below:

#### 1) Board of Directors:

##### 1.1 Composition of the Board:

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors including a Woman Director to have a balanced Board Structure. As on 31<sup>st</sup> March, 2021, the Board comprised of 8 (Eight) members, 4 (four) of which are Non-Executive Independent Directors constituting 50% of the Board strength, 2 (two) are Non-Executive Non-Independent / Promoter Directors including one Woman Director and 2 (two) Executive Non-Independent / Promoter Directors. The Chairman of the Board is a Non-Executive Non-Independent / Promoter Director.

Your Company has an engaged and well-informed Board with qualifications and experience in diverse areas. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 (hereinafter referred to as "the Act"), read with the Rules issued thereunder.

Based on the intimations/disclosures received from the Directors, none of the Directors of the Company hold memberships/ Chairmanships more than the prescribed limits. Necessary disclosures regarding Committee positions in other Public Companies as on 31<sup>st</sup> March, 2021 have been made by the Directors. All Directors are in compliance with Regulation 17A of Listing Regulations regarding Directorships / Independent Directorships of Listed Companies.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act.

The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and the Act and are independent of the Management of the Company.

The composition and other details of Board of Directors of the Company as on 31<sup>st</sup> March, 2021 is as under:

Name of the Directors	Relationship of Directors with each other	Nature of Directorship	Director Identification Number (DIN)	Shareholding in the Company (No. of Shares)
Shri Tribhuvanprasad Kabra	Brother of Shri Mahendrakumar Kabra	Non-Executive Chairman, Promoter	00091375	4,35,466
Shri Mahendrakumar Kabra	Brother of Shri Tribhuvanprasad Kabra and father of Shri Hemant Kabra	Managing Director	00473310	18,67,966
Smt. Kirtidevi Kabra**	-	Non-Executive, Promoter Director	00150796	9,82,200
Shri Hemant Kabra	Son of Shri Mahendrakumar Kabra	Executive Director and CFO, Promoter	01812586	1,29,600
Shri Sandeep Jhanwar	-	Non-Executive, Independent Director	00124901	Nil

Name of the Directors	Relationship of Directors with each other	Nature of Directorship	Director Identification Number (DIN)	Shareholding in the Company (No. of Shares)
Shri R. Kannan	-	Non-Executive, Independent Director	00227980	Nil
Shri H. S. Upendra Kamath*	-	Non-Executive, Independent Director	02648119	Nil
Shri Ramesh Chandak	-	Non-Executive, Independent Director	00026581	Nil

\* Shri H. S. Upendra Kamath resigned w.e.f. 09<sup>th</sup> June, 2021

\*\*Smt. Kirtidevi Kabra resigned w.e.f. 29<sup>th</sup> June, 2021

Note: 1. Dr. Ajai Singh resigned as an Independent Director w.e.f. 05<sup>th</sup> February, 2021 due to completion of his tenure.

2. Smt. Payal Agarwal has been appointed as an Additional Director (Non-Executive Independent Woman Director) w.e.f. 30<sup>th</sup> June, 2021.

3. The designation of Shri Hemant Kabra has been changed to President & CFO effective from 29<sup>th</sup> June, 2021. There are no changes in the terms and conditions of his appointment as approved at the Annual General Meeting held on 24<sup>th</sup> September, 2020.

## 1.2 Board's functioning, Procedure and flow of information:

The dates for meetings of the Board of Directors and its Committees are scheduled in advance and is communicated to Directors to plan their schedule well in advance to make it convenient to attend the meeting and to ensure their full participation in the meeting. Additional meetings are convened wherever necessary and in case of urgent matters resolutions are passed by circulation and the noting of same is done in the subsequent Board meeting. The agenda along with explanatory notes are circulated well in advance to the Directors in accordance with the Secretarial Standards and as required under law to enable them to take informed decisions. All material information is circulated to the Directors before the meeting, including minimum information required to be made available under Part A of Schedule II of the Listing Regulations wherever applicable. The Managing Director and Chief Financial Officer make presentations to the Board on matters including but not limited to the Company's performance, operations, plans, Budget etc. The Board has complete access to any information within your Company which includes the information as specified in Regulation 17 and Schedule II of the Listing Regulations. The information which is in nature of Unpublished Price Sensitive Information (UPSI) is circulated to the Board Members at a shorter notice before the commencement of the meetings as per the consent received from the Board members.

The Board meets at least once in a quarter to, inter alia, review quarterly standalone and consolidated financial statements, compliance report(s) in relation to various laws applicable to the Company, major legal issues or regulatory development, minutes of the Board Meetings of Subsidiary Companies, review of financial results and performance of Subsidiary Companies, significant transactions and arrangements entered into by the unlisted Subsidiary Companies, presentations on Business Sustainability and Environmental initiatives, presentations by various Functional Heads relating to factory process developments, finance matters, marketing risk management, foreign currency exposure, details of joint ventures or collaborations, short term borrowings, any other proposal from the management regarding mergers, acquisitions and strategic restructuring of investments, etc.

The Company Secretary attends all the meetings of the Board and its Committees and is, inter alia, responsible for recording the minutes of such meetings. He also ensures that the proceedings at the meetings are in accordance with the Terms of Reference and also tracks the action taken report in respect of various decisions taken at the meetings. The draft minutes of the Board and its Committees are sent to the Directors/Committee members for their comments in accordance with the Secretarial Standards and then, the minutes are entered in the minutes book within 30 (thirty) days of the conclusion of the respective meetings, subsequent to incorporation of the comments, if any, received from the Directors.

The Company adheres to the provisions of the Act, read with the Rules issued thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors and its Committees and the General Meetings of the Shareholders of the Company.

## 1.3 Familiarisation Programme

Pursuant to Regulations 25(7) and 46 of the Listing Regulations, the Company conducts Familiarisation Programmes for the Independent Directors to enable them to be familiarised with the Company, its management and its operations, nature of Industry in

which the Company operates etc. to gain a clear understanding of their roles, rights and responsibilities for enabling their contribution to the Company.

Further, in the Board Meetings various presentations are done by the Functional Heads of Factory, Marketing, Finance etc., Managing Director & Chief Financial Officer to update them about the business of the Company, Business Strategy and to update them about the environment in which the Company is operating. They are provided a platform to interact with multiple levels of management and are provided with all the documents required and/or sought by them to have a good understanding of Company's profile, its operations, business model and the industry of which it is a part.

The details of such familiarisation programmes for Independent Director(s) are available on the website of the Company and can be accessed through the following link: <http://www.rrshramik.com/corporate-governance>.

#### **1.4 Meeting of Independent Directors**

As stipulated by Section 149(8) read with Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held during the year on 04<sup>th</sup> March, 2021, without the attendance of Non-Independent Directors and members of the management, to review the performance of the (i) Non-Independent Directors and the Board of Directors as a whole, (ii) Chairman of the Company taking into account views of Executive and Non-Executive Directors. The Independent Directors also assessed the quality, quantity and timeliness of the flow of information between the Company, the Management to the Board and its Committees which is necessary to perform reasonably and discharge their duties. All the Independent Directors attended the meeting except Shri R. Kannan who could not attend the same due to his pre-occupation. The Independent Directors expressed their satisfaction over the performance of the same and the flow of information to the Board and its Committees.

#### **1.5 Succession Planning**

The Company has a mechanism in place for ensuring orderly succession for appointments to the Board and Senior Management. The Nomination and Remuneration Committee and the Board periodically review the composition of the Board to ensure proper succession planning as per the objectives of the Company.

#### **1.6 Evaluation of Board Effectiveness**

In terms of applicable provisions of the Act, read with Rules framed thereunder and Regulation 17(10) of the Listing Regulations and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director including Independent Directors to be carried out on an annual basis. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements. Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2020-21 by seeking inputs and remarks from the Directors through various questionnaires and surveys.

The evaluation of the entire Board is based on criteria such as Structure of the Board, efficiency in decision making, devotion of time and active participation of Board Members, Meetings of the Board, quality of discussions at the meeting, agenda and its related information, evaluation of the Governance and Compliance systems, Succession planning etc.

The evaluation of the performance of the Directors were based on various aspects which, inter alia, included qualifications and experience, effectiveness of the contributions made during the meetings, attendance of the Director(s), relationship with Board, understanding of the role and responsibilities, understanding of the business and competitive environment for your Company etc. The Chairman of the Board is evaluated on the basis of his leadership initiative, ability to manage interests of various Stakeholders, ability to manage meetings effectively, attendance and participation in meetings.

Similarly, the performance of the Independent Directors was also evaluated by the entire Board excluding the Director being evaluated, taking into account their Independence, time devoted, knowledge and competency, independent views and judgment in the Board's decisions. On the basis of performance evaluation done by the Board, it determines whether to extend or continue their term of appointment, whenever their respective term expires.

The performance of the Committees of the Board included aspects like understanding of the terms of reference by the Committee members, adequacy of the composition of the Committees, effectiveness of the discussions at the Committee meetings, information provided to the Committee to discharge its duties, performance of the Committee vis-à-vis its responsibilities, etc. The Independent Directors also evaluated the performance of Chairman of the Board and Non-Independent Directors at the meeting of

Independent Directors held on 04<sup>th</sup> March, 2021.

The Chairman of the Nomination and Remuneration Committee plays a vital role in undertaking the evaluation of performance for the Board, its Committees and the Directors. The Directors expressed their satisfaction with the evaluation process and necessary steps will be taken going forward.

### 1.7 Number of Board Meetings held and the dates on which held

The Board of Directors oversee the overall functioning of the Company and takes the strategic decisions and define the management policies in the best interest of the Company and its stakeholders and, for this, Members of the Board of Directors of the Company meet frequently, as the occasion(s) arises and as per the statutory requirement. In case of any exigency/ emergency, resolutions may be passed by circulation. During the financial year ended 31<sup>st</sup> March, 2021, five (5) meetings of the Board of Directors were held on 29<sup>th</sup> June, 2020, 29<sup>th</sup> July, 2020, 04<sup>th</sup> September, 2020, 10<sup>th</sup> November, 2020 and 12<sup>th</sup> February, 2021 through video conferencing.

Attendance of Directors at Board meetings held during the financial year 2020-21, last Annual General Meeting and number of other Directorships and Chairmanships / Memberships of Committees held by each Director in various Companies are as under:

Names of the Directors	No. of Board Meetings during the year-Five	Attended AGM held on 24 <sup>th</sup> Sept, 2020 through video conferencing	Number of other		
	Attended		Director-ships*	Committee Memberships**	Committee Chairmanships**
Shri Tribhuvanprasad Kabra	5	Yes	1	-	-
Shri Mahendrakumar Kabra	5	Yes	2	-	-
Smt. Kirtidevi Kabra*****	4	Yes	1	-	-
Shri Hemant Kabra	5	Yes	2	-	-
Dr. Ajai Singh***	4	Yes	-	-	-
Shri Sandeep Jhanwar	5	Yes	-	-	-
Shri R. Kannan	5	Yes	6	3	-
Shri H.S. Upendra Kamath****	5	Yes	1	1	1
Shri Ramesh Chandak	5	Yes	5	6	3
<b>Notes:</b>					
* Excludes directorship in Ram Ratna Wires Limited. Also excludes directorship in Private Companies, Foreign Companies, Companies incorporated under Section 8 of the Companies Act, 2013 and alternate directorships.					
** For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of Public Companies have been considered. Also excludes the Memberships & Chairmanships in Ram Ratna Wires Limited.					
*** Dr. Ajai Singh resigned as director w.e.f. 05 <sup>th</sup> February, 2021 due to completion of his tenure as stated in the resignation letter received by the Company.					
**** Shri H.S. Upendra Kamath resigned as an Independent Director w.e.f. 09 <sup>th</sup> June, 2021 due to personal reasons as stated in the resignation letter received by the Company.					
***** Smt. Kirtidevi Kabra resigned as Director w.e.f. 29 <sup>th</sup> June, 2021, due to personal reasons as stated in the resignation letter received by the Company.					

### Note on Directors appointment/re-appointment:

Brief resume(s) of the Director proposed to be appointed/re-appointed is given in the explanatory statement annexed to the Notice convening the Annual General Meeting.

### Details of Directorships in other Listed Entities and Category of Directorship

The details of Directorships of the Board of Directors in Listed Entities other than Directorship in Ram Ratna Wires Limited and Category of Directorship, as on 31<sup>st</sup> March, 2021 is as below:

S. No.	Name of Director	Name of Listed Company	Category of Directorship
1.	Shri Tribhuvanprasad Kabra	-	-
2.	Shri Mahendrakumar Kabra	-	-

S. No.	Name of Director	Name of Listed Company	Category of Directorship
3.	Smt. Kirtidevi Kabra*	-	-
4.	Shri Hemant Kabra	-	-
5.	Shri Sandeep Jhanwar	-	-
6.	Shri R. Kannan	1. Orient Press Limited 2. Jyoti Structures Limited	Independent Director Independent Director
7.	Shri H.S. Upendra Kamath**	-	-
8.	Shri Ramesh Chandak	1. Parag Milk Foods Limited 2. KEC International Limited 3. Summit Securities Limited 4. Prince Pipes and Fittings Limited	Independent Director Independent Director Independent Director Independent Director

\* Smt. Kirtidevi Kabra resigned as Director w.e.f. 29<sup>th</sup> June, 2021

\*\* Shri H.S. Upendra Kamath resigned as an Independent Director w.e.f. 09<sup>th</sup> June, 2021

### 1.8 Key Board qualifications, expertise and attributes

The Company's Board comprises of qualified members possessing requisite skills, competence and expertise that is required for the effective functioning of the Company through their effective contributions to the Board and its various Committees.

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business for it to function effectively along with the names of Directors who have such skills/expertise/competence:

Name of the Director(s)	Financial: understanding and contributing towards financial statements, financial controls, effective risk assessment and management or similar functions	Sales & Marketing: Experience in Sales and marketing and enhancing market share, understanding of the requirements of customer and enhancing customer satisfaction	Technical: Having sound technical knowledge, developing innovative methods, anticipating technological trends etc.	Legal and Professional: Expertise knowledge in areas of legal and regulatory aspects	Leadership/Governance: Planning Succession, driving change for long term growth, strategic thinking and process development and protection of interest of all stakeholders
Shri Tribhuvanprasad Kabra	✓	✓	✓	×	✓
Shri Mahendrakumar Kabra	✓	✓	✓	✓	✓
Smt. Kirtidevi Kabra*	×	✓	×	×	✓
Shri Hemant Kabra	✓	✓	✓	✓	✓
Shri Sandeep Jhanwar	✓	×	×	✓	✓
Shri R. Kannan	✓	×	×	✓	✓
Shri H.S. Upendra Kamath**	✓	×	×	×	✓
Shri Ramesh Chandak	✓	✓	×	✓	✓

\* Smt. Kirtidevi Kabra resigned as Director w.e.f. 29<sup>th</sup> June 2021

\*\* Shri H.S. Upendra Kamath resigned as Independent Director w.e.f. 09<sup>th</sup> June 2021

### 1.9 Non-executive Directors' compensation and disclosures

All Non-Executive Directors, including Independent Directors, are paid only sitting fees for attending the Board and Committee meetings. The sitting fees paid to Non-Executive Directors is fixed by the Board of Directors and is within the limits prescribed under the Act, and Rules made there under.

### 2. Committees of the Board:

The Board has constituted various Committees with an optimum representation of its members and with specific terms of reference in accordance with the Act, and the Listing Regulations. The Company currently has 5 (five) Committees of the Board, namely, Audit



Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Finance Committee.

**I. Audit Committee:**

**a) Primary objectives of the Audit Committee:**

The Audit Committee is, inter alia, entrusted with the responsibility to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Auditors. The composition of the Audit Committee is in alignment with provisions of Section 177 of the Act, and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. The Committee invites the Chief Financial Officer, Statutory Auditor and Internal Auditor to attend the meetings of the Committee.

The Audit Committee meets the Statutory Auditors and the Internal Auditor independently without the presence of the management at least once in a year.

**b) Broad terms of reference of the Audit Committee:**

The terms of reference of the Audit Committee covers the areas mentioned in Section 177 of the Act and Regulation 18 read with Part C of the Schedule II of the Listing Regulations. The Audit Committee is empowered, pursuant to its terms of reference and its role, inter alia, includes the following :

- i. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- ii. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity.
- iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. 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 (3) of Section 134 of the Act;
  - (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) modified opinion(s) in the draft audit report;
- v. reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- vii. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii. approval or any subsequent modification of transactions of the Company with related parties.
- ix. Scrutiny of inter-corporate loans and investments.
- x. valuation of undertakings or assets of the listed entity, wherever it is necessary;
- xi. evaluation of internal financial controls and risk management systems;
- xii. reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
- xiii. 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;
- xiv. discussion with internal auditors of any significant findings and follow up there on.

- xv. 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;
- xvi. 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;
- xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. to review the functioning of the Whistle Blower mechanism.
- xix. approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
- xx. management discussion and analysis of financial condition and results of operations.
- xxi. statement of significant related party transactions (as defined by the audit committee), submitted by the management.
- xxii. Review of management letters/letters of internal control weaknesses issued by the Statutory Auditors.
- xxiii. internal Audit Reports relating to internal control weaknesses.
- xxiv. appointment, removal and terms of remuneration of the Chief Internal Auditor.
- xxv. Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations 2015, as amended from time to time, and verify that the systems for internal control are adequate and are operating effectively.
- xxvi. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances / investments.
- xxvii. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamations etc., on the listed entity and its shareholders.
- xxviii. carrying out any other function as is mentioned in the terms of reference of the audit committee.

**c) Composition, Meetings and attendance during the year:**

The composition of the Audit Committee comprises of members as stated below. The composition of the Committee is in conformity with the Listing Regulations: -

Name of Member	Category of Director	Chairperson/Member
Shri Sandeep Jhanwar	Non-Executive, Independent Director	Chairperson
Shri Mahendrakumar Kabra	Managing Director	Member
Shri R. Kannan	Non-Executive, Independent Director	Member
Shri Ramesh Chandak	Non-Executive, Independent Director	Member

During the financial year ended 31<sup>st</sup> March, 2021, four (4) Audit Committee Meetings were held on 29<sup>th</sup> July, 2020, 04<sup>th</sup> September, 2020, 10<sup>th</sup> November, 2020 and 12<sup>th</sup> February, 2021 and the gap between two meetings did not exceed one hundred and twenty days. The table hereunder gives the attendance record of the Audit Committee members. Shri Sandeep Jhanwar, Chairman of the Audit Committee was present at the last Annual General Meeting held on 24<sup>th</sup> September, 2020.

Name of the Members	Meetings of Audit Committee			
	29 <sup>th</sup> July, 2020	04 <sup>th</sup> September, 2020	10 <sup>th</sup> November, 2020	12 <sup>th</sup> February, 2021
Shri Sandeep Jhanwar	P	P	P	P
Shri Mahendrakumar Kabra	A	P	P	P
Shri R. Kannan	P	P	P	P
Shri Ramesh Chandak	P	P	P	P

Note: P- Present in the Meeting

A- Absent in the Meeting

The Audit Committee invites such executives of the Company as it considers appropriate to be present in the meetings. The representatives of the Statutory Auditors and Internal Auditors are also invited to the Audit Committee Meetings. Shri Saurabh Gupta, Company Secretary acts as the Secretary to the Committee.

All the recommendations of the Audit Committee have been accepted by the Board.

## II. Nomination & Remuneration Committee:

### a) Brief description and terms of reference:

The role of the Nomination and Remuneration Committee is governed by its Charter and it comprises of Members as stated below and its composition is in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations. Terms of reference of the Nomination and Remuneration Committee (NRC) covers the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of schedule II to the Listing Regulations. The terms of reference of the NRC, inter alia are as follows:

1. Identify persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal,
2. Carry on the evaluation of every Directors' performance,
3. Formulate criteria for determining qualifications, positive attributes and independence of a Director,
4. Recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees,
5. Formulate criteria for evaluation of Independent Directors and the Board,
6. Devise a policy on Board Diversity,
7. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors,
8. Reviewing and recommending to the Board, the remuneration payable to Directors and all remuneration, in whatever form payable to senior management and
9. Undertake any other matters as the Board may decide from time to time.

The Committee may also approve, allocate and administer the Employee Stock Option Schemes and other related matters. Presently, the Company does not have any stock option plan or performance linked incentives for its Directors.

The performance evaluation process of the Board including Independent Directors for the financial year 2020-21 has been completed and the Directors expressed their satisfaction with the evaluation process.

### b) Composition, Meetings and attendance during the year:

All the members of the Committee are Non-Executive Independent Directors. Chairman of the Committee is an Independent Director.

Composition of the Nomination and Remuneration Committee as at 31<sup>st</sup> March, 2021 is as follows:

Name of Member	Category of Director	Chairperson/Member
Shri Sandeep Jhanwar	Non-Executive, Independent Director	Chairperson
Shri Ramesh Chandak	Non-Executive, Independent Director	Member
Shri R. Kannan	Non-Executive, Independent Director	Member

During the financial year ended 31<sup>st</sup> March, 2021, Nomination & Remuneration Committee Meetings were held on 29<sup>th</sup> June, 2020 and 12<sup>th</sup> February, 2021. Shri Sandeep Jhanwar, Chairman of the Nomination & Remuneration Committee had attended the last Annual General Meeting held on 24<sup>th</sup> September, 2020. The table hereunder gives the attendance record of the Nomination & Remuneration Committee members:

Name of the Member	Meeting of Nomination & Remuneration Committee	
	29 <sup>th</sup> June, 2020	12 <sup>th</sup> February, 2021
Shri Sandeep Jhanwar	P	P
Shri R. Kannan	P	P
Shri Ramesh Chandak	P	P

Note: P- Present in the Meeting.

Shri Saurabh Gupta, Company Secretary, acts as the Secretary to the Committee.

**c) Remuneration Policy:**

Your Company has formulated a Remuneration Policy which is applicable to all the Directors and senior managerial personnel of the Company. The remuneration policy of the Company specifies the criteria for appointment and remuneration of Directors, Key managerial Personnel and Senior Management as provided under the Act, and Listing Regulations. It also mentions the role of the Nomination & Remuneration Committee. The Nomination & Remuneration Policy of the Company can be accessed on the website of the Company at <https://www.rrshramik.com/investor/corporategovernance/>.

Non-Executive Directors including the Independent Directors are paid sitting fees for each meeting of the Board and certain committees of the Board attended by them. The appointment and remuneration of the Managing Director and other Executive Director is recommended by the Nomination & Remuneration Committee and are governed by resolutions passed by the Board of Directors and Shareholders of the Company, which covers terms of such appointment, read with the service rules of the Company. Remuneration paid to the Managing Director is recommended by the Nomination & Remuneration Committee, approved by the Board and is within the limits set by the Shareholders at the General Meeting.

**d) Details of Remuneration paid to the Directors for the Financial Year ended 31<sup>st</sup> March, 2021 are as under:**

**Executive Directors**

(₹ in Lakhs)

Name & Position	Pay & Allowance	Perquisites	Total	Retirement Benefits
Shri Mahendrakumar Kabra, Managing Director	71.81	Nil	71.81	Nil
Shri Hemant Kabra, Executive Director and CFO	38.00	Nil	38.00	Nil

**Non-Executive Directors**

(₹ in Lakhs)

Name of the Directors	Sitting Fees paid for attending Meetings of			
	Board	Audit Committee	Independent Directors Meeting	Nomination & Remuneration Committee
Shri Tribhuvanprasad Kabra	1.75	-	-	-
Shri Sandeep Jhanwar	1.75	1.00	0.25	0.50
Shri R. Kannan	1.75	1.00	-	0.50
Shri H.S. Upendra Kamath**	1.75	-	0.25	-
Shri Ramesh Chandak	1.75	1.00	0.25	0.50
Dr. Ajai Singh*	1.40	-	-	-
Smt. Kirtidevi Kabra***	1.40	-	-	-

\* Dr. Ajai Singh resigned as an Independent Director of the Company w.e.f. 05<sup>th</sup> February, 2021.

\*\* Shri H.S. Upendra Kamath resigned as an Independent Director of the Company w.e.f. 09<sup>th</sup> June, 2021.

\*\*\* Smt. Kirtidevi Kabra resigned as Director of the Company w.e.f. 29<sup>th</sup> June, 2021.

**III. Stakeholders Relationship Committee:**

The Stakeholders Relationship Committee comprises of members as stated below. The composition of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations.

The terms of reference of the Stakeholder Relationship Committee (SRC) covers the areas mentioned in Section 178 of the Act and Regulation 20 read with Part D (B) of Schedule II to the Listing Regulations. The broad terms of reference of the SRC are as under:

- Consider and resolve the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report and non-receipt of declared dividends.

- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), general meetings, etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

#### Composition, Meetings and attendance during the year :

Composition of the Stakeholders Relationship Committee as at 31<sup>st</sup> March, 2021 is as follows:

Name of Member	Category of Director	Chairperson/Member
Shri Sandeep Jhanwar	Non-Executive, Independent Director	Chairperson
Shri Mahendrakumar Kabra	Managing Director	Member
Shri Hemant Kabra	Executive Director & CFO	Member

During the financial year ended 31<sup>st</sup> March, 2021, one (1) Stakeholders Relationship Committee Meeting was held i.e., on 16<sup>th</sup> January, 2021. The table hereunder gives the attendance record of the Stakeholders Relationship Committee members.

Name of the Member	Meeting of Stakeholders Relationship Committee
	16 <sup>th</sup> January, 2021
Shri Sandeep Jhanwar	P
Shri Mahendrakumar Kabra	A
Shri Hemant Kabra	P

Note: P- Present in the Meeting

A- Absent in the Meeting

Shri Saurabh Gupta, Company Secretary, acts as the Compliance Officer and Secretary to the Committee.

The details pertaining to the number of investor complaints received and redressed during the financial year 2020-21 are given below as on 31<sup>st</sup> March, 2021 and the status thereof:

Nature of Complaint	Number of Complaints Pending (Beginning)	Number of Complaints Received	Number of Complaints Redressed	Number of Pending Complaints
SEBI (Scores), BSE, MCA, Depository and Others	NIL	NIL	NIL	NIL

The Committee expresses satisfaction with the Company's performance in dealing with investors' grievances and its shares transfer system. As per Listing Regulations to expedite the process of share transfers, the Board has delegated the powers of share transfers and related matters to Shri Mahendrakumar Kabra, Managing Director and Shri Saurabh Gupta, Company Secretary who meet once in a fortnight or as and when required to approve all the matters related to shares i.e., share transmissions, dematerialization and re-materialization of shares, etc.

#### IV. Corporate Social Responsibility (CSR) Committee:

At, Ram Ratna, it has been our constant endeavour to bring about a positive difference to communicate where we exist. Corporate Social Responsibility (CSR) is deeply rooted in our core values. Our CSR activities are planned and well organized to educate, support and empower less privileged communities and preserve the environment. CSR for us is not merely the means to run our business successfully but the part of our individual responsibilities as global citizens.

The CSR Committee is empowered pursuant to its terms of reference, inter alia, to:

1. Formulate and recommend to the board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.

2. Recommend the amount of expenditure to be incurred on the CSR activities.
3. Monitor implementation and adherence to the CSR Policy of the Company from time to time.
4. To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable, necessary or appropriate for performance of its duties.

The Company has in place a CSR policy formulated by the Committee and approved by the Board of Directors and can be accessed at the website of the Company (<https://www.rshrarnik.com/corporate-governance/>). The details of CSR activities undertaken by the Company during the year have been provided in the Annual Report.

#### **Composition, Meetings and attendance during the year:**

The CSR Committee comprises of members as stated below. The composition of the CSR Committee is in alignment with provisions of Section 135 of the Act.

Composition of Corporate Social Responsibility as at 31<sup>st</sup> March, 2021 is as follows:

Name of Member	Category of Director	Chairperson/Member
Shri Sandeep Jhanwar	Non-Executive, Independent Director	Chairperson
Shri Mahendrakumar Kabra	Managing Director	Member
Shri Hemant Kabra	Executive Director & CFO	Member

During the financial year ended 31<sup>st</sup> March, 2021, two (2) CSR Committee Meetings were held i.e., on 29<sup>th</sup> June, 2020 and 12<sup>th</sup> February, 2021. The table hereunder gives the attendance record of the CSR Committee members.

Name of the Members	Meeting of Corporate Social Responsibility Committee	
	29 <sup>th</sup> June, 2020	12 <sup>th</sup> February, 2021
Shri Sandeep Jhanwar	P	P
Shri Mahendrakumar Kabra	A	P
Shri Hemant Kabra	P	P

Note: P- Present in the Meeting

A- Absent in the Meeting

Shri Saurabh Gupta, Company Secretary, acts as the Secretary to the Committee.

#### **V. Finance Committee:**

The Finance Committee is formed to authorize grant of Power to officials of the Company, to approve various facilities as and when granted by the Banks within the overall borrowing limits as approved by shareholders of the Company and execution of documents for these facilities.

The Finance Committee is empowered pursuant to its terms of reference, inter alia, to:

1. To borrow monies for and on behalf of the Company from time to time for the purpose of the business of the Company.
2. To grant loans/ provide security/ give guarantee in connection with the loans obtained by other persons subject to the provisions of the Act.
3. To authorize for matters relating to banking operations, including opening of new accounts, authorizing or modifying operating bank signatories, matters related to foreign exchange, closing of existing accounts etc.
4. To transact foreign exchange swaps, options, futures and forwards and any other derivatives.
5. To authorize for internet banking facility, online trade finance related services, any API integration for collection and payment and similar nature of services.
6. To authorize the persons to represent the Company in any Court / Statutory Bodies / Authorities etc.
7. Approve all other matters & issues of urgent nature relating to finance and legal cases arising in the ordinary course of business.



### Composition, Meetings and attendance during the year:

The Finance Committee comprises of members as stated below:

Name of Member	Category of Director	Chairperson/Member
Shri Tribhuvanprasad Kabra	Non-Executive, Non- Independent Director	Chairperson
Shri R. Kannan	Non-Executive, Independent Director	Member
Shri Hemant Kabra	Executive Director & CFO	Member

During the financial year ended 31<sup>st</sup> March, 2021, three (3) Finance Committee Meetings were held i.e. on 29<sup>th</sup> July, 2020, 21<sup>st</sup> January, 2021 and 04<sup>th</sup> March, 2021. The table hereunder gives the attendance record of the Finance Committee members.

Name of the Members	Meetings of Finance Committee		
	29 <sup>th</sup> July, 2020	21 <sup>st</sup> January, 2021	04 <sup>th</sup> March, 2021
Shri Tribhuvanprasad Kabra	P	P	P
Shri R. Kannan	P	P	P
Shri Hemant Kabra	P	P	P

Note: P- Present in the Meeting

Shri Saurabh Gupta, Company Secretary, acts as the Secretary to the Committee.

### 3) General Body Meetings:

Details of General Body Meetings held in last three years are given hereunder:

#### Annual General Meeting

Year	Date	Venue	Time	Special resolution(s) passed
2017-18	15-09-2018	Hotel Sunville, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018	11:30 a.m.	One
2018-19	11-09-2019	Hotel Sunville, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018	11:30 a.m.	Seven
2019-20	24-09-2020	Through Video Conferencing (VC)/ other audio visual means (OAVM)	11:00 a.m.	Nil

#### Postal Ballot

During the FY 2020-21, no resolution is passed by way of Postal ballot. Currently, no resolution is proposed to be passed through postal ballot. However, if required the same shall be passed in compliance of provisions of the Act, Listing Regulations or any other applicable laws.

### 4) Subsidiary Company:

As on 31<sup>st</sup> March, 2021, the Company had two unlisted Indian subsidiaries, Global Copper Private Limited (material subsidiary) and Epavo Electricals Private Limited (incorporated on 26<sup>th</sup> August, 2020). As the income and net worth of the said material subsidiary (Global Copper Private Limited) was below 20% of the consolidated income and net worth respectively, the Company was not required to nominate an Independent Director of the Company on the Board of the subsidiary company. The Company's Board monitors performance of subsidiary companies by following means:

- Minutes of unlisted subsidiary companies are regularly placed before the Board of the Company.
- Financial summary including investments of unlisted subsidiary companies is reviewed quarterly by the Board of the Company.
- A statement wherever applicable, of all significant transactions and arrangements entered into by the Company's subsidiaries is presented to the Board of the Company at its meetings.

### 5) Secretarial Compliance Report & Certificate from Practicing Company Secretary:

- SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition

to the Secretarial Audit Report by Practicing Company Secretaries under Form MR - 3 and is required to be submitted to Stock Exchange within 60 days of the end of the financial year. Due to COVID-19 pandemic SEBI vide its circular no. SEBI/HO/CFD/CMD1/P/CIR/2021/556 dated 29<sup>th</sup> April, 2021, has extended the timeline for its submission by another one month i.e., by 30<sup>th</sup> June, 2021.

The Company has appointed M/s. Khanna & Co., Practicing Company Secretaries for providing this certification and the same has been submitted to Stock exchange within above mentioned extended timeline.

- b. A Secretarial Audit on the compliance of corporate laws and SEBI Regulations was conducted as per the provisions of Section 204 of the Act, by M/s. Khanna & Co., Practicing Company Secretaries during the financial year ended 31<sup>st</sup> March, 2021.
- c. **Secretarial Audit Report**

Quarterly Secretarial Audit Reports on reconciliation of the total admitted capital with CDSL & NSDL and the total issued and listed capital were furnished to the Stock Exchange on the following dates:

For the quarter ended	Furnished on
30 <sup>th</sup> June, 2020	21 <sup>st</sup> July, 2020
30 <sup>th</sup> September, 2020	26 <sup>th</sup> October, 2020
31 <sup>st</sup> December, 2020	29 <sup>th</sup> January, 2021
31 <sup>st</sup> March, 2021	26 <sup>th</sup> April, 2021

#### 6) **Quarterly Compliance Report on Corporate Governance:**

The Company has submitted for each of the four quarters during the FY 2020-21, the Compliance Report on Corporate Governance to the BSE Limited in the prescribed format within 15 days from the close of the respective quarters.

#### 7) **Disclosures:**

##### (i) **Related Party Transactions:**

All transactions entered into with related parties during the financial year 2020-21 were in the ordinary course of business and at arm's length basis and do not attract the provisions of Section 188 of the Act and were approved by the Audit Committee. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the link: <http://www.rrshramik.com/corporate-governance>.

There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The Audit Committee also reviews related party transactions on a quarterly basis pursuant to each of the omnibus approval granted. The details of Related Party transactions are disclosed in the notes to Financial Statements forming part of this Annual Report.

##### (ii) **Disclosure of Accounting Treatment:**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

##### (iii) **Compliances by the Company:**

The Company has complied with all the requirements of regulatory authorities. There has been no instance of non-compliance by the Company on any matter related to capital market during the last 3 (Three) financial years and hence, no penalties/ strictures were imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital market during the last 3 (Three) financial years.

- (iv) The Company has complied with the requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

##### (v) **Whistle Blower Policy and Vigil Mechanism**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism

for employees and Directors to report concerns about unethical behavior. The Whistle Blower Policy complies with the requirements of Vigil Mechanism as stipulated under Section 177(9) of the Act and Regulation 22 of the Listing Regulations. The policy comprehensively provides an opportunity for an employee and Director to report the instances of unethical behavior, actual or suspected fraud or any violation of the Code of Conduct and/or laws applicable to the Company and seek redressal. The Policy provides for a mechanism to report such concerns to the Chairman of the Audit Committee through specified channels. The Policy is being communicated to the employees and also posted on Company's website. The details of establishment of Whistle Blower Policy/Vigil Mechanism have been disclosed on the Company's website at the link: <http://www.rrshramik.com/corporate-governance>.

**(vi) Policy on Determining "Material" Subsidiaries**

This Policy is framed in accordance with the requirements of Regulation 23 of the Listing Regulations (including statutory enactments/amendments thereof) and is intended to identify Material Subsidiaries and to establish a governance framework for such subsidiaries.

The details of policy on determining "Material" subsidiaries have been disclosed on the Company's website at the link: <http://www.rrshramik.com/corporate-governance>.

**(vii) Commodity price risk and Commodity hedging**

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year is as follows:

- Total exposure of the listed entity to commodities - ₹ 10,161 Lakhs
- Exposure of the listed entity to commodity is as under:

Commodity Name	Exposure (₹ in Lakhs)	Exposure in Quantity (in MT)	% of such exposure hedged through commodity derivatives			
			Domestic Market		International Market	
			OTC	Exchange	OTC	Exchange
Copper	10,161	1,433	NIL			

The above exposure is based on the minimum level of average inventory of commodity maintained by the Company. The Company proactively manages its risk through forward booking Inventory management.

**(viii) Affirmation:**

In accordance with the provisions of Regulation 26(6) of Listing Regulations, the Employee(s), Key Managerial Personnel(s), Director(s) and Promoter(s) of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

**(ix) Code of Conduct:**

The Company has adopted a Code of Conduct ("the Code") for Directors and Senior Management of the Company and it also incorporates the duties of the Independent Directors as laid down in the Act and Listing Regulations. The Code has been circulated to all the members of the Board and Senior Management and the same is available on the Company's website at the link: <http://www.rrshramik.com/corporate-governance>.

The Board members and Senior Management personnel have affirmed their compliance with the code applicable to them during the financial year ended 31<sup>st</sup> March, 2021. A declaration to this effect signed by the Managing Director of the Company is contained in this Annual Report.

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has also adopted Code of Conduct for prevention of Insider Trading and fair disclosure of Unpublished Price Sensitive Information and the same is available on the website of the Company at the link: <http://www.rrshramik.com/corporate-governance>.

**(x) Certificate from Practicing Company Secretaries:**

The Company has received a certificate as required under Part C of Schedule V of Listing Regulations, from M/s. Khanna &

Co., Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority and the same is annexed to this Report.

**(xi) Recommendations of Committees of the Board:**

There were no instances during the financial year 2020-21, wherein the Board has not accepted recommendations made by any committee of the Board.

**(xii) Total fees paid to Statutory Auditors of the Company:**

Total fees of ₹ 43.00 Lacs for the financial year 2020-21, for all the services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

**(xiii) Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has in place an effective mechanism for dealing with complaints relating to Sexual harassment at workplace. The details of number of complaints received and disposed during the financial year 2020-21 are as under:

- a) Number of Complaints filed during the financial year: NIL
- b) Number of Complaints disposed of during the financial year: NIL
- c) Number of Complaints pending as on the end of the financial year: NIL

**(xiv) Compliance with the Mandatory requirements and Non-mandatory requirements:**

The Company has complied with the applicable mandatory requirements of the Listing Regulations. The Company has adopted following non-mandatory requirements of Listing regulations:

**(i) The Board**

The Chairman of the Company is entitled to a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

**(ii) Audit qualifications**

During the year under review, there were no audit qualification on the Company's financial statements. The Company continues to follow the regime of unqualified/unmodified financial statements.

**(iii) Separate posts of Chairman and Managing Director**

The Company has appointed separate persons to the post of Chairman and Managing Director.

**(iv) Reporting of Internal Auditor**

The Internal auditor may report directly to the Audit Committee.

**8) Means of Communication:**

**1. Publication of Results:**

The quarterly, half-yearly and annual financial results of the Company are published in leading English and vernacular language newspapers in India, viz., Financial Express (All India Edition), Loksatta (Marathi) and Jansatta (Hindi).

**2. Website and News Releases:**

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website ([www.rrshramik.com](http://www.rrshramik.com)) gives information on various announcements made by the Company, Annual Report, Quarterly/Half yearly/Nine-months and Annual financial results, shareholding patterns, the policies framed by the Company under various laws and regulations, contact information of the nodal officer and designated officials responsible for assisting and handling investor grievances and for the purpose of IEPF and such other material information relevant to shareholders of the Company.

**3. Stock Exchange:**

Your Company makes timely disclosures of necessary information to BSE Limited through BSE Listing Centre in terms of the Listing Regulations and other rules and regulations issued by the SEBI. All periodical compliance filings, inter alia,

shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are in accordance with the Listing Regulations filed electronically.

**9) Regulatory orders:**

There were no regulatory orders pertaining to the Company for financial year ended 31<sup>st</sup> March, 2021.

**10) Compliance Certificate on Corporate Governance:**

As required under Listing Regulations, a compliance certificate issued by M/s. Khanna & Co., Practicing Company Secretaries, regarding compliance with Corporate Governance norms is annexed and forming part of this Report.

**11) CEO/MD and CFO Certification:**

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 read with Part B of Schedule II of Listing Regulations. The said Certificate is annexed and forms part of this Annual Report. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results, while placing the financial results before the Board in terms of Regulation 33 (2) of the Listing Regulations.

**12) General Shareholders Information:**

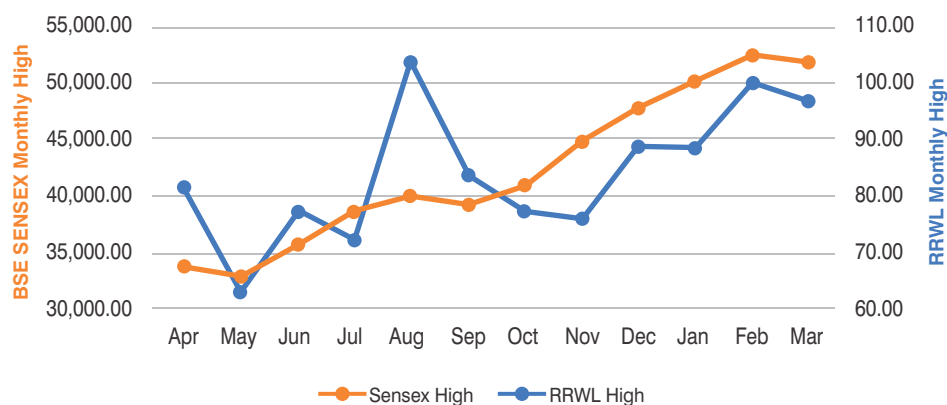
<b>(i) AGM : Date and Time Venue</b>		:	Day Friday, 17 <sup>th</sup> September 2021 at 11:00 a.m.
		:	Through Video Conferencing / Other Audio Visual Means (OAVM) in accordance with MCA and SEBI circulars
<b>(ii) Financial Year / Calendar (tentative and subject to change)</b>	For the Financial year 1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022, reporting for Un-audited Financial Results for the quarter ending		
	30 <sup>th</sup> June, 2021	:	On or before 14 <sup>th</sup> August, 2021
	30 <sup>th</sup> September, 2021	:	On or before 14 <sup>th</sup> November, 2021
	31 <sup>st</sup> December, 2021	:	On or before 14 <sup>th</sup> February, 2022
	31 <sup>st</sup> March, 2022	:	On or before 30 <sup>th</sup> May, 2022
		:	On or before 30 <sup>th</sup> September, 2022 for year ending 31 <sup>st</sup> March, 2022
<b>(iii) Dates of book closure</b>			11 <sup>th</sup> September 2021 to 17 <sup>th</sup> September 2021 (both days inclusive)
<b>(iv) Dividend Payment Date</b>		:	The dividend, if declared, shall be paid/credited from Saturday, 18 <sup>th</sup> September 2021.
<b>(v) Registered Office</b>		:	Ram Ratna House, Oasis Complex, P. B. Marg, Worli, Mumbai -400013. Tel. No.: 91-22-2492 4144/2494 9009 Email: <a href="mailto:investorrelations@rrglobal.com">investorrelations@rrglobal.com</a>
<b>(vi) Listing of Equity Shares</b>			
<b>(a) Stock Exchange</b>			The Equity Shares of the Company are listed on BSE Limited. Annual Listing Fees as applicable has been paid for the year 2021- 2022.
<b>(b) Depository</b>		:	Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL)
<b>(vii) Stock Exchange Code</b>		:	BSE Limited - 522281

**(viii) Stock Market price data relating to the shares:**

Monthly high and low prices and volume at the BSE Limited for financial year ended 31<sup>st</sup> March, 2021 :

Month	Volume of Shares	BSE Limited			
		Share Price		Sensex	
		High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2020	1,23,503	81.70	43.00	33,887.25	27,500.79
May, 2020	36,129	63.00	54.65	32,845.48	29,968.45
June, 2020	1,05,864	77.40	57.00	35,706.55	32,348.10
July, 2020	87,311	72.45	61.00	38,617.03	34,927.20
August, 2020	5,29,981	103.70	62.00	40,010.17	36,911.23
September, 2020	1,10,264	84.00	69.00	39,359.51	36,495.98
October, 2020	98,171	77.50	70.10	41,048.05	38,410.20
November, 2020	1,60,692	76.25	69.00	44,825.37	39,334.92
December, 2020	2,55,717	88.75	75.25	47,896.97	44,118.10
January, 2021	1,22,916	88.60	76.30	50,184.01	46,160.46
February, 2021	1,98,007	100.00	74.05	52,516.76	46,433.65
March, 2021	1,70,284	96.95	79.10	51,821.84	48,236.35

**Ram Ratna Wires Ltd (RRWL) v/s. BSE Sensex**



**(ix) Registrar and Share Transfer Agent:**

During the Year under review, your Company has changed its Registrar and Share Transfer Agent (RTA) from M/s. Bigshare Services Private Limited to M/s. Datamatics Business Solutions Limited with effect from 1<sup>st</sup> December, 2020 with a view to avail better services both for the Company and its Shareholders.

The address and Contact details of Registrar and Share Transfer Agent is as under:

Name and Address of RTA	M/s Datamatics Business Solutions Limited Plot No. B-5, Part B Cross Lane, MIDC, Behind MIDC Police Station, Andheri (East), Mumbai - 400093
Tel.	91-22 6671 2001-10   Fax: 91-22-6671 2011
E-mail ID	<a href="mailto:shares@datamaticsbpm.com">shares@datamaticsbpm.com</a>
Website	<a href="http://www.datamaticsbpm.com">www.datamaticsbpm.com</a>



**(x) In case the securities of the Company are suspended from trading, the reasons thereof:**

The securities of the Company are not suspended from trading on the Stock Exchange.

**(xi) Share Transfer System:**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities.

All share transfers and other communications regarding share certificates, change of address, dividends etc. should be addressed to RTA M/s. Datamatics Business Solutions Limited.

The Stakeholders' Relationship Committee meets as often as required. As per the Listing Regulations to expedite the process of share transfers, the Committee has delegated the powers of share transfers and related matters to the officers of the Company who attend to share transfer formalities at least once in a fortnight. A summary of all transfers/transmissions etc. so approved is placed at every Committee meeting and Board of Directors from time to time as per the Listing Regulations.

The Company obtained from Company Secretary in practice, half yearly certificate of Compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and the same is filed with the Stock Exchange, BSE Limited as required.

As stipulated by SEBI, a Company Secretary in Practice carried out an Audit, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued & listed capital. Such reconciliation of share capital audit report was submitted to Stock Exchanges on quarterly basis.

**(xii) Transfer to the Investor Education and Protection Fund:**

Pursuant to Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

The Company has sent reminder letters to the Shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notice in this regard has also been published in the newspapers and the details of unclaimed dividends and Shareholders whose shares are liable to be transferred to the IEPF Authority were uploaded on the Company's website [www.rrshramik.com](http://www.rrshramik.com) under the 'Investor' tab.

During the year under review, the Company has credited ₹ 2.82 Lakhs lying in the unclaimed dividend account and 13,200 shares, to the Investor Education and Protection Fund (IEPF) pertaining to year 2012-13. During the financial year 2021-22, the Company would be transferring unclaimed dividend amount for the financial year ended 31<sup>st</sup> March, 2014, as per the due date for transfer.

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

In accordance with IEPF Rules the Company has also appointed nodal officer for the purpose of coordination with the IEPF Authority whose details are available on the website of the Company at <https://www.rrshramik.com/investor/corporate-governance/>

(xiii) Dividend History

(₹ in Lakhs)

Financial Year	Date of declaration	Dividend %	Total Dividend	Unclaimed
2013-14	23 <sup>rd</sup> September, 2014	15.00	165.00	3.38
2014-15	21 <sup>st</sup> September, 2015	20.00	220.00	3.82
2015-16 (Interim)	15 <sup>th</sup> March, 2016	15.00	165.00	3.70
2016-17	16 <sup>th</sup> September, 2017	25.00	275.00	5.29
2017-18	15 <sup>th</sup> September, 2018	25.00	275.00	5.91
2018-19	11 <sup>th</sup> September, 2019	25.00	275.00	5.15
2019-20	24 <sup>th</sup> September, 2020	10.00	110.00	2.12

(xiv) Distribution of Shareholding as on 31<sup>st</sup> March, 2021:

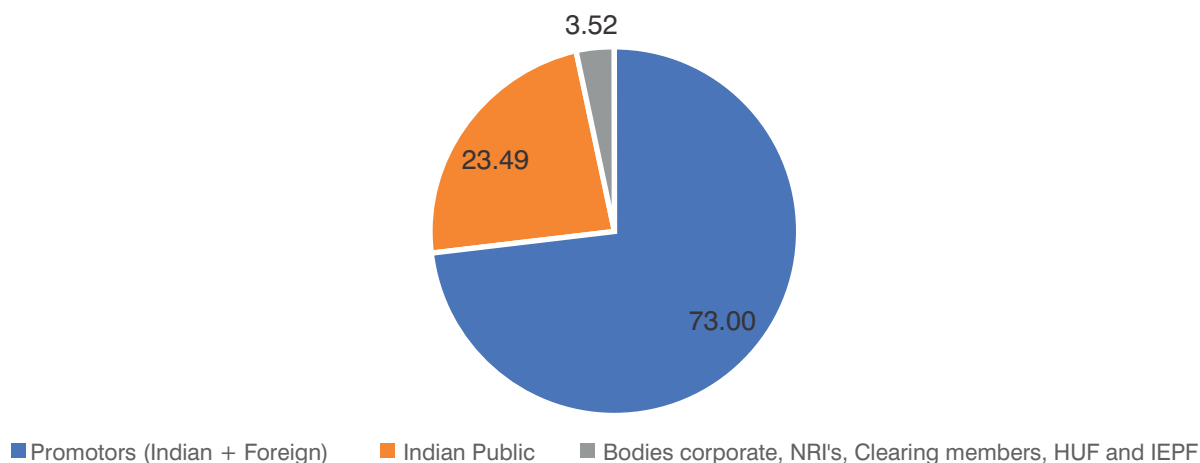
No. of Equity Shares held	Shareholders		Shares	
	Numbers	% to total Shareholders	Numbers	% to total Capital
1 - 2500	5,612	94.65	16,10,793	7.32
2501 - 5000	150	2.53	6,02,449	2.74
5001 - 10000	70	1.18	5,31,321	2.42
10001 - 15000	22	0.37	2,60,144	1.18
15001 - 20000	8	0.14	1,42,188	0.65
20001 - 25000	8	0.14	1,77,804	0.81
25001 - 50000	23	0.39	7,75,660	3.53
50001 - 100000	13	0.22	10,08,716	4.59
100001 & above	23	0.39	1,68,90,925	76.78
<b>Total</b>	<b>5,929</b>	<b>100.00</b>	<b>2,20,00,000</b>	<b>100.00</b>

(xv) Categories of Shareholding as on 31<sup>st</sup> March, 2021:

Category	Shares	
	Number	% to total Capital
<b>PROMOTERS' HOLDING</b>		
Indian Promoters	1,46,59,354	66.64
Foreign Promoter	14,00,000	6.36
<b>Total of Promoter Holding</b>	<b>1,60,59,354</b>	<b>73.00</b>
<b>NON- PROMOTERS' HOLDING</b>		
Institutional Investors	NIL	
<b>Others</b>		
Indian Public	51,66,895	23.48
Bodies Corporate, NRIs, Clearing members, HUF, IEPF	7,73,751	3.52
<b>Total of Non-Promoter Holding</b>	<b>59,40,646</b>	<b>27.00</b>
<b>Grand Total</b>	<b>2,20,00,000</b>	<b>100.00</b>

Details of Ownership Pattern given above are based on the Shareholding Pattern filed with the Stock Exchange as at 31<sup>st</sup> March, 2021.

### Distribution of Shareholding



#### (xvi) Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form on BSE Limited. The Company has established connectivity with Central Depository Services (India) Limited and National Securities Depository Limited for dematerialization of shares and the same are available in electronic segment under ISIN No. INE207E01023.

**As on 31<sup>st</sup> March 2021**

Form	No. of shares	%
Demat	2,14,60,498	97.55
Physical	5,39,502	2.45
<b>Total</b>	<b>2,20,00,000</b>	<b>100.00</b>

#### (xvii) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity:

There are no GDRs / ADRs / Warrants or any Convertible Instruments pending conversion or any other instrument likely to impact the equity share capital of the Company.

#### (xviii) Plant Locations:

- 1) Survey No. 212/2, Near Dadra Check Post, Village: Dadra, Silvassa - 396 193, (U.T. of D.N.H. & D.D.)
- 2) Survey No. 142/2, Madhuban Dam Road, Village: Rakholi, Silvassa - 396 240, (U.T. of D.N.H. & D.D.)
- 3) Survey No. 16/1, Sayli road, Village: Karad, Rakholi Silvassa - 396 240, (U.T. of D.N.H. & D.D.)

**(xix) Address for correspondence:**

<b>Registrar and Share Transfer Agent</b> (Share transfer and Communication regarding share certificates, dividends and change of address)	Contact Person: Ms. Manisha Parkar / Mr. Tukaram Thore Datamatics Business Solutions Limited Plot No. B-5, Part B Cross Lane, MIDC, Behind MIDC Police Station, Andheri (East), Mumbai - 400093 Tel. No.: 91-22-6671 2001-10 Fax No.: 91-22-6671 2011 Email: <a href="mailto:shares@datamaticsbpm.com">shares@datamaticsbpm.com</a> Website: <a href="http://www.datamaticsbpm.com">www.datamaticsbpm.com</a>
<b>Compliance Officer</b>	Shri Saurabh Gupta Ram Ratna House, Oasis Complex, P.B. Marg, Worli, Mumbai - 400 013 Tel. No.: 91-22-24924144/24949009 Fax No.: 91-22-24912586 E-mail: <a href="mailto:investorrelations@rrglobal.com">investorrelations@rrglobal.com</a>

**13) Credit Ratings and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad:**

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad as on 31<sup>st</sup> March, 2021. The ratings issued by India Ratings and Research (Ind-Ra) for long term borrowings and short term borrowings of the Company are BBB+ and A2 respectively. There was no revision in the said ratings during the year under review.

**14) Request to Investors:**

- Investors are requested to communicate change of address, if any, directly to the Registrar and Share Transfer Agent of the Company at the above address.
- As required by SEBI, investors shall furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons and also opt for NACH facility so that dividends are transferred directly to their bank accounts.
- The Shareholders are requested to dematerialize their physical share certificates, through a depository participant. Shareholders requiring any further clarification / assistance on the subject may contact the Company's share transfer agent.
- Investors who have not availed nomination facility are requested to avail the same by submitting the nomination form. The form can be downloaded from the Company's website.
- Investors holding shares in electronic form are requested to deal only with their depository participant in respect of change of address, nomination facility and furnishing bank account number, etc.
- The Shareholders are requested to register their email address with their depository participant or with the Company's RTA, as the case may be, to receive timely communications from the Company such as Notice of AGM, Annual Report etc.
- Members who have not encashed their dividend warrants in respect of dividends declared for the financial year ended 31<sup>st</sup> March, 2014 and for any financial year thereafter may contact the Registrar and Share Transfer Agent of the Company. Members are requested to note that the dividend not claimed for a period of seven years from the date they first became due for payment shall be transferred to Investor Education and Protection Fund (IEPF) in terms of Section 124 of Companies Act, 2013.

For and on behalf of the Board of Directors

Place: Mumbai  
 Date: 29<sup>th</sup> June, 2021

**Tribhuvanprasad Kabra**  
 Chairman  
 DIN - 00091375

## **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors including the code for Independent Directors. These Codes are available on the Company's website.

I hereby declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Company.

This certificate is being given pursuant to Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Mumbai

Date : 29<sup>th</sup> June, 2021

**Mahendrakumar Kabra**

Managing Director

DIN - 00473310

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## **COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Members,  
**Ram Ratna Wires Limited**

We have examined the compliance of conditions of Corporate Governance by Ram Ratna Wires Limited (the "Company") for the year ended 31<sup>st</sup> March, 2021 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on 31<sup>st</sup> March, 2021.

We further state that such compliance 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.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **Khanna & Co.**  
Practicing Company Secretaries

Place : Mumbai

Date : 29<sup>th</sup> June, 2021

**Anup Vaibhav C. Khanna**

Partner

Mem. No: F6786

C.P. No.: 12906

UDIN - F006786C000507121

Peer Review: 638/2019

## Certificate of Non-disqualification of Directors

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

To,  
The Members of  
**Ram Ratna Wires Limited**  
Ram Ratna House, Victoria Mill Compound,  
Pandurang Budhkar Marg, Worli - 400013.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Ram Ratna Wires Limited having CIN L31300MH1992PLC067802 and having registered office at Ram Ratna House, Victoria Mill Compound, Pandurang Budhkar Marg, Worli- 400013 (hereinafter referred to as the "Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para- C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1.	Ramesh Chandak	00026581	12 <sup>th</sup> November, 2018
2.	Tribhuvanprasad Rameshwarlal Kabra	00091375	24 <sup>th</sup> June, 2011
3.	Sandeep Jhanwar	00124901	13 <sup>th</sup> August, 2010
4.	**Kirtidevi Shreegopal Kabra	00150796	29 <sup>th</sup> July, 2014
5.	Kannan Ramamirtham	00227980	28 <sup>th</sup> May, 2011
6.	*Ajai Singh	00281743	06 <sup>th</sup> February, 2016
7.	Mahendrakumar Rameshwarlal Kabra	00473310	21 <sup>st</sup> July, 1992
8.	Hemant Mahendrakumar Kabra	01812586	12 <sup>th</sup> December, 2017
9.	**Upendra Hosdurg Sundar Kamath	02648119	12 <sup>th</sup> December, 2017

\* Dr. Ajai Singh resigned as director w.e.f. 5<sup>th</sup> February 2021 due to retirement on completion of tenure as mentioned in his resignation letter to the Company.

\*\* Shri Upendra Hosdurg Sundar Kamath and Smt. Kirtidevi Shreegopal Kabra tendered their resignations during the month of June 2021, i.e., after the financial year ended 31<sup>st</sup> March, 2021 to which this certificate relates.

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

For **Khanna & Co.**  
Practicing Company Secretaries

Place : Mumbai  
Date : 29<sup>th</sup> June, 2021

**Anup Vaibhav C. Khanna**  
Partner  
Mem. No: F6786  
C.P. No.: 12906  
UDIN - F006786C000507121  
Peer Review: 638/2019



## MANAGING DIRECTOR'S AND CFO CERTIFICATION

We hereby certify that for the financial year ended 31<sup>st</sup> March, 2021, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March, 2021 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, 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 internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

**Hemant Kabra**  
Executive Director & CFO  
DIN - 01812586

**Mahendrakumar Kabra**  
Managing Director  
DIN - 00473310

Place : Mumbai  
Date : 29<sup>th</sup> June, 2021

## MANAGEMENT DISCUSSION AND ANALYSIS

### A) Economic Scenario :

#### A.1 World Scenario

COVID - 19 Pandemic and its variants have shattered the world economy. Its damage and actual negative impact on global economy are much more severe than predicted. While it is very difficult to ascertain the exact quantum of the drop in Global GDP, economists have put it roughly between 4.3% and 4.5%, which is almost 50% higher than the prediction by International Monetary Fund (IMF), last year.

#### A.2. Indian scenario

As per economic survey 2020-2021, by Ministry of Finance, India's GDP is estimated to shrink by 7.7% in FY 2020-2021. Agriculture to clock 3.4% growth. While Industry and services to contract by 9.6% and 8.8% respectively. Survey also reports, India to have a current account surplus of 2% of GDP in FY21, a historic high after 17 years.

#### A3. Industry Structure

You may probably be aware, that your Company, M/s. Ram Ratna Wires Limited (herein after referred as "The Company"/ "RRWL"), is the second largest manufacturer of winding wires in South Asia, providing total winding solutions to OEM (original equipment manufacturers) covering a wide spectrum of Industries in electrical, electronic, telecommunication and allied sectors. Substantial quantity of wires is also being consumed in rewinding sector. Total production of all types of wires, strips and other products during FY 20-21 stood at 23,689 Tonnes. Roughly 81% of total production covers enamelled wires and strips of copper & aluminum. Remaining 19% is attributed to submersible winding wires in different combinations of insulation, paper covered wires and strips, fiber glass covered wires and strips, enamelled & fiberglass covered wires and strips, litz's wires, bunched and braided wires.

### B) Development & Modernization :

Automation, modernization, improvement in process and product development by a highly interactive and strong R&D team is the asset and the strength of your Company. Automation helps in elimination of human error, consistency in quality, improvement in process and of course, optimum utilization of manpower.

Development of new market oriented and value added items, is a continuous and consistent policy of your Company. Products developed include, braided and bunched conductors of super fine wires in customer specific designs, aluminum foil of thickness up to 60 microns, Daglass covered enamelled strips as an import substitution product for M/s. Cummins generators.

Standardization and regular supply of corona resistant enamelled copper wire (which was developed in house, years back) regular supply of ultra fine wires 16, 18 and 20 micron (much thinner than human hair), for wrist watch in bulk quantity, are other major milestones achieved by your company in FY 20-21.

### C) Outlook :

#### C.1 Demand for winding wires & strips in India:

COVID - 19 Pandemic has badly affected Indian industry, including electrical industry, negative impact of which will continue for the short term, even after vaccination is completed in our country.

Demand for winding wires will bounce back in future. Growth of electrical equipment industry for which winding wire is one of inputs, is directly linked with growth of power generation in India. All India installed capacity of generation as on 31<sup>st</sup> March, 2021 stands at 3,82,151 MW (roughly 382 GW). The installed capacity by the end of 2029-30 is projected at 8,17,254 MW (roughly 817 GW), which is more than double the present installed capacity.

**Therefore, there is large scope for demand of winding wire, in the future.**

Climate change due to Global warming has been resulting into extreme weather conditions, like severe floods and droughts. In such situation of droughts, submersible pumps are one of the solutions for accessing ground water. Despite the restrictions in movement of men and materials and near breakdown of supply chain network during lockdown due to COVID - 19 Pandemic, your Company has maintained and even registered a meager 3% growth in production of submersible winding wires during FY 20-21, over that of previous financial year. Demand and production of this type of insulated wires suitable for submersible pumps has been steadily increasing, and the same is expected to grow further, in future.

"India EV (Electric Vehicle) sales to grow at 26% by FY 22-23 : Fitch" as published in IEEMA, July, 2021 edition is another indicator for the demand for winding wires in this sector.

Insulated wires used in this sector should have a high level of quality and reliability. Your company has already been accredited with the toughest and prestigious certification IATF:16949, which is the international standard for Automotive Quality Management system. This certification helps RRWL products to grab its due market share in this sector.

Your Company is also a member of Automotive Component Manufacturers Association (ACMA) of India.

Government's continued focus on "Power to All", will increase the demand for domestic and house hold equipments like fans, mixer grinder, air conditioners & refrigerators, entertaining equipments, etc. which in turn will boost the demand for winding wires.

Infrastructural development, especially on our northern border areas, improved connectivity and rural electrification, will increase the requirement of electrical equipment which in turn spur the demand for winding wires.

Post Galwan skirmish in June, 2020, in view of security threat arising out of imported electrical, electronic and control systems from China, Government of India has stressed on "Atmanirbhar Bharat" & "Make in India" programs and campaign. This will uplift the domestic production, especially of Electrical, electronic and intelligent equipments, which turn increase the demand for winding wires.

## **C2. RR Shramik brand: A symbol of quality and trust**

"Quality First" is the policy of your company. It has earned RR Shramik brand, trust and unflinching loyalty among its esteemed customers. Some of the prestigious International quality certificates accredited to your company, includes:

**ISO 9001:2015:** International Standard Organization - Quality Management system

**ISO 14001:2015:** International Standard Organization - Environment Management system

**IATF 16949: 2016:** International Automotive Task force - Quality Management System

**ISO 45001:2018:** International Standard organization - Occupational health and safety management system

**UL Recognition mark** - Underwriters laboratories have certified that the component (wires) meet UL standards : This will enable company's customers to incorporate RR Shramik brand wire in their export products to USA.

Inverter driven motors wound with ordinary winding wires are susceptible for premature burning and failure of machinery and equipment. Only corona resistant winding wire can save them from premature burning and consequential damages. In fact, corona resistant wire could be termed as the "future winding wire".

Your Company have procured and installed the state of art Corona resistant wire tester and has the distinction of being the first in India to have this WPS test instrument.

Shramik brand corona resistant wires are approved by CLW. Now, RRWL has the distinction of being the sole approved supplier for corona resistant wire for Indian Railways.

Many large private sector Indian & Multinational companies like, Schneider Electric India Private Ltd., Siemens Ltd., C G Power & Industrial solutions Ltd., C&S Electric Ltd., Godrej & Boyce manufacturing company Ltd., Havells India Ltd, Cummins Generator Technologies India Ltd., India Nippon Electricals Ltd., Leroy Somer, L&T, ABB, LEGRAND, BOSCH, TITAN (the list is very long) include among the esteemed customers of your Company.

All these, domestic and international factors contribute to the huge demand for your Company's products and therefore, future outlook for RR Shramik brand products is very bright.

## **D) Opportunities and Threats**

### **Opportunities:**

Winding wires and strips are consumer items. Per capita consumption of electricity is a measure of growth of electrical industry and country's development. The official data reported a consistent growth of per capita consumption from 914 kWh, in FY 2012 -2013 to 1,208 kWh, as on 31<sup>st</sup> March, 2020, which is an impressive growth of 32%. Still, India's per capita consumption is about one-third of world average.

**Therefore, there is very large scope for growth of winding wire Industry, in India.**

### **Threats:**

Economic impact of COVID - 19 at national and international level will induce severe stress on industry, for the short and medium term. Military engagement of our armed forces with our neighbors to secure our borders is another factor of grave concern. Rising cost of production, due to wage increase and price increase of inputs, fluctuating copper prices in the international market, foreign

exchange variation, change in Government policy on imports adversely affecting the domestic electrical Industry, and tough competition from other leading manufacturers in Winding wire industry, are major threats for the profitability of your Company.

#### E) Performance Review

During the financial year 2020-21, revenue from operations including other income on standalone basis is ₹ 1,38,945 Lakhs as against ₹ 1,25,956 Lakhs in the previous year. Profit After tax for the current year is ₹ 1,351 Lakhs as against ₹ 1,426 Lakhs in the previous year.

On Consolidated Basis revenue from operations including other income is ₹ 1,52,967 Lakhs as against ₹ 1,45,014 Lakhs in the previous year. Profit After tax for the current year is ₹ 1,573 Lakhs as against ₹ 1,458 Lakhs in the previous year.

#### Key Financial Ratios

Ratios	Standalone	
	FY 2020-21	FY 2019-20
Debtors Turnover Ratio	6.18	6.38
Inventory Turnover Ratio	13.14	13.65
Interest Coverage Ratio	1.92	1.72
Current Ratio	1.32	1.23
Debt Equity Ratio	0.37	0.28
Operating Profit Margin %	2.70%	3.11%
Net Profit Margin %	0.97%	1.14%
Return on Net Worth (RONW) %	6.84%	8.05%

There has been significant change (i.e. change of 25% or more as compared to immediately previous year) in Debt Equity ratio due to sanction of ₹ 35.78 Crores under ECLGS scheme from HDFC Bank received the month of Feb, 2021.

#### F) Internal Control Systems and their Adequacy:

The Company has in place adequate internal financial controls. Detailed Standard Operating Procedures and policies are in place to ensure that all the Company's resources are protected against loss and all transactions are authorized, recorded and reported correctly and the same are periodically reviewed by the Management of the Company and improvements are made in the same on continuous basis. These internal controls are also evaluated and monitored by the Internal and Statutory Auditors of the Company and their reports are placed before the Audit Committee for its review and corrective actions and suggestions if any required. In the opinion of the Board, the existing internal financial controls framework is adequate and commensurate to the size and nature of the business of the Company.

#### G) Human Resources Development:

##### Training:

The Company views human resource as its biggest asset and regularly organizes various training programs to groom its employees at all levels with new skills and to ensure competence. The Company provides infrastructure for safe and healthy working conditions for all the employees.

##### Industrial Relations:

The Company is committed to maintain healthy, cordial and harmonious industrial relations at all levels. The Company employed 920 number of permanent employees on its Roll as on 31<sup>st</sup> March, 2021.

##### References / Sources:

1. IEEMA Journal- various editions
2. Economic Survey 2020-21 (Ministry of Finance)

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29<sup>th</sup> June, 2021

**Tribhuvanprasad Kabra**  
Chairman  
DIN - 00091375

## INDEPENDENT AUDITOR'S REPORT

To  
The Members,  
**Ram Ratna Wires Limited**

### Report on the Audit of the Standalone Financial Statements

#### 1. Opinion

We have audited the accompanying Standalone Financial Statements of Ram Ratna Wires Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021 and its profit, total comprehensive income, its cash flows and the changes in equity for the year then ended.

#### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements in paragraph 6 below of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

#### 3. Key Audit Matters

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

The key audit matter	How our audit addressed the key audit matter
<b>Revenue Recognition</b> (Refer note 1 (c) (xii) and 40 of the Standalone Financial Statements)  Revenue is the main profit driver and therefore susceptible to misstatement. There is inherent risk of incorrect timing of recognition of revenue and related rate difference, discounts in reporting period. Cut-off on the reporting date is the key assertion insofar as revenue is concern, any in-appropriate method can result in misstatement of results for the year.	Our audit incorporated the following procedures with regard to Revenue Recognition :- <ul style="list-style-type: none"> <li>assessing the process, internal controls and testing the effectiveness of key controls;</li> <li>testing the accuracy of cut-off with substantive analytical procedures supplemented with third party confirmation, delivery acknowledgment, delivery terms, estimation for delivery time based on historical records;</li> <li>judgments and estimations made for discounts, rebates, appropriate authorisation, historical trends, credit and debit notes issued after the balance sheet date, inventory reconciliation and receivable balance confirmations.</li> </ul>

<p><b>Investment in Joint Venture</b></p> <p>Joint Venture in which the Company has investment of ₹ 467.72 lakhs and reported in the Financial Statements at cost, which has accumulated losses as on reporting date with further commitments for additional investment, in our view is area of key matter for assessment of impairment of investment.</p>	<p>Our audit incorporated the following procedures with regard to assessment of impairment of investment :-</p> <ul style="list-style-type: none"> <li>• reviewing the approach adopted for testing impairment including method used for determination of value in use;</li> <li>• valuation report based on income approach obtained from independent qualified valuer to test the impairment;</li> <li>• performing substantive testing in respect of financial projections for their accuracy;</li> <li>• reviewing the assumptions and inputs used for valuation;</li> <li>• discussions with key person of the Company looking after the affairs of the joint venture and ascertaining the factors contributing towards such performance and strategy to overcome it;</li> <li>• discussions on company's management perception regarding business, market condition, future expected growth in the country of operation, future planning, financial strength, support and intention of other co-venturers.</li> </ul>
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#### 4. **Information other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for other information. Other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements, Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover other information and we do not express any form of assurance, conclusion thereon.

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

#### 5. **Management's Responsibility for the Standalone Financial Statements**

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

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### 6. **Auditor's responsibilities for the audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

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

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

## **7. Report on other Legal and Regulatory Requirements**

- (i) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the



Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure "A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (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 Company has disclosed the impact, if any, of pending litigations as at 31<sup>st</sup> March, 2021 on its financial position in its Standalone Financial Statements - Refer Note 29 to the Standalone Financial Statements;
- The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

For **Bhagwagar Dalal & Doshi**  
Chartered Accountants  
(Firm Registration No.128093W)

UDIN: 21124528AAAABC6989

Place : Mumbai

Date : 29<sup>th</sup> June, 2021

**Jatin V. Dalal**  
Partner  
Membership No. 124528

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**Referred to in paragraph (i) (f) under the "Report on other Legal and Regulatory Requirements" in the Independent Auditor's Report of even date to the members of Ram Ratna Wires Limited**

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

We have audited the internal financial controls over financial reporting of Ram Ratna Wires Limited ("the Company") as of 31<sup>st</sup> March, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

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

**3. Auditor's Responsibility**

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

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

**4. Meaning of Internal Financial Controls Over Financial Reporting**

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

**5. Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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.

## 6. Opinion

In our opinion, 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 system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Bhagwagar Dalal & Doshi**  
Chartered Accountants  
(Firm Registration No.128093W)

UDIN: 21124528AAAABC6989

Place : Mumbai

Date : 29<sup>th</sup> June, 2021

**Jatin V. Dalal**

Partner

Membership No. 124528

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## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

**Referred to in paragraph (ii) under "Report on Other Legal and Regulatory Requirements" in the Independent Auditor's Report of even date to the members of Ram Ratna Wires Limited**

- (1)
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us including registered title deeds, we report that, the title deeds, comprising all the immovable properties are held in the name of the Company as at the Balance Sheet date.
- (2)
  - (a) As explained to us, the Company has conducted physical verification of inventories during the year at reasonable intervals.
  - (b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventories. No material discrepancies were noticed on physical verification.
- (3) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, sub clauses (a), (b) & (c) of clause 3(iii) of the Order are not applicable to the Company.
- (4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of investments, guarantees and securities provided by it. Further the Company has not granted any loans to the parties who are covered by the provisions of section 185 & 186 of the Act.
- (5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the Public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (6) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records & Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate and/or complete.
- (7) According to the information and explanations given to us, in respect of statutory dues:-
  - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Custom Duty, Goods and Service Tax, Cess and any other material statutory dues applicable to it with appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Goods and Service Tax, Cess and other material statutory dues in arrears, as at 31<sup>st</sup> March, 2021 for a period of more than six months from the date they became payable.
- (c) There are no dues with respect to Income Tax, Sales Tax, Service Tax, Value Added Tax, Customs Duty, Excise Duty, Goods and Service Tax and any other material statutory dues applicable to it, which have not been deposited on account of any dispute other than the following:-

Name of the Statue	Forum where matter is pending	Period to which the amount relates	Nature of Dues	Amount (₹ in Lakhs)
Central Excise Act, 1944	High Court	April, 2001 to May 2013	Excise Duty	616.78
	Tribunal	Various periods from 2006-07 to 2018-19	Excise Duty & Service Tax	148.41
	Commissioner & Commissioner (Appeals)	Various periods from 2006-07 to 2008-09	Excise Duty & Service Tax	29.59

- (8) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of loans or borrowings to the financial institution and banks. The Company does not have any loan from Government. Further, the Company has not issued any debentures.
- (9) In our opinion and according to the information and explanations given to us, the term loan obtained during the year has been applied by the Company for the purpose for which it was obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- (10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (11) In our opinion and according to the information and explanations given to us, the managerial remuneration paid or provided is in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (12) According to information and explanations given to us, the Company is not a Nidhi Company and hence report under clause 3(xii) of the Order is not applicable to the Company.
- (13) In our opinion and according to the information and explanations given to us and on the basis of examination of the books and records of the Company carried out by us, all the transactions with the related parties are in compliance with the provisions of section 177 and 188 of the Act, where applicable. The details thereof have been disclosed in the financial statements as required under Indian Accounting Standards.
- (14) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (15) In our opinion and according to the information and explanations given to us and on the basis of examination of the books and records of the Company carried out by us the Company has not entered into any non-cash transactions with directors or persons connected with such directors and hence provisions of section 192 of the Act are not applicable.
- (16) According to information and explanations given to us, the Company is not required to be registered under section 45IA of the RBI Act, 1934.

For **Bhagwagar Dalal & Doshi**  
Chartered Accountants  
(Firm Registration No.128093W)

UDIN: 21124528AAAABC6989  
Place : Mumbai  
Date : 29<sup>th</sup> June, 2021

**Jatin V. Dalal**  
Partner  
Membership No. 124528

**BALANCE SHEET as at 31<sup>st</sup> March, 2021**

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	2A	12,974.57	13,885.44
Capital Work-in-Progress	2B	-	13.52
Intangible Assets	2C	30.25	55.48
Right of Use Assets	2D	28.98	39.54
Financial Assets			
Investments	3	4,919.82	3,657.71
Loans	4A	29.53	21.78
Other Financial Assets	5A	0.25	2.84
Income Tax Assets (Net)	6	20.69	88.45
Other Assets	7A	633.95	549.56
		<b>18,638.04</b>	<b>18,314.32</b>
<b>CURRENT ASSETS</b>			
Inventories	8	11,267.82	7,856.74
Financial Assets			
Trade Receivables	9	26,004.37	18,867.44
Cash and Cash Equivalents	10B	139.52	82.98
Other Balances with Banks	10B	94.52	91.21
Loans	4B	17.19	34.11
Other Financial Assets	5B	41.47	7.15
Other Assets	7B	1,438.71	1,437.91
Assets Held for Sale		17.00	17.00
		<b>39,020.60</b>	<b>28,394.54</b>
<b>TOTAL ASSETS</b>		<b>57,658.64</b>	<b>46,708.86</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	11	1,100.00	1,100.00
Other Equity	12	18,642.39	16,623.23
		<b>19,742.39</b>	<b>17,723.23</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	13A	7,321.03	4,899.15
Other Financial Liabilities	14A	11.93	18.88
Provisions	15A	80.55	101.39
Deferred Tax Liability (Net)	16	1,023.44	859.50
Deferred Income	17	21.88	65.47
		<b>8,458.83</b>	<b>5,944.39</b>
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	13B	21,370.36	16,684.76
Trade Payables			
- Micro, Small & Medium Enterprises	18	86.31	32.44
- Others	18	4,141.20	2,185.01
Other Financial Liabilities	14B	3,393.11	3,598.75
Other Liabilities	19	370.54	428.43
Provisions	15B	22.93	34.20
Income Tax Liabilities (Net)	20	72.97	77.65
		<b>29,457.42</b>	<b>23,041.24</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>57,658.64</b>	<b>46,708.86</b>
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1-45		

**As per our Report of even date**
**For Bhagwagar Dalal & Doshi**

Chartered Accountants

(Firm Registration No. 128093W)

**Jatin V. Dalal**

Partner

M.No. 124528

Place : Mumbai

Dated : 29<sup>th</sup> June, 2021

**For and on behalf of the Board of Directors**
**Tribhuvanprasad Kabra Mahendrakumar Kabra**

Chairman

Managing Director

DIN - 00091375

DIN - 00473310

**Hemant Kabra**

Director &amp; CFO

DIN - 01812586

**Saurabh Gupta**

Company Secretary

ACS - 53006

**STATEMENT OF PROFIT & LOSS for the year ended on 31<sup>st</sup> March, 2021**

(₹ in Lakhs)

Particulars	Note No.	2020-21	2019-20
<b>Revenue from Operations</b>			
Sale of Products	21	<b>1,36,923.19</b>	1,24,045.17
Other Operating Revenues	21	<b>1,774.93</b>	1,503.11
Other Income	22	<b>247.30</b>	408.39
<b>Total Revenue</b>		<b>1,38,945.42</b>	1,25,956.67
Cost of Materials Consumed	23	<b>1,29,728.48</b>	1,12,248.48
Changes in Inventories	24	<b>(4,106.51)</b>	(597.51)
Employee Benefits Expense	25	<b>2,887.43</b>	3,027.48
Finance Costs	26	<b>1,951.14</b>	2,267.08
Depreciation & Amortisation Expense	27	<b>1,640.92</b>	1,736.34
Other Expenses	28	<b>5,055.20</b>	5,636.76
<b>Total Expenses</b>		<b>1,37,156.66</b>	1,24,318.63
<b>Profit Before Tax</b>		<b>1,788.76</b>	1,638.04
Tax Expenses:	15		
Current Tax		<b>497.85</b>	521.09
Short/(Excess) Tax Provision of earlier years		<b>5.24</b>	(39.54)
Deferred tax		<b>(65.33)</b>	(269.81)
		<b>437.76</b>	211.74
<b>Profit After Tax</b>		<b>1,351.00</b>	1,426.30
<b>Other Comprehensive Income (OCI)</b>			
A (i) Items that will not be reclassified to Profit or Loss			
a) Remeasurement benefit of defined benefit plans		<b>42.06</b>	(47.90)
b) Fair value gain on investment in equity instrument through OCI		<b>965.37</b>	(2,063.78)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		<b>(229.27)</b>	486.28
B (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
<b>Total Other Comprehensive Income (OCI) (A+B)</b>		<b>778.16</b>	(1,625.40)
<b>Total Comprehensive Income for the year</b>		<b>2,129.16</b>	(199.10)
<b>Earnings per Equity Share of ₹ 5/- each (Note 37)</b>			
Basic		<b>6.14</b>	6.48
Diluted		<b>6.14</b>	6.48
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	1-45		

**As per our Report of even date**
**For Bhagwagar Dalal & Doshi**

Chartered Accountants

(Firm Registration No. 128093W)

**Jatin V. Dalal**

Partner

M.No. 124528

Place : Mumbai

Dated : 29<sup>th</sup> June, 2021

**For and on behalf of the Board of Directors**
**Tribhuvanprasad Kabra Mahendrakumar Kabra**

Chairman

DIN - 00091375

Managing Director

DIN - 00473310

**Hemant Kabra**

Director &amp; CFO

DIN - 01812586

**Saurabh Gupta**

Company Secretary

ACS - 53006

## STATEMENT OF CHANGES IN EQUITY for the year ended on 31<sup>st</sup> March 2021

(₹ in Lakhs)

EQUITY SHARE CAPITAL	As at 31.03.2021	As at 31.03.2020
Balance at the beginning of the year	1,100.00	1,100.00
Changes in equity share capital during the year	-	-
Balance at the end of the year	1,100.00	1,100.00

(₹ in Lakhs)

OTHER EQUITY	Reserves & Surplus			Equity Instruments through OCI	Total
	Security Premium	General Reserve	Retained Earnings		
<b>Balance as at 1<sup>st</sup> April, 2019 (A)</b>	763.20	513.00	12,606.44	3,271.23	17,153.87
Additions during the year					
Profit for the year	-	-	1,426.30	-	1,426.30
Add/(Less): Items of OCI for the year, net of tax :					
Remeasurement benefit of defined benefit plans	-	-	(37.69)	-	(37.69)
Net fair value loss on investment in equity instruments through OCI	-	-	-	(1,587.72)	(1,587.72)
<b>Total Comprehensive Income For the year 2019-20 (B)</b>	-	-	1,388.61	(1,587.72)	(199.11)
Reductions during the year					
Dividend	-	-	(275.00)	-	(275.00)
Income Tax on Dividend	-	-	(56.53)	-	(56.53)
Transfer to General Reserve	-	-	-	-	-
<b>Total (C)</b>	-	-	(331.53)	-	(331.53)
<b>Balance as at 31<sup>st</sup> March, 2020 (D) = (A+B+C)</b>	763.20	513.00	13,663.52	1,683.51	16,623.23
Additions during the year					
Profit for the year	-	-	1,351.00	-	1,351.00
Add/(Less): Items of OCI for the year, net of tax :					
Remeasurement benefit of defined benefit plans	-	-	31.47	-	31.47
Net fair value gain on investment in equity instruments through OCI	-	-	-	746.69	746.69
<b>Total Comprehensive Income For the year 2020-21 (E)</b>	-	-	1,382.47	746.69	2,129.16
Reductions during the year					
Dividends	-	-	(110.00)	-	(110.00)
Transfer to General Reserve	-	-	-	-	-
<b>Total (F)</b>	-	-	(110.00)	-	(110.00)
<b>Balance as at 31<sup>st</sup> March, 2021 (D+E+F)</b>	763.20	513.00	14,935.99	2,430.20	18,642.39

As per our Report of even date

For Bhagwagar Dalal & Doshi

Chartered Accountants

(Firm Registration No. 128093W)

Jatin V. Dalal

Partner

M.No. 124528

Place : Mumbai

Dated : 29<sup>th</sup> June, 2021

For and on behalf of the Board of Directors

Tribhuvanprasad Kabra Mahendrakumar Kabra

Chairman

Managing Director

DIN - 00091375

DIN - 00473310

Hemant Kabra

Director & CFO

DIN - 01812586

Saurabh Gupta

Company Secretary

ACS - 53006



**CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2021**
**(₹ in Lakhs)**

Particulars	2020-21	2019-20
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	1,788.76	1,638.04
Adjustments for :		
Depreciation & amortisation	1,640.92	1,736.34
Grant related to property, plant & equipment	(75.51)	(86.31)
Finance costs	1,951.14	2,267.08
Interest income	(6.18)	(4.27)
Dividend income	-	(44.34)
Others	13.52	-
Allowance for doubtful debts and bad debts written off	123.41	417.10
Unrealised foreign exchange loss (net)	6.44	27.93
Loss on sale of property, plant & equipment (net)	2.43	9.00
<b>Operating Profit before working capital changes</b>	<b>5,444.93</b>	<b>5,960.57</b>
Adjustments for (increase)/decrease :		
Trade receivables	(7,301.33)	1,191.45
Financial assets	(25.41)	(12.93)
Other assets	7.48	1,692.96
Inventories	(3,411.08)	650.10
Trade payables	2,011.20	(2,384.84)
Financial liabilities	73.14	(164.56)
Other liabilities & provisions	(47.94)	(42.17)
<b>Cash (used in)/generated from Operating activities</b>	<b>(3,249.01)</b>	<b>6,890.58</b>
Income Tax paid (net of refund)	(460.12)	(457.48)
<b>Net cash (used in) /flow from Operating activities (A)</b>	<b>(3,709.13)</b>	<b>6,433.10</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant & equipment (including WIP)	(886.13)	(1,643.38)
Purchases of Asset held for Sale	-	(17.00)
Sale of property, plant & equipment (including assignment)	89.85	12.41
Purchase of non-current investment- Subsidiary	(296.74)	-
Refund of share application money- Joint Venture	2.37	-
(Investment) / Proceed from fixed deposits (net)	(3.83)	(3.41)
Dividend received	-	44.34
Interest received	6.44	3.82
<b>Net cash (used in) Investing activities (B)</b>	<b>(1,088.04)</b>	<b>(1,603.22)</b>

(₹ in Lakhs)

Particulars	2020-21	2019-20
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from non current borrowing (net)	2,249.93	615.25
Proceeds /(Repayment) from current borrowing (net)	4,685.60	(3,475.07)
Repayment of lease liabilities	(23.64)	(24.56)
Finance costs paid	(1,948.18)	(2,246.28)
Dividend paid (Inclusive of income tax on dividend )	(110.00)	(331.53)
<b>Net cash flow from/(used in) Financing activities (C)</b>	<b>4,853.71</b>	<b>(5,462.19)</b>
<b>(D) Net increase /(decrease) in cash and cash equivalents ( A+B+C )</b>	<b>56.54</b>	<b>(632.31)</b>
Add: Cash and cash equivalents as at 1 <sup>st</sup> April	82.98	715.29
Cash and cash equivalents as at 31 <sup>st</sup> March	139.52	82.98

Notes:

- a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IndAS-7) - Statement of Cash Flow.
- b) Cash and Cash Equivalent comprises of :

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Cash on hand	2.39	1.78
Balance with banks	137.13	81.20
	139.52	82.98

- c) Reconciliation of liabilities arising from financing activities :

(₹ in Lakhs)

Particulars	As at 31.03.2020	Cash flows	Non cash changes		As at 31.03.2021
			fair value changes	Current/Non-Current Classification	
Borrowings - Non Current	4,899.15	4,261.72	-	(1,839.84)	7,321.03
Borrowing Non Current (current maturities)	2,356.91	(2,011.79)	-	1,839.84	2,184.96
Borrowings - Current	16,684.76	4,685.60	-	-	21,370.36

**As per our Report of even date**  
**For Bhagwagar Dalal & Doshi**  
Chartered Accountants  
(Firm Registration No. 128093W)

**Jatin V. Dalal**  
Partner  
M.No. 124528  
Place : Mumbai  
Dated : 29<sup>th</sup> June, 2021

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

**Tribhuvanprasad Kabra** **Mahendrakumar Kabra**  
Chairman Managing Director  
DIN - 00091375 DIN - 00473310

**Hemant Kabra**  
Director & CFO  
DIN - 01812586

**Saurabh Gupta**  
Company Secretary  
ACS - 53006

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021

### CORPORATE INFORMATION

Ram Ratna Wires Limited ('the Company') is a public company limited by shares incorporated and domiciled in India with its registered office in Mumbai, Maharashtra. The Company is listed on the Bombay Stock Exchange (BSE).

The Company is a leading manufacturer of winding wires, mainly enamelled copper wires. The Company offers unique product range of all gauges of winding wires including super fine wires. The product portfolio of the Company includes enamelled copper wire and strips, enamelled aluminium wires and strips, submersible winding wires, fiber glass covered copper and aluminium strips and paper cover round wires. The Company has manufacturing facilities located at Silvassa, Dadra and Nagar Haveli and Daman and Diu (Union Territory). The Standalone Financial Statements ("the Financial Statements") as at 31<sup>st</sup> March, 2021 present the financial position of the Company. The Financial Statements were approved by the Board of Directors and authorised for issue on 29<sup>th</sup> June, 2021.

The functional and presentation currency of the Company is Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates.

### 1. SIGNIFICANT ACCOUNTING POLICIES & KEY ACCOUNTING ESTIMATES & JUDGEMENTS

#### (a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

##### (i) Basis of preparation:

The Financial Statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The Financial Statements have been prepared on accrual and going concern basis. The accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Financial Statements includes Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit & Loss including Other Comprehensive Income, Cash Flows Statement, Statement of Change in Equity for the year ended 31<sup>st</sup> March, 2021 and significant accounting policy and other explanatory information.

##### (ii) Basis of Measurement:

The Financial Statements have been prepared and presented under the historical cost convention except for certain financial assets and financial liabilities that are required to be measured at fair values at the end of each reporting period by Ind AS.

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

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.

##### (iii) Recent pronouncements:

Ministry of Corporate Affairs notified the amendments to existing standards on 24<sup>th</sup> July 2020 which are effective for annual period beginning after 1<sup>st</sup> April, 2020. The following are the amendments to existing standards, which have no significant impact on the Company's Financial Statements.

##### **Ind AS 103 - Business Combination**

The amendments provide change in definition of business. The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The new definition is narrower but may require a complex assessment.

##### **Ind AS 116 - Leases**

The amendment provides the practical expedient in Ind AS 116 for accounting of rent concessions due to COVID 19.

##### **Ind AS 107 - Financial Instruments: Disclosures, Ind AS 109 - Financial Instruments**

The specific hedge accounting requirements have been amended to provide relief from the potential effects of the uncertainty caused by IBOR reform.

**Ind AS 1 - Presentation of Financial Statements, Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, Ind AS 10 - Events after the Reporting Period.**

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### **Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets**

The amendments provide refined definition of material. The refinements are not intended to alter the concept of materiality and are expected to make it easier to understand.

#### New Ind AS or amendments to existing Ind AS issued but not effective:

Ministry of Corporate Affairs has notified amendments to the existing Ind AS to be effective from 1<sup>st</sup> April, 2021 on 18<sup>th</sup> June, 2021. Key amendments to existing Ind AS are: -

### **Ind AS 116 - Leases**

Extension of time period for practical expedient in Ind AS 116 for accounting of rent concession due to COVID 19.

### **Ind AS 109 - Financial Instruments, Ind AS 107 - Financial Instruments: Disclosures,**

Practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform and additional disclosure to be made on account of interest rate benchmark reform.

### **Ind AS 102 - Share Based payment**

Definition of Equity Instrument in reference to the Conceptual framework of Financial Reporting

### **Ind AS 103 - Business Combination**

Amendment to definition of assets and liabilities in accordance with the definition given in the framework for the Preparation and Presentation of Financial Statements in accordance with Ind AS for qualifying the recognition criteria as per acquisition method.

### **Ind AS 16 - Property Plant & Equipment**

Substituting the words "Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use" with "Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use".

#### Others :-

Ministry of Corporate Affairs through a notification dated 24<sup>th</sup> March, 2021, amended Schedule III of the Companies Act, 2013 to be effective from 1<sup>st</sup> April, 2021. Key amendments to division II which relates to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are :-

#### **Balance Sheet**

- Disclosure of Lease Liabilities under head "financial liabilities: duly classified as current - non-current;
- Additional disclosures in the statement of changes in the equity such as changes in equity capital due to prior period errors and restatement of balance sheet at the beginning of the current period;
- Promoters Shareholding Pattern disclosure in specified format;
- Specified format for ageing of trade receivables, trade payable, capital work-in progress and intangible assets under development;
- Detail disclosure, If a company has not utilised the fund borrowed from banks and financial institution for the specified purpose for which money has been borrowed; Specified disclosure under "additional regulatory requirements" such as :
  - compliance with approved scheme of arrangements;
  - compliance with number of layers of companies;
  - title deed of immovable property not in the name of company;
  - loans and advances to promoters, directors, key managerial personnel and related parties;
  - details of benami property held.

#### **Statement of Profit and Loss**

- additional Reporting on Corporate Social Responsibilities (CSR)
- reporting of crypto or virtual currency

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

The Company will evaluate the impact of changes in Ind AS and Schedule III to give effect to them as required by the law.

### (iv) Current/ Non- Current Classification:

Any asset or liability is classified as current or non-current based on company's normal- operating cycle and other criteria as set out in the Division II of schedule III to the Companies Act, 2013.

Asset/ Liability is classified as current, if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- the asset 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 date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of product and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

### (b) KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and the accompanying disclosures in notes including disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in the outcomes requiring adjustment to the carrying amounts of assets or liabilities in future periods. The estimates and the associated assumptions are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances as available at the time of preparation of the Financial Statement. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. The estimates and the associated assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognised prospectively.

Significant judgements and estimates have been made by the Company relating to

- Amount and Timing of recognising of revenue from contract at a point in time with customers, identifying performance obligations in a sales transactions and volume rebate that gives rise to variable consideration in a sales contract.
- Useful lives of property, plant and equipment and intangible assets at the end of each reporting period.
- Impairment of property, plant and equipment and intangible assets
- Impairment of Investments in subsidiaries & Joint Venture
- Provision for employee benefits and other provisions
- Provision for Income Tax including payment of advance Tax
- Recoverability of deferred tax assets
- Fair Value Measurements of Financial Instruments
- Identification of Lease, assessing lease terms (including anticipated renewals) and applicable discount rate
- Commitments and contingencies

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### Estimation of uncertainties relating to the second wave of pandemic COVID-19

The outbreak of second wave of Coronavirus (COVID-19) in India during mid-March, 2021, has again casted clouds of uncertainty in the Indian economy and caused disturbance and slowdown in the economic activities. This has affected the Operations of the Company in the initial period of 2021-22 due to slow demand, restrictions of the movement of the staffs etc.

However, there is no material impact on the carrying value of the Current Assets particularly Trade receivables and inventories, which account for substantial part of the current assets of the Company. In assessing the recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risk of the customers based on the industry and internal, external information, as available, till preparation of Financial Statements.

### (c) SIGNIFICANT ACCOUNTING POLICIES

#### i) Property, Plant and Equipment

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to the costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discount or rebate is deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the statement of profit and loss as and when incurred.

Capital work-in-progress includes cost of property, plant and equipment not ready for the intended use as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'capital advances' under other non-current assets.

The cost and related accumulated depreciation are eliminated from the Financial Statements upon sale or retirement of the property, plant and equipment and the resultant gains or losses are recognised in the statement of profit and loss. Property, plant and equipment to be disposed of are reported at the lower of the carrying value or the fair value less cost of disposal.

The Company had elected to continue with the carrying value of all of its property, plant and equipment appearing in the financial statements prepared as per accounting standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (Generally Accepted Accounting Standards "Previous GAAP") as the deemed cost of the property, plant and equipment in the opening balance sheet under Ind AS effective 1<sup>st</sup> April, 2016.

Exchange differences arising on translation of long-term foreign currency monetary items recognised in the Previous GAAP financial statements in respect of which the Company has elected to recognise such exchange differences as a part of cost of assets is allowed under Ind AS 101. Such differences are added/deducted to/from the cost of assets and are recognised in the statement of profit and loss on a systematic basis as depreciation over the balance life of the assets.

#### ii) Intangible Assets

Intangible assets acquired are initially measured at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition, intangible assets with defined useful lives are carried at cost less accumulated amortization and accumulated impairment loss, if any. Internally generated intangibles are not capitalized and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

Computer Software an intangible asset is measured on initial recognition at cost. Costs comprise of license fees and cost of system integration services and development.

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. On de-recognition the intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the statement of profit and loss.

### iii) Depreciation on Property, Plant and Equipment and Amortisation of intangible Assets

Depreciation on property, plant and equipment is provided on pro rata basis using the straight-line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 in consideration with useful life of the assets as estimated by the management.

Intangible Assets with finite lives are amortized on a straight-line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

The estimated useful lives, residual values and methods of depreciation of property, plant & equipment are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate and adjusted prospectively, if any.

The estimated useful life of items of property, plant and equipment and intangible Assets are:

Particulars	Years	Particulars	Years
Factory Buildings ( including Roads)	10 to 30	Office and Other Equipments	5 to 10
Workers Quarters	60	Computers/ Laptops/ Computers Hardware	3
Plant and Machineries	15 to 40	Computer Servers	6
Laboratory Equipments	10	Computer Software	5
Electrical Installations	10	Vehicles	8 to 10
Furniture and Fixtures	10		

### iv) Impairment of Assets

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any).

An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

### v) Leases

#### The Company as a Lessee

The Company's lease assets classes primary consists of leases for premises. The Company assesses whether a contract is qualifies to be a lease at the inception of contract. A contract is, or contains, a lease, if the contract conveys the right to control the use of an assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of identified asset, the Company assess whether, throughout the period of use, the Company has both of the following: -

- right to obtain substantially all of the economic benefits from use of the identified assets
- right to direct the use of the identified assets

Identification of lease requires significant judgment including judgement to assess the lease terms (including anticipated renewals) and the applicable discount rate. The Company determines the lease terms as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease, if the Company is



## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

reasonably certain to excise that option; and period covered by an option to terminate the lease, if the Company is reasonably certain not to exercise that option. In assessing, whether the Company is reasonably certain to exercise the option to extend a lease, or not to exercise an option to terminate a lease, the Company consider all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revise the lease term if there is a change in the non-cancellable period of lease terms.

At the date of the commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease contracts in which it is a lessee, except for leases contract for a period of twelve months or less (short term leases), variable leases and low value leases, in those cases the lease payments are recognised in the statement of profit and loss on a straight-line basis over the term of the lease.

ROU is initially recognized at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU is depreciated from the commencement date on a straight-line basis over the lease term or useful life of the underlining asset, whichever is shorter. ROU is tested for impairment and account for as per impairment of assets policy of the Company.

The lease liability is initially measure at the present value of the future lease payments, which comprises of the fixed payments, variable lease payments, guaranteed residual value or exercise price of purchase option, if the Company is reasonably certain to exercise the option. The lease payments are discounted using interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet. Interest expense on lease liability is reported as finance cost in the statement of profit and loss account and lease payments have been classified as financing cash flows.

### **The Company as a Lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases mainly of workers quarters are recognised in the statement of profit and loss on straight line basis.

### **vi) Investment in Subsidiaries and Joint Venture**

Investment in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investments is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

### **vii) Inventories**

- Raw Materials, Work-in-progress and Finished goods are valued at the lower of cost or net realizable value. The cost is determined using FIFO method.
- The cost of Inventories of work-in-progress and finished goods comprises the cost of purchases and the cost of conversion and in case of finished goods it also includes the cost of packing materials.

The cost of purchase comprises of the purchase price including duties and taxes (other than those subsequently recoverable by the Company from the taxing authorities), freight inward and other expenditure directly attributable to the acquisition but net of trade discount, rebates, duties for import under advance licenses and other similar items.

The cost of conversion comprises of depreciation and repairs and maintenance of factory buildings and plant and machineries, power and fuel, factory management and administration expenses and consumable stores and spares.

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

- Packing Materials, Consumable Stores and Spares and Fuel are valued at lower of cost or net realizable value.  
The cost is determined using FIFO method.
- Scrap is valued at net realizable value.  
Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost to make sale.

### viii) 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.

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition and adjusted for transaction costs that are attributable to the acquisition or issues of financial assets and financial liabilities in case of financial assets or financial liabilities not at fair value through profit or loss account.

Where the fair value of financial assets and financial liabilities at initial recognition is different from its transaction price, the difference between the fair value and transaction price is recognised in the statement of profit and loss.

However, trade receivables that do not contain a significant financing component are initially measured at transaction price.

#### a) Financial Assets

##### Cash and bank balances

Cash and bank balances consist of:

- **Cash and cash equivalents** - which include cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.
- **Other bank balances** - which include balances and deposits with banks that are restricted for withdrawal and usage.

##### Financial assets measured at amortised cost

A financial asset is subsequently measured at amortised cost if both of the following conditions are met:

- If it is held within a business model whose objective is to hold the asset 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.

This category applies to trade receivables, loans and other financial assets of the Company measured using the Effective Interest Rate (EIR) method less impairment, if any, and the amortisation of EIR and loss arising from impairment, if any is recognised in the statement of profit and loss.

##### Financial assets measured at fair value

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

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

Fair value movements are recognised in the other comprehensive income.

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

The Company in respect of equity instruments (other than equity instruments of subsidiaries and joint venture) which are not held for trading has made an irrevocable election to present the subsequent changes in fair value of such equity instruments in other comprehensive income. Such an election is made by the Company on an instrument-by-instrument basis at the time of initial recognition of such equity investments. On de-recognition, cumulative gain or loss previously recognised in other comprehensive income is reclassified from the equity to retained earnings in the statement of changes in equity.

A financial asset not classified as either amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

### **Impairment of Financial Assets**

The Company applies loss allowance using the expected credit loss (ECL) model for the financial assets which are measured at amortised cost or fair value through other comprehensive income. Loss allowance for trade receivables with no significant financing component is measured following simplified approach wherein an amount equal to lifetime ECL is measured and recognised as a loss allowance.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on life time ECLs at each reporting date, right from its initial recognition.

For all other financial assets, ECLs are measured at an amount equal to 12-month ECL, unless there has been a significant increase in credit risk for initial recognition in which case those are measured at lifetime ECL.

### **De-recognition of Financial Assets**

A financial asset is de-recognised only when

- The contractual rights to cash flows from the financial asset expire;
- The Company has transferred the contractual rights to receive cash flows from the financial asset or;
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## **b) Financial Liabilities**

### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### **Equity Instrument**

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

### **Financial Liability**

Trade and other payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**

Interest bearing loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost using effective interest rate method. Any difference between proceeds (net of transaction cost) and the settlement amount of borrowing is recognised over the terms of the borrowings in the statement of profit and loss.

**De-recognition**

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or has expired.

**c) Financial Guarantee Contracts**

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

**d) Derivative financial instruments**

The Company enters into derivative financial contracts in the nature of forward currency contracts with banks to reduce business risks which arise from its exposures to foreign exchange. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/firm contractual commitments.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Any change therein is generally recognised in the statement of profit and loss. Derivatives are carried as financial assets when fair value is positive and as financial liabilities when fair value is negative.

**e) Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**ix) Fair Value Measurement**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. 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 asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows:-

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### x) **Non-Current Assets held for sale**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell and are presented separately from other assets in the balance sheet. The liabilities related to the assets held for sale are presented separately from other liabilities in the balance sheet. Non-current assets held for sale are not depreciated or amortized.

### xi) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation or present 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 and where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognised nor disclosed in the financial statements.

### xii) **Revenue**

Revenue from contracts with customer is recognized when the Company satisfies a performance obligation by transferring the promised goods or services to a customer at a transaction price. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is to be allocated. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer as per contract, excluding amount of taxes collected on behalf of the government. The transaction price is adjusted of trade discount, cash discount, volume rebate and other variable considerations as per the terms of contract which is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Consideration payable to customers is accounted as reduction of transaction price and therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Company.

#### **Sale of Goods:-**

Revenue from sale of products is recognised at a point in time when the control on the goods have been transferred to a customer i.e. when material is delivered to the customer or as per shipping terms, as may be specified in the contract.

#### **Job Work**

Revenue from Job work is recognised when intended job work is carried out and goods are ready for transfer to the owner of the goods.

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)****Export Incentives**

Eligible export incentives are recognised in the year in which the conditions precedents are met and there is no significant uncertainty about the collectability.

**xiii) Other Income****Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Rental Income**

Rental income is recognised in the statement of profit and loss on straight line basis.

**Dividend Income**

Dividend Income from investments is recognised when shareholder's rights to receive payment have been established.

**Commission Income**

Guarantee commission income (notional) for the financial guarantee issued by the Company to the bank in respect of credit facility granted by the bank to the dealers of the Company is recognised over the period of guarantee.

**xiv) Government Grant**

Government grants are recognised when there is reasonable assurance that the grant will be received and the company will comply with all the attached conditions. When the grant relates to revenue expense, it is recognised as an income on a systematic basis over the period necessary to match it with the expenses that it is intended to compensate. Government grant related to expenditure on property, plant and equipment is included as cost of property, plant and equipment and is credited to the statement of profit and loss over the useful lives of qualifying assets or credited to the statement of profit and loss over the period in which the corresponding export obligation is fulfilled. Total grants availed less the amounts credited to the statement of profit and loss at the balance sheet date are included in the balance sheet as deferred income.

**xv) Foreign Currency Transactions**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The functional and presentation currency of the Company is Indian Rupees (₹).

Transactions denominated in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary items is restated at the closing exchange rates. Non-monetary items are recorded at exchange rate prevailing on the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognized in the statement of profit and loss.

The forward exchange contracts are marked to market and gain/loss on such contracts are recognised in the statement of profit and loss at the end of each reporting period.

The Company as per previous GAAP elected to recognise as part of cost of assets, exchange differences arising on translation of long-term foreign currency monetary items and this method of recognition of such exchange difference is followed by the Company as allowed under Ind AS 101. Such differences are added/deducted to/ from the cost of assets and are recognised in the statement of profit and loss on a systematic basis as depreciation over the balance life of the assets.

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### xvi) Employee Benefits

#### a) Short Term Obligations

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

#### b) Post-Employment Benefits

##### i) Defined benefit plan

Gratuity liability is a defined benefit obligation and recognized based on actuarial valuation carried out using the Projected Unit Credit Method. The scheme is maintained and administered by Life Insurance Corporation of India to which the Company makes periodical contributions through its trustees.

##### ii) Defined contribution plan

A Defined Contribution Plan is plan under which the Company makes contribution to Employee's Provident Fund administered by the Central Government. The Company's contribution is charged to the statement of profit and loss.

#### c) Other Long Term Employee Benefits - Leave Salary

The liability towards leave salary which is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related services is recognized based on actuarial valuation carried out using the Projected Unit Credit Method.

### xvii) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized. All other borrowing costs are expensed in the period in which they occur.

### xviii) Income Taxes

Tax expenses for the year comprises current tax and deferred tax.

#### Current Tax

Current tax is the amount of income tax payable in respect of taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because taxable profit is adjusted for items of income or expenses which are taxable or deductible in other years and also for items which are not taxable or deductible under the Income Tax Act, 1961 ("the I T Act").

The Company's liability for current tax is calculated using tax rates and tax laws in force.

#### Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit under the I T Act.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affects neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.



**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws in force. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity, in which case, the tax is recognised in other comprehensive income or directly in equity, respectively.

**MAT**

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 recognised as deferred tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such asset is reviewed at each Balance Sheet date.

**xix) Segment Reporting**

Operating segment is a component of an entity whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decision about resource to be allocated to the segment and assess its performance. The Company has no separate reportable segment.

**xx) Statement of Cash Flow**

Cash flow statement is reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cashflows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short- term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purposes of cash flow statement cash and cash equivalents consist of cash and short-term deposits, as defined above.

**xxi) Events after Reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions which existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

**xxii) Earnings per Share**

As per the requirement of Ind AS 33, basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose calculating Diluted Earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

# NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

Note 2

## A) PROPERTY, PLANT & EQUIPMENT

Description	Gross Carrying Amount				Depreciation			Net Carrying Amount	
	As at 01.04.2020	Additions	Deductions/ Adjustments	As at 31.03.2021	As at 01.04.2020	For the Year	Deductions / Adjustments	As at 31.03.2021	As at 31.03.2021
Land - Free Hold	2,220.95	-	-	2,220.95	-	-	-	-	2,220.95
Factory Buildings	4,007.63	22.93	-	4,030.56	362.16	160.84	-	523.00	3,507.56
Residential Buildings	158.29	-	-	158.29	12.37	3.09	-	15.46	142.83
Plant & Machineries	11,219.39	566.98	40.02	11,746.35	4,161.92	1,278.08	27.14	5,412.86	6,333.49
Laboratory Equipments	264.04	72.98	-	337.02	78.91	30.77	-	109.68	227.34
Electrical Installations	113.65	-	-	113.65	25.60	10.54	-	36.14	77.51
Furniture & Fixtures	166.53	1.02	-	167.55	29.43	15.40	-	44.83	122.72
Office & Other Equipments	279.59	22.99	4.09	298.49	125.20	51.81	1.51	175.50	122.99
Vehicles	381.97	33.80	68.69	347.08	131.01	43.82	46.93	127.90	219.18
<b>Total</b>	<b>18,812.04</b>	<b>720.70</b>	<b>112.80</b>	<b>19,419.94</b>	<b>4,926.60</b>	<b>1,594.35</b>	<b>75.58</b>	<b>6,445.37</b>	<b>12,974.57</b>
<b>B) Capital Work - in - Progress</b>	<b>13.52</b>	<b>53.41</b>	<b>66.93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Description	Gross Carrying Amount				Depreciation			Net Carrying Amount	
	As at 01.04.2019	Additions	Deductions/ Adjustments	As at 31.03.2020	As at 01.04.2019	For the Year	Deductions / Adjustments	As at 31.03.2020	As at 31.03.2020
Land - Free Hold	2,204.00	16.95	-	2,220.95	-	-	-	-	2,220.95
Factory Buildings	3,806.76	200.87	-	4,007.63	205.89	156.27	-	362.16	3,645.47
Residential Buildings	158.29	-	-	158.29	9.27	3.10	-	12.37	145.92
Plant & Machineries	10,155.45	1,121.52	57.58	11,219.39	2,821.67	1,379.50	39.25	4,161.92	7,057.47
Laboratory Equipment	231.21	32.83	-	264.04	50.90	28.01	-	78.91	185.13
Electrical Installations	113.65	-	-	113.65	14.32	11.28	-	25.60	88.05
Furniture & Fixtures	125.77	40.76	-	166.53	15.09	14.34	-	29.43	137.10
Office & Other Equipment	243.48	38.44	2.33	279.59	72.71	53.98	1.49	125.20	154.39
Vehicles	273.38	113.62	5.03	381.97	91.62	42.18	2.79	131.01	250.96
<b>Total</b>	<b>17,311.99</b>	<b>1,564.99</b>	<b>64.94</b>	<b>18,812.04</b>	<b>3,281.47</b>	<b>1,688.66</b>	<b>43.53</b>	<b>4,926.60</b>	<b>13,885.44</b>
<b>B) Capital Work - in - Progress</b>	<b>87.28</b>	<b>74.08</b>	<b>147.84</b>	<b>13.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.52</b>

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### C) INTANGIBLE ASSETS

Description	Gross Carrying Amount				Amortisation			Net Carrying Amount
	As at 01.04.2020	Additions	Deductions/ Adjustments	As at 31.03.2021	As at 01.04.2020	For the Year	Deductions / Adjustments	As at 31.03.2021
Computer Software	112.26	13.52	16.62	109.16	56.78	23.06	0.93	78.91
<b>Total</b>	<b>112.26</b>	<b>13.52</b>	<b>16.62</b>	<b>109.16</b>	<b>56.78</b>	<b>23.06</b>	<b>0.93</b>	<b>78.91</b>

Description	Gross Carrying Amount				Amortisation			Net Carrying Amount
	As at 01.04.2019	Additions	Deductions/ Adjustments	As at 31.03.2020	As at 01.04.2019	For the Year	Deductions / Adjustments	As at 31.03.2020
Computer Software	109.16	3.10	-	112.26	33.66	23.12	-	56.78
<b>Total</b>	<b>109.16</b>	<b>3.10</b>	<b>-</b>	<b>112.26</b>	<b>33.66</b>	<b>23.12</b>	<b>-</b>	<b>56.78</b>

### D) RIGHT OF USE ASSETS\*

Description	Gross Carrying Amount				Amortisation/Impairment			Net Carrying Amount
	As at 01.04.2020	Additions	Deductions/ Adjustments	As at 31.03.2021	As at 01.04.2020	For the Year	Deductions / Adjustments	As at 31.03.2021
Office Premises	64.10	12.95	-	77.05	24.56	23.51	-	48.07
<b>Total</b>	<b>64.10</b>	<b>12.95</b>	<b>-</b>	<b>77.05</b>	<b>24.56</b>	<b>23.51</b>	<b>-</b>	<b>48.07</b>

Description	Gross Carrying Amount				Amortisation/Impairment			Net Carrying Amount
	As at 01.04.2019	Additions	Deductions/ Adjustments	As at 31.03.2020	As at 01.04.2019	For the Year	Deductions / Adjustments	As at 31.03.2020
Office Premises	-	64.10	-	64.10	-	24.56	-	24.56
<b>Total</b>	<b>-</b>	<b>64.10</b>	<b>-</b>	<b>64.10</b>	<b>-</b>	<b>24.56</b>	<b>-</b>	<b>24.56</b>

\* Refer Note 44 Ind As 116 " Leases".

2.1 The details of property, plant & equipment hypthecated against borrowings are presented in Note 13.3 to 13.8.

2.2 The amount of contractual commitments for the acquisition of property, plant & equipment is disclosed in Note 29 B (i).

2.3 Amount of Foreign Exchange Difference & Interest capitalised during the year is Nil ( P.Y. Nil).

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Note 3: INVESTMENTS	Nos.	Face Value	Non-Current	
			As at 31.03.2021	As at 31.03.2020
Investments in Equity Instruments				
Unquoted Equity Shares (Fully Paid up)				
i) Subsidiary (measured at cost, Note 1 (c) (vi))				
- Global Copper Private Limited (60%)	6,46,134	₹ 10	979.54	979.54
- Epavo Electricals Private Limited (74%) (Note 43.2)	29,67,400	₹ 10	296.74	-
ii) Joint Venture (measured at cost, Note 1 (c) (vi))				
- R R Imperial Electricals Limited- Bangladesh (10%)	63,40,244	Taka 10	467.72	467.72
iii) Other Entity				
- R R Kabel Limited (measured at fair value and designated as FVOCI)	3,41,120	₹ 10	3,175.82	2,210.45
			4,919.82	3,657.71
Aggregate amount of unquoted investments at cost			1,744.00	1,447.26
Aggregate amount of unquoted investments at fair value			3,175.82	2,210.45
Aggregate value of impairment in value of investments			-	-

3.1 For estimated amount of capital commitments- Note 29 B (ii)

3.2 Information on financial information, Company's ownership interest and other information's of subsidiaries and joint venture - Note 38 of the Consolidated Financial Statements.

(₹ in Lakhs)

Note 4A: LOANS	Non-Current	
	As at 31.03.2021	As at 31.03.2020
<b>Unsecured, Considered good :</b>		
Electricity & Other Security Deposits	7.88	7.61
Security Deposits*	20.73	12.77
Loan to Employees	0.92	1.40
	29.53	21.78

(₹ in Lakhs)

Note 4B: LOANS	Current	
	As at 31.03.2021	As at 31.03.2020
<b>Unsecured, Considered good :</b>		
Security Deposits*	3.50	11.59
Loan to Employees	13.69	22.52
	17.19	34.11

(₹ in Lakhs)

* Includes	As at 31.03.2021	As at 31.03.2020
Security deposit with Director	7.32	6.62
Security Deposit with a Private Limited Company in which one of the Director of the Company is Director and some of Director of the Company are members	3.50	3.50

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Note 5A: OTHER FINANCIAL ASSETS	Non-Current	
	As at 31.03.2021	As at 31.03.2020
<b>Unsecured, Considered good :</b>		
Share Application Money -Joint Venture	-	2.37
Term Deposits with bank held as margin money or security against Borrowing, Guarantees or other Commitments having maturity more than 12 months	0.25	0.47
	<b>0.25</b>	<b>2.84</b>

(₹ in Lakhs)

Note 5B: OTHER FINANCIAL ASSETS	Current	
	As at 31.03.2021	As at 31.03.2020
<b>Unsecured, Considered good :</b>		
Interest accrued on term deposits held as margin money or security against Borrowing, Guarantees or other Commitments	3.44	3.70
Others	38.03	3.45
	<b>41.47</b>	<b>7.15</b>

(₹ in Lakhs)

Note 6: INCOME TAX ASSETS (NET)	Non-Current	
	As at 31.03.2021	As at 31.03.2020
Advance payment of Income Tax (net)	20.69	88.45
	<b>20.69</b>	<b>88.45</b>

(₹ in Lakhs)

Note 7A: OTHER ASSETS	Non-Current	
	As at 31.03.2021	As at 31.03.2020
<b>Unsecured, Considered good :</b>		
Capital Advances	217.41	122.54
Other Advances :		
Balances with government authorities		
Cenvat Credit Receivable	37.04	37.04
Vat Receivable	372.73	376.19
Advance receivable in cash or in kind	6.77	13.79
	<b>633.95</b>	<b>549.56</b>

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**

(₹ in Lakhs)

Note 7B: OTHER ASSETS	Current	
	As at 31.03.2021	As at 31.03.2020
<b>Unsecured, Considered good :</b>		
Other Advances :		
Balances with government authorities		
GST Receivable	578.36	430.39
Export Incentives Receivable	69.39	189.55
Excise Duty Refundable	19.26	22.23
Advance receivable in cash or in kind	168.27	141.80
Advances to Suppliers	602.92	653.64
Advance to Employees (net)	0.51	0.30
	<b>1,438.71</b>	<b>1,437.91</b>

(₹ in Lakhs)

Note 8: INVENTORIES	Current	
	As at 31.03.2021	As at 31.03.2020
Raw Materials	1,298.43	729.03
Raw Material-in-Transit	79.02	1,395.59
Work-in-Progress	3,164.14	1,431.53
Finished Goods	1,948.13	2,897.92
Finished Goods-in-Transit	4,544.26	1,197.99
<b>Others:</b>		
Packing Materials	112.41	79.90
Scrap	57.45	80.03
Consumable Stores & Spares	52.76	34.65
Fuel	11.22	10.10
	<b>11,267.82</b>	<b>7,856.74</b>

8.1 The cost of inventories recognised as an expense during the year is disclosed in Note 23 and 24

8.2 The cost of inventories written down during the year NIL (P.Y. NIL)

8.3 The inventories are hypothecated as the security as disclosed in Note 13.3 &amp; 13.4

(₹ in Lakhs)

Note 9: TRADE RECEIVABLES	Current	
	As at 31.03.2021	As at 31.03.2020
Secured - considered good	717.56	799.28
Unsecured - considered good	25,286.81	18,068.16
Unsecured - credit impaired	176.91	330.24
Unsecured - significant increase in credit risk	363.23	209.90
	<b>26,544.51</b>	<b>19,407.58</b>
Less: Allowance for credit impaired (doubtful debts)	176.91	330.24
Less: Allowance for significant increase in credit risk (doubtful debts)	363.23	209.90
	<b>26,004.37</b>	<b>18,867.44</b>

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**
**(₹ in Lakhs)**

<b>9.1 Due from Directors, Firm or Private Limited Company</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Due from a Firm in which a Director of the company is a Partner	<b>179.53</b>	132.58

- 9.2 Trade Receivables are generally non-interest bearing with credit period of 75 days to 90 days.
- 9.3 The Company has arranged channel financing facility for its customers from bank against which a sum of ₹ 5,219.45 Lakhs (P.Y. ₹ 4,795.47 Lakhs) has been received (net of advances) against the trade receivables as on the date of balance sheet and correspondingly the trade receivable stand reduced by the said amount. Also refer Note 29.2.
- 9.4 The Company's exposure to credit risk, currency risk and market risk related to trade receivables are disclosed in Note 38 (C).
- 9.5 Accounting policies on financial instruments - Note 1 (C) (viii)

**(₹ in Lakhs)**

<b>Note 10A: CASH AND BANK BALANCES</b>	<b>Non-Current</b>	
	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Other Balance with Banks</b>		
Term Deposits held as Margin money or security against Borrowing, Guarantees or other Commitments having maturity more than 12 months	<b>0.25</b>	0.47
Less: Amount included under the head Other Financial Assets	<b>0.25</b>	0.47
	-	-

**(₹ in Lakhs)**

<b>Note 10B: CASH AND BANK BALANCES</b>	<b>Current</b>	
	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>(A) Cash &amp; Cash Equivalents</b>		
(a) Balance with Banks		
Current Accounts	<b>137.13</b>	81.20
Cheques, draft on hand	-	-
(b) Cash on hand	<b>2.39</b>	1.78
	<b>139.52</b>	82.98
<b>(B) Other Balance with Banks</b>		
(a) Unclaimed Dividend Accounts*	<b>29.37</b>	30.11
(b) Term deposits held as margin money or security against Borrowing, Guarantees or other Commitments	<b>65.15</b>	61.10
	<b>94.52</b>	91.21

\* The Company can utilise these balances only towards settlement of unclaimed dividend.

**(₹ in Lakhs)**

<b>Note 11: EQUITY SHARE CAPITAL</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Authorised Capital</b>		
30,000,000 Equity Shares of ₹ 5/- each	<b>1,500.00</b>	1,500.00
<b>Issued, Subscribed and Paid Up Capital</b>		
22,000,000 Equity Shares of ₹ 5/- each fully paid-up	<b>1,100.00</b>	1,100.00
	<b>1,100.00</b>	1,100.00



## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### 11.1 Reconciliation of Equity Shares outstanding at the beginning & at the end of the year

Fully Paid up Equity Shares	As at 31.03.2021		As at 31.03.2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
As at the beginning of the year	2,20,00,000	1,100.00	2,20,00,000	1,100.00
Add/(Less):- Change during the year	-	-	-	-
As at the end of the year	2,20,00,000	1,100.00	2,20,00,000	1,100.00

### 11.2 Details of Shareholders holding more than 5% Equity Shares #

Name of Shareholder	As at 31.03.2021		As at 31.03.2020	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Ram Ratna Research & Holdings Private Limited	34,00,000	15.45	34,00,000	15.45
Mahendrakumar Kabra	18,67,966	8.49	18,67,966	8.49
TMG Global FZCO	14,00,000	6.36	14,00,000	6.36
Rameshwarlal Kabra - As Karta of Rameshwarlal Kabra (HUF)	12,41,000	5.64	12,41,000	5.64

# As per the records of the company, including its register of members

### 11.3 Terms/ rights attached to Equity Shares

The Company has only one class of shares referred to as equity shares having face value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share. The Dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

As per the Companies Act, 2013 the holders of equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts in the event of the liquidation of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

11.4 The Board of Directors of the Company have proposed a dividend of ₹ 1.00/- per equity share of face value of ₹ 5/- each for the year ending 31<sup>st</sup> March, 2021 (P.Y. ₹ 0.50/- per equity share) subject to approval of members at the forthcoming Annual General Meeting.

(₹ in Lakhs)

Note 12: OTHER EQUITY	Reserves and Surplus			Equity Instruments through OCI	Total
	Security Premium	General Reserve	Retained Earnings		
<b>Balance as at 1<sup>st</sup> April, 2019 (A)</b>	763.20	513.00	12,606.44	3,271.23	<b>17,153.87</b>
Additions during the year					
Profit for the year	-	-	1,426.30	-	<b>1,426.30</b>
Add/(Less): Items of OCI for the year, net of tax :					
Remeasurement benefit of defined benefits plans	-	-	(37.69)	-	<b>(37.69)</b>
Net fair value loss on investment in equity instruments through OCI	-	-	-	(1,587.72)	<b>(1,587.72)</b>
<b>Total Comprehensive Income For the year 2019-20 (B)</b>	-	-	1,388.61	(1,587.72)	<b>(199.11)</b>
Reductions during the year					
Dividends	-	-	(275.00)	-	<b>(275.00)</b>
Income Tax on Dividend	-	-	(56.53)	-	<b>(56.53)</b>
Transfer to General Reserve	-	-	-	-	<b>-</b>
<b>Total (C)</b>	-	-	(331.53)	-	<b>(331.53)</b>
<b>Balance as at 31<sup>st</sup> March, 2020 (D)= (A+B+C)</b>	763.20	513.00	13,663.52	1,683.51	<b>16,623.23</b>

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Note 12: OTHER EQUITY	Reserves and Surplus			Equity Instruments through OCI	Total
	Security Premium	General Reserve	Retained Earnings		
Additions during the year					
Profit for the year	-	-	1,351.00	-	1,351.00
Add/(Less): Items of OCI for the year, net of tax :				-	-
Remeasurement benefit of defined benefits plans	-	-	31.47	-	31.47
Net fair value gain on investment in equity instruments through OCI	-	-	-	746.69	746.69
<b>Total Comprehensive Income For the year 2020-21 (E)</b>	-	-	1,382.47	746.69	2,129.16
Reductions during the year					
Dividend	-	-	(110.00)	-	(110.00)
Transfer to General Reserve	-	-	-	-	-
<b>Total (F)</b>	-	-	(110.00)	-	(110.00)
<b>Balance as at 31<sup>st</sup> March, 2021 (D+E+F)</b>	763.20	513.00	14,935.99	2,430.20	18,642.39

### 12.1 Security Premium

Security premium is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

### 12.2 General Reserve

General Reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. Under the Companies Act, 2013 there is no mandatory requirement for transfer of a specific percentage of net profit to general reserve which was required under the erstwhile Companies Act, 1956.

### 12.3 Equity Instruments through Other Comprehensive Income (OCI)

This represents the cumulative gains/(losses) arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, it will be reclassified to retained earnings when such assets are disposed off.

(₹ in Lakhs)

Note 13A: BORROWINGS	Non-Current	
	As at 31.03.2021	As at 31.03.2020
<b>Secured</b>		
Term Loans from Bank		
Rupee Loans	5,686.01	3,812.76
Vehicle Loans	34.74	49.61
<b>Unsecured</b>		
Loan from Directors	904.59	300.59
Loan from Promoters & Relatives	661.69	702.19
Inter Corporate Loan	34.00	34.00
	<b>7,321.03</b>	<b>4,899.15</b>

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**

(₹ in Lakhs)

Note 13B: BORROWINGS	Current	
	As at 31.03.2021	As at 31.03.2020
<b>Secured</b>		
Working Capital Loans		
From Banks		
Ruppee Loans		
Short Term	13,386.00	8,534.94
Repayable on demand	2,153.36	2,751.61
<b>Unsecured</b>		
Working Capital Loans		
From Banks		
Ruppee Loans		
Short Term	5,831.00	5,398.21
	<b>21,370.36</b>	<b>16,684.76</b>

(₹ in Lakhs)

Note 13.1: Term Loans	Rate of Interest	As at 31.03.2021	As at 31.03.2020
Term Loan I - 4 Quarterly Installments	MCLR+ 0.95%	774.04	1,649.66
Term Loan II - 9 Quarterly Installments	MCLR+ 0.95%	746.09	974.68
Term Loan III - 3 Quarterly Installments	MCLR+ 0.95%	147.10	285.00
Term Loan IV - 11 Quarterly Installments	MCLR+ 0.80%	2,610.17	3,245.40
Term Loan V - 48 Quarterly Installments	EBLR + 0.00%	3,578.05	-
		<b>7,855.45</b>	<b>6,154.74</b>
Less : Current maturities of long term borrowing under "Other Financial Liabilities" (Note 14B)		<b>2,169.44</b>	<b>2,341.98</b>
		<b>5,686.01</b>	<b>3,812.76</b>

(₹ in Lakhs)

Note 13.2: Vehicle Loans	Rate of Interest	As at 31.03.2021	As at 31.03.2020
Vehicle Loan - I		-	0.71
Vehicle Loan - II - 19 Monthly Installments	8.85% p.a.	6.58	9.68
Vehicle Loan - III - 41 Monthly Installments	9.20% p.a.	43.68	54.15
		<b>50.26</b>	<b>64.54</b>
Less : Current maturities of long term borrowing under "Other Financial Liabilities" (Note 14B)		<b>15.52</b>	<b>14.93</b>
		<b>34.74</b>	<b>49.61</b>

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### 13.3 (i) The Term loans (I to IV) are secured by:

- First pari passu charge on immovable assets of the Company located at Survey No. 212/2 and Survey No 316 at Dadra, Silvassa, Survey No. 16/1 at Village Sayli, Silvassa and Survey No. 205, 206, 207/1, 207/2, 193/1, 193/2 and 327/2/P2 at Waghodia, Dist. Vadodara.
- First pari passu charge on both present and future movable assets (except vehicles) of the Company.
- Second pari passu charge on entire current assets of the Company both present and future.
- Personal guarantees of Chairman and Managing Director of the Company and their relative.

### (ii) The Term loan (V) is secured by

- Primary Guarantee of National Credit Guarantee Trustee Limited and approved under ECLGS scheme.
- Second pari passu charge on immovable assets of the Company located at Survey No. 212/2 and Survey No 316 at Dadra, Silvassa, Survey No. 16/1 at Village Sayli, Silvassa and Survey No. 205, 206, 207/1, 207/2, 193/1, 193/2 and 327/2/P2 at Waghodia, Dist. Vadodara.
- Second pari passu charge on both present and future movable assets (except vehicles) of the Company.
- Second pari passu charge on entire current assets of the Company both present and future.

### 13.4 The working capital loans are secured by:

- First pari passu charge on entire current assets of the Company both present and future.
- Second pari passu charge on immovable assets of the Company located at Survey No. 212/2 and Survey No 316 at Dadra, Silvassa, Survey No. 16/1 at Village Sayli, Silvassa and Survey No. 205, 206, 207/1, 207/2, 193/1, 193/2 and 327/2/P2 at Waghodia, Dist. Vadodara and both present and future movable assets (except vehicles) of the Company.
- Personal guarantees of Chairman and Managing Director of the Company and their relative.

**13.5** Personal guarantees have been given by the Chairman and Managing Director of the Company for unsecured working capital loans from banks.

**13.6** Vehicle loans are secured by way of hypothecation of specific vehicle.

**13.7** Other Unsecured Loans carry interest rates from 9% to 10% with different tenures.

**13.8** Charges with respect to secured borrowings have been created in favour of security trustee. No separate charge created for each of the borrowing.

**13.9** As stated in the previous financial statement in Note 13.9, in terms of Covid-19 Regulatory Package announced by Reserve Bank of India (RBI) on 27<sup>th</sup> March, 2020, the Company had initially applied for availing moratorium of three months for re-payment of Term Loans Installments, however the said applications were later on withdrew by the Company. As per the understanding given to the Company by the bankers at that point in time, the repayment of Term Loans will be as per original re-payment schedule. Later on, on account of Funded Interest Term Loan and other internal guidelines of the lender banks in line with RBI directions, the repayment schedule of Term Loans of the Company has been re-scheduled. Due to the same there is a mismatch in the amount reported under current maturities (note 14B) in the Financial Statement for the year ended 31<sup>st</sup> March, 2020 of the Term Loans and actual payment thereof made during the year ending 31<sup>st</sup> March, 2021.

**13.10** Default in terms of repayment of Principal and Interest - NIL

(₹ in Lakhs)

Note 14A: OTHER FINANCIAL LIABILITIES	Non-Current	
	As at 31.03.2021	As at 31.03.2020
Lease Liabilities (Note 44)	6.93	18.88
Security Deposit	5.00	-
	11.93	18.88

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Note 14B: OTHER FINANCIAL LIABILITIES	Current	
	As at 31.03.2021	As at 31.03.2020
<b>Current maturities of long term borrowings</b>		
Rupee Loans (Note 13.1)	2,169.44	2,341.98
Vehicle Loans (Note 13.2)	15.52	14.93
<b>Investor Education &amp; Protection Fund</b>		
Unclaimed dividends*	29.37	30.11
<b>Other Payables :</b>		
Interest accrued and due	123.03	143.53
Accrued Salary & Benefits **	206.91	204.38
Creditors for Expenses	730.47	663.12
Forward Exchange Contracts (Net)	19.90	53.93
Creditors for Capital Expenditure	63.81	112.78
Lease Liabilities ( Note 44)	23.01	20.60
Other Payable	11.65	13.39
	<b>3,393.11</b>	<b>3,598.75</b>

- \* There is no amount due and outstanding to be transferred to the Investor Education & Protection Fund (IEPF) as at 31<sup>st</sup> March, 2021. Unclaimed Dividends, shall be transferred to IEPF as and when they become due.
- \*\* Includes amount of ₹ 0.56 Lakhs (P.Y. ₹ 12.82 Lakhs) payable to the Managing Director on account of Commission on profit.

(₹ in Lakhs)

Note 15A: PROVISIONS	Non-Current	
	As at 31.03.2021	As at 31.03.2020
<b>Provision for Employee Benefits</b>		
- Leave Encashment (Note 36)	80.55	101.39
	<b>80.55</b>	<b>101.39</b>

(₹ in Lakhs)

Note 15B: PROVISIONS	Current	
	As at 31.03.2021	As at 31.03.2020
<b>Provision for Employee Benefits</b>		
- Leave Encashment (Note 36)	22.93	34.20
	<b>22.93</b>	<b>34.20</b>

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Note 16: INCOME TAXES	As at 31.03.2021	As at 31.03.2020
<b>A. The major components of income tax expenses for the year are as under :</b>		
<b>(i) Income Tax Expenses recognised in the Statement of Profit &amp; Loss</b>		
<b>(a) Current Tax :</b>		
In respect of current year	497.85	521.09
Short/(Excess) provision of earlier years	5.24	(39.54)
<b>(b) Deferred Tax :</b>		
In respect of current year	(65.33)	(269.81)
	437.76	211.74
<b>(ii) Income tax expenses recognised in the OCI</b>		
<b>Deferred Tax :</b>		
Deferred Tax expenses on fair value of equity instruments through OCI	218.68	(476.06)
Deferred Tax benefit on remeasurements of defined benefit plans	10.59	(10.22)
	229.27	(486.28)
<b>B. Reconciliation of estimated income tax expenses and the accounting profit for the year is as under:</b>		
Profit before tax :	1,788.76	1,638.04
Statutory Income Tax rates in India	25.168%	25.168%
Expected Income tax expense at statutory income tax rate	450.20	412.27
Tax effect on non deductible expenses	63.51	151.36
Effect of income that is exempted from tax	-	(11.16)
Others	(15.86)	(31.38)
Current Tax expense as per Statement of Profit and Loss for the year	497.85	521.09

(₹ in Lakhs)

C: The major components of deferred tax liabilities/ (assets) are as follows:	As at 31.03.2020	Profit and Loss 2020-21	OCI 2020-21	As at 31.03.2021
<b>Deferred Tax Liabilities</b>				
Difference between written down value/ capital work in progress of property, plant & equipment and intangible assets as per the books of accounts & Income Tax Act, 1961	532.50	(50.12)	-	482.38
Others	24.01	(6.93)	-	17.08
Difference in carrying value and tax base of investments in equity measured at FVTOCI	504.83	-	218.68	723.51
<b>Deferred Tax Assets</b>				
Provision for expenses allowed for tax purpose on payment basis (net)	(48.55)	(7.99)	-	(56.54)
Allowance for doubtful debts	(135.95)	-	-	(135.95)
Difference in Right-of-use asset and lease liabilities	(0.58)	(0.32)	-	(0.90)
Deposit	(0.07)	0.03	-	(0.04)
Remeasurement benefit of defined benefit plans	(16.69)	-	10.59	(6.10)
Deferred Tax Expenses/ (benefit)		(65.33)	229.27	
Net Deferred Tax Liabilities	859.50			1,023.44

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Note 17: DEFERRED INCOME	Non-Current	
	As at 31.03.2021	As at 31.03.2020
Grants Related to property, plant & equipment	21.88	65.47
	21.88	65.47

- 17.1 Grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. Such grants are recognised in the statement of profit and loss based on fulfilment of related export obligations.

(₹ in Lakhs)

Note 18: TRADE PAYABLES	Current	
	As at 31.03.2021	As at 31.03.2020
<b>Trade Payables</b>		
Micro, Small & Medium Enterprises (Note 31)	86.31	32.44
Others*	4,141.20	2,185.01
	4,227.51	2,217.45

- \* Includes Amount of ₹ 3,259.60 Lakhs (P.Y. NIL) paid to suppliers initially by the banks, while the company continue to recognise the liability till the settlement with the banks which are normally effected within a period of 60 days.

(₹ in Lakhs)

Note 19: OTHER LIABILITIES	Current	
	As at 31.03.2021	As at 31.03.2020
<b>Revenue Received in advance</b>		
Contract Liabilities (Note 40)	301.58	383.29
<b>Others</b>		
Statutory Taxes/ dues Payable		
Towards Provident Fund and Professional Tax	19.07	20.13
Towards TDS/TCS Payable	49.89	25.01
	370.54	428.43

(₹ in Lakhs)

Note 20: CURRENT TAX LIABILITIES (NET)	Current	
	As at 31.03.2021	As at 31.03.2020
Provision for Income Tax (net of Advance Tax)	72.97	77.65
	72.97	77.65



## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Note 21: REVENUE FROM OPERATIONS	2020-21	2019-20
<b>Sale of Products</b>	<b>1,36,923.19</b>	1,24,045.17
<b>Other Operating Revenues :</b>		
Sale of Scrap	1,621.90	1,179.24
Processing Charges	2.12	93.06
Export Incentive	74.40	116.42
Grant related to property, plant & equipment (EPCG)	75.51	86.31
Bad Debts Recovered	1.00	28.08
	<b>1,774.93</b>	1,503.11
	<b>1,38,698.12</b>	1,25,548.28

(₹ in Lakhs)

Note 22: OTHER INCOME	2020-21	2019-20
<b>Interest Income on Financial assets carried at amortised cost</b>		
Bank Deposits	6.18	4.27
Others	99.21	93.77
<b>Dividend Income</b>		
Dividend from unquoted equity investments measured at fair value through OCI	-	44.34
Sundry Balances Written Back	7.83	7.05
Rent	35.14	24.62
Guarantee Commission	54.45	59.52
Foreign Exchange Gain ( Net)	-	155.48
Miscellaneous Income	44.49	19.34
	<b>247.30</b>	408.39

(₹ in Lakhs)

Note 23: COST OF MATERIALS CONSUMED	2020-21	2019-20
<b>Raw Materials Consumption</b>		
Copper	1,22,284.87	1,04,545.99
Others	6,197.67	6,496.37
Packing Materials	1,245.94	1,206.12
	<b>1,29,728.48</b>	1,12,248.48

23.1 For determination of cost (Note 1(c)(vii))

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Note 24: CHANGE IN INVENTORIES	2020-21	2019-20
<b>Inventories at the end of the year:</b>		
Finished Goods	1,948.13	2,897.92
Finished Goods in Transit	4,544.26	1,197.99
Work-in-Progress	3,164.14	1,431.53
Scrap	57.45	80.03
(A)	9,713.98	5,607.47
<b>Less:- Inventories at the beginning of the year</b>		
Finished Goods	2,897.92	1,247.92
Finished Goods in Transit	1,197.99	2,765.76
Work-in-Progress	1,431.53	913.52
Scrap	80.03	82.76
(B)	5,607.47	5,009.96
(B-A)	(4,106.51)	(597.51)

(₹ in Lakhs)

Note 25: EMPLOYEE BENEFITS EXPENSE	2020-21	2019-20
Salaries, Wages and Incentives	2,521.52	2,599.29
Directors' Remuneration*	109.81	146.91
Contributions to -		
Provident Fund (Note 36 - B)	121.14	130.81
Gratuity Fund (Note 36 - A)	56.11	43.18
Staff Welfare Expenses	78.85	107.29
	2,887.43	3,027.48

\* Including Managing Director's Commission ₹ 0.56 Lakhs (P.Y. ₹ 12.82 Lakhs).

(₹ in Lakhs)

Note 26: FINANCE COSTS	2020-21	2019-20
<b>Interest on financial liabilities carried at amortised cost</b>		
Interest on Borrowings	1,859.50	2,222.52
Other Borrowing costs	68.18	28.18
Interest on Lease liabilities (Note 44)	3.35	4.52
Interest on Income Tax	20.11	11.86
	1,951.14	2,267.08

(₹ in Lakhs)

Note 27: DEPRECIATION AND AMORTISATION EXPENSE	2020-21	2019-20
Depreciation of Property, Plant & Equipment (Note 2A)	1,594.35	1,688.66
Amortisation of Intangible Assets (Note 2C)	23.06	23.12
Depreciation of Right of Use Assets (Note 2D) (Note 44)	23.51	24.56
	1,640.92	1,736.34

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**

(₹ in Lakhs)

<b>Note 28: OTHER EXPENSES</b>	<b>2020-21</b>	<b>2019-20</b>
Auditors' Remuneration (Note 30)	42.15	33.15
Bank Charges	43.00	35.72
Consumption of Consumable Stores and Spares	328.91	345.32
Power and Fuel	2,439.19	2,412.55
Freight & Handling Charges	1,046.85	1,124.34
Foreign Exchange Loss (net )	11.89	-
Corporate Social Responsibility Expenses (Note 33)	58.88	67.01
Donations (Note 34.4)	75.00	164.92
Insurance	73.98	38.75
Loss on Sale of Property Plant & Equipment	2.43	9.00
Legal & Professional Fees	93.20	101.72
Allowance for doubtful debts		
Allowance provided during the year	-	292.23
Amount written off	123.41	124.87
Less: Allowance reversed during the year	-	-
Rent (Note 44)	4.75	6.39
Repairs and Maintenance of :		
Buildings	30.43	64.14
Plant and Machinery	335.89	280.96
Others	54.41	39.25
Rates and Taxes	25.14	45.73
Commission on Sales	52.87	104.16
Business Promotion	10.73	23.11
Travelling	10.70	80.67
Miscellaneous Expenses	191.39	242.77
	<b>5,055.20</b>	<b>5,636.76</b>

(₹ in Lakhs)

<b>Note 29 : CONTINGENT LIABILITIES AND COMMITMENTS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>A. Contingent Liabilities</b>		
Claims against the Company not acknowledged as debts Central Excise Act & Service Tax Demands (Note 29.1)	794.77	781.18
<b>B. Commitments</b>		
(i) Estimated amount of contracts remaining to be executed and not provided for - On Capital Account (Net of advance)	258.83	73.37
(ii) Estimated amount of Investment - in Joint Venture (Jointly Controlled Entity)	95.43	95.28
iii) Letter of credit and bank guarantees issued by the banks	3,854.90	541.95
iv) For Lease commitments (Note 44)		
v) For Derivative contracts (Note 35)		

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

- 29.1 The Company is contesting the demands and the management, including its tax advisors, believe that the Company's position will likely to be upheld in the appellate process and accordingly, no provision has been made in the financial statements for the tax demands raised. The management believes that the ultimate outcome of these proceedings will not have material adverse effect on the Company's financial position and results of operations.
- 29.2 The Company has arranged Channel Finance facility with recourse for its customers from bank against which sum of ₹ 5,278.53 Lakhs (P.Y. ₹ 4,988.11 Lakhs) has been utilised as on the date of balance sheet and correspondingly, the trade receivables stand reduced by ₹ 5,219.45 Lakhs (P.Y. ₹ 4,795.47 Lakhs) (net of advance).

(₹ in Lakhs)

<b>Note 30: AUDITORS' REMUNERATION (EXCLUDING GST)</b>	<b>2020-21</b>	<b>2019-20</b>
Statutory Audit Fees	29.00	29.00
Tax Audit	7.00	-
Others	6.15	4.15
	<b>42.15</b>	<b>33.15</b>

(₹ in Lakhs)

<b>Note 31: DISCLOSURE REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006</b>	<b>2020-21</b>	<b>2019-20</b>
Principal amount remaining unpaid to suppliers as at the end of the accounting year	106.17	57.51
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	0.02
The amount of interest paid along with the amounts of the payment made to the suppliers beyond the appointed due day during the year	-	-
The amount of interest due and payable for the year	0.10	0.10
The amount of interest accrued and remaining unpaid at the end of the accounting year	0.53	0.53
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	0.16	-

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(₹ in Lakhs)

<b>Summary of Principal amount remaining unpaid to suppliers</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Trade Payables	86.31	32.44
Creditors for Capital Expenditure	18.05	1.68
Creditors for Expenses	1.81	23.39
	<b>106.17</b>	<b>57.51</b>

(₹ in Lakhs)

<b>Note 32: DIVIDEND</b>	<b>2020-21</b>	<b>2019-20</b>
Dividend on equity shares paid during the year at ₹ 0.50/- (P.Y. ₹ 1.25/-) per equity share of ₹ 5/- each	110.00	275.00
Dividend distribution tax on dividend*	-	56.53

- \* As amended by Finance Act, 2020 dividend distributed by the Company will be taxable in the hands of the shareholders. The Company shall, accordingly, make the payment of the dividend after deduction of tax at source.

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### Proposed Dividend :

The Board of Directors at its meeting held on 29<sup>th</sup> June, 2021 have recommended a payment of dividend of ₹ 1.00/- per equity share of face value of ₹ 5/- each for the financial year ended 31<sup>st</sup> March, 2021. The same amounts to ₹ 220.00 Lakhs. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

	(₹ in Lakhs)	
Note 33: EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES	2020-21	2019-20
<b>Gross amount required to be spent by the Company during the year as per the provisions of section 135 of the Act</b>		
- 2% of the average net profit for last three financial years, calculated as per section 198 of the Act	58.26	66.97
Add/ (Less) : Unspent/(Excess) of Preceding years	0.43	0.47
Less : Amount Spent during the year		
i) Construction/acquisition of any asset of the Company	-	-
ii) On purposes other than (i) above		
- Promotion of Education*	58.00	60.00
- Promotion of Sports	-	4.01
- Hostels for Orphanage	-	3.00
- Upliftment of tribal areas	0.88	-
<b>Balance (excess)/unspent amount</b>	<b>(0.19)</b>	<b>0.43</b>

\* Contributed to a Charitable Trust in which two of the Directors of the Company and their relatives are Trustee.

### Note 34: Disclosure in respect of Related Parties pursuant to Ind AS - 24 "Related Party Disclosures"

List of Related Parties with whom transactions have taken place - (as certified by Management)

#### a) Key Management Personnel

Shri Tribhuvanprasad Kabra	- Chairman
Shri Mahendrakumar Kabra	- Managing Director
Shri Hemant Kabra	- Executive Director & CFO

#### Non Executive Directors

Shri Ramesh Chandak	Dr. Ajai Singh (retired w.e.f. 05 <sup>th</sup> Feb, 2021)
Shri Sandeep Jhanwar	Shri Upendra Kamath (resigned w.e.f. 09 <sup>th</sup> June, 2021)
Shri R. Kannan	Smt. Kirtidevi Kabra

#### b) Close Family Members of Key Management Personnel

Shri Rameshwarlal Kabra	- Father of Shri Tribhuvanprasad Kabra & Shri Mahendrakumar Kabra
Smt. Ratnidevi Kabra	- Mother of Shri Tribhuvanprasad Kabra & Shri Mahendrakumar Kabra
Shri Shreegopal Kabra	- Brother of Shri Tribhuvanprasad Kabra & Shri Mahendrakumar Kabra
Late Smt. Umadevi Kabra	- Wife of Shri Tribhuvanprasad Kabra
Shri Mahhesh Kabra	- Son of Shri Tribhuvanprasad Kabra
Shri Sumeet Kabra	- Son of Shri Mahendrakumar Kabra

#### c) Entities over which Key Management Personnel and their close family members are able to exercise significant influence

MEW Electricals Ltd.	R R Kabel Ltd.
Ram Ratna International	Ram Ratna Research & Holdings Pvt. Ltd.
Kabel Buildcon Solutions Pvt. Ltd.	Shreegopal Kabra (HUF)



**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**

(₹ in Lakhs)

Particulars	Referred in		Referred in		Referred in	
	(a) above		(b) above		(c), (d) & (e) above	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Contribution Made :</b>						
Ram Ratna Wires Limited Emp Group Gratuity Scheme	-	-	-	-	28.11	59.38
<b>Finance &amp; Investment:</b>						
Epavo Electricals Pvt. Ltd. (Investment)	-	-	-	-	296.74	-
<b>Rental Deposit Accepted</b>						
Epavo Electricals Pvt. Ltd.	-	-	-	-	5.00	-
<b>Deposits / Loans Accepted</b>						
Shri Mahendrakumar Kabra	400.00	-	-	-	-	-
Shri Hemant Kabra	204.00	-	-	-	-	-
Late Smt. Umadevi Kabra	-	-	53.00	-	-	-
Others	-	-	42.00	-	-	-
<b>Deposits / Loans Repaid</b>						
Shri Rameshwarlal Kabra	-	-	-	63.03	-	-
Shri Mahendrakumar Kabra	-	7.00	-	-	-	-
Late Smt. Umadevi Kabra	-	-	135.50	-	-	-

(₹ in Lakhs)

Particulars	Referred in		Referred in		Referred in	
	(a) above		(b) above		(c), (d) & (e) above	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
<b>Outstanding as at :</b>						
<b>Rental Deposits Receivable / (Payable)</b>						
Late Smt. Umadevi Kabra	-	-	6.63	8.09	-	-
Shri Hemant Kabra	7.32	6.62	-	-	-	-
Shreegopal Kabra (HUF)	-	-	-	-	6.79	6.15
Kabel Buildcon Solutions Pvt. Ltd.	-	-	-	-	3.50	3.50
Epavo Electricals Pvt. Ltd.	-	-	-	-	(5.00)	-
<b>Trade and Others- Net (Payable)/Receivable</b>						
Ram Ratna International	-	-	-	-	172.52	128.33
MEW Electricals Ltd.	-	-	-	-	(1.31)	(0.12)
Kabel Buildcon Solutions Pvt. Ltd.	-	-	-	-	-	(0.36)
Epavo Electricals Pvt. Ltd.	-	-	-	-	0.06	-
Shri Shreegopal Kabra	-	-	-	(0.04)	-	-
Lease Liabilities	-	(2.27)	(11.06)	(2.15)	(18.88)	(16.18)
Interest accrued & due on Deposits/Loans	-	(6.74)	(0.02)	(14.46)	-	(0.84)
<b>Loans Outstanding</b>						
Ram Ratna Research & Holdings Pvt. Ltd.	-	-	-	-	34.00	34.00
Late Smt. Umadevi Kabra	-	-	53.00	135.50	-	-



## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Particulars	Referred in		Referred in		Referred in	
	(a) above		(b) above		(c), (d) & (e) above	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Shri Tribhuvanprasad Kabra	15.17	15.17	-	-	-	-
Shri Mahendrakumar Kabra	539.00	139.00	-	-	-	-
Shri Hemant Kabra	204.00	-	-	-	-	-
Smt. Kirtidevi Kabra	146.42	146.42	-	-	-	-
Smt. Ratnidevi Kabra	-	-	280.49	280.49	-	-
Shri Shreegopal Kabra	-	-	205.54	205.54	-	-
Others	-	-	65.12	23.12	-	-

- 34.1 Personal guarantees have been given by the Chairman, the Managing Director of the Company and their relative for the secured and unsecured borrowings by the Company to the tune of ₹ 34,870.00 Lakhs (P.Y. ₹ 28,327.00 Lakhs) and ₹ 4,600.00 Lakhs (P.Y. ₹ 2,500.00 Lakhs) respectively.
- 34.2 Personal guarantees have been given by the Chairman and the Managing Director of the Company for the unsecured borrowings by the Company to the tune of ₹ 5,000.00 Lakhs (P.Y. ₹ 8,750.00 Lakhs).
- 34.3 The Company has contributed ₹ 58.00 lakhs (P.Y. ₹ 60.00 lakhs) to a charitable trust in which some of the directors and their relatives are trustee.

### Note 35: Exposure in Foreign Currency

The Company uses forward contracts to mitigate the risks associated with foreign currency fluctuations. The Company does not enter into any forward contracts which are intended for trading or speculative purposes.

- a) The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

(Amount in Lakhs)

Particulars	As at 31.03.2021		As at 31.03.2020	
	USD	INR	USD	INR
Booked against Import Creditors	14.04	1,051.40	-	-
Booked against firm commitments or highly probable forecasted transactions	8.00	590.78	24.10	1,782.74

- b) The details of foreign currency monetary exposures that are not hedged by derivatives instruments:

(Amount in Lakhs)

Payables	As at 31.03.2021		As at 31.03.2020	
	USD	INR	USD	INR
Import Creditors	0.17	12.34	16.22	1,222.40

(Amount in Lakhs)

Receivables	As at 31.03.2021		As at 31.03.2020	
	USD	INR	USD	INR
Export Debtors	22.68	1,667.05	14.27	1,075.38

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### Note 36: Employee Benefits

#### A) Defined Benefit Plan- Gratuity (Funded)

The employees' Gratuity Fund Scheme, is a defined benefit plan. The scheme is maintained and administered by Life Insurance Corporation of India (LIC) to which the Company makes periodical contributions. Under the said scheme, every employee who has completed at least five years of service usually gets gratuity on departure @ 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet :

(₹ in Lakhs)

Particulars	Gratuity	
	2020-21	2019-20
<b>i) Change in Defined Benefit Obligation</b>		
Obligation at the beginning of the year	453.27	342.36
Current Service Cost	59.42	49.44
Interest Cost	29.13	25.38
Past Service Cost	-	-
Benefits Paid	(23.49)	(9.93)
Remeasurement (gains)/losses	(45.01)	46.02
Defined Benefit Obligation at the end of the year	473.32	453.27
<b>ii) Change in Plan Assets</b>		
Fair value of plan assets at the beginning of the year	482.30	404.47
Expected Return on plan assets	32.44	31.74
Employer Contributions	28.11	59.38
Benefits Paid	(23.49)	(9.93)
Remeasurement (losses)/gains	(2.95)	(3.36)
Fair Value of Plan Assets at the end of the year	516.41	482.30
<b>iii) Amount recognized in the Balance Sheet</b>		
Present value of funded defined benefit obligation	473.32	453.27
Fair value of plan assets at the end of the year	516.41	482.30
Amount not recognized due to asset limit	-	-
Amount Recognized in the Balance Sheet	(43.09)	(29.03)
<b>iv) Expenses recognized in the Statement of Profit and Loss</b>		
Employee Benefits Expense		
Current Service Cost	59.42	49.44
Past Service Cost	-	-
Interest Cost including interest on value of asset ceiling	29.13	25.48
Expected Return on plan assets	(32.44)	(31.74)
(A)	56.11	43.18
<b>Other Comprehensive Income</b>		
(Gain)/ Loss on plan assets less interest on plan assets	2.95	3.36
Actuarial (gain)/loss arising from changes in financial assumption	(4.58)	42.34
Actuarial (gain)/loss arising from changes in demographic assumption	-	-
Actuarial (gain)/loss arising on account of experience changes	(40.43)	3.68
Actuarial (gain)/loss arising on account of adjustment to recognize the effect of asset ceiling	-	(1.48)

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**

(₹ in Lakhs)

		Gratuity	
		2020-21	2019-20
	(B)	(42.06)	47.90
<b>Expenses recognised in the statement of profit and loss</b>	(A) + (B)	14.05	91.08
		As at 31.03.2021	As at 31.03.2020
<b>v) Investment details</b>			
LIC - Administrator of the plan fund		516.41	482.30
<b>vi) Principal assumption used in determining defined benefit obligation</b>			
Discount rate (per annum)		6.85%	6.75%
Salary escalation rate (per annum)		7.00%	7.00%
<b>vii) Sensitivity Analysis</b>			
<b>Increase in 50bps on DBO</b>			
Change in discounting rate		(21.82)	(22.03)
Change in Salary Escalation		23.53	23.78
<b>Decrease in 50bps on DBO</b>			
Change in discounting rate		23.68	23.96
Change in Salary Escalation		(21.89)	(22.08)
<b>viii) Maturity profile of defined benefit obligation</b>			
Within the next 12 months (next annual reporting period)		59.83	43.33
Between 2 and 5 years		98.84	104.90
Between 5 and 10 years		198.06	171.57

- The average duration of the defined benefit plan obligation at the end of the reporting period is 9.60 years (P.Y. 10.13 years)
- The Company expects to contribute ₹ 40.00 Lakhs (P.Y. ₹ 40.00 Lakhs) to the plan during the next financial year.
- The estimates of rate of escalation in salaries considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method.

**B) Defined Contribution Plan - Provident fund**

The Company makes its contribution alongwith the share of employees' contribution deducted from salary on monthly basis to Employees' Provident Fund administered by the Central Government. The Company's Contribution is charged to Statement of Profit & Loss. The Company has no obligation for any further contribution in case of any shortfall. The details of contribution are as under :-

(₹ in Lakhs)

Particulars	2020-21	2019-20
Contribution to Provident Fund	121.14	130.81

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### C) Other Employee benefits - Leave Encashment

The employees are entitled for the compensation in respect of unavailed leave as per the policy of the Company. The liability towards compensated absences is recognised based on actuarial valuation carried out using Projected Unit Credit method.

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Amount recognized in the Balance Sheet</b>		
Current Liability	22.93	34.20
Non- Current Liability	80.55	101.39

(₹ in Lakhs)

Note 37: Calculations of Earnings Per Share	2020-21	2019-20
Profit after Tax (₹ in Lakhs)	1,351.00	1,426.30
Weighted average number of equity shares outstanding during the year (Nos.)	2,20,00,000	2,20,00,000
Face value of equity share (in ₹)	5.00	5.00
<b>Earnings Per Share</b>		
Basic Earnings Per Share (in ₹)	6.14	6.48
Diluted Earnings Per Share (in ₹)	6.14	6.48

### Note 38: A) Category-wise classification of financial instruments

(₹ in Lakhs)

Particulars	Refer Note	Non-Current		Current	
		As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>					
Investments in unquoted equity shares#	3	3,175.82	2,210.45	-	-
<b>Financial assets measured at amortised cost</b>					
Electricity & other deposits	4A	7.88	7.61	-	-
Security deposits	4A & 4B	20.73	12.77	3.50	11.59
Loan to employees	4A & 4B	0.92	1.40	13.69	22.52
Share application money	5A	-	2.37	-	-
Term Deposits held as margin money or security against borrowing, guarantees or other commitments	5A	0.25	0.47	-	-
Interest accrued on term deposits held as margin money or security against borrowing, guarantees or other commitments	5B	-	-	3.44	3.70
Others	5B	-	-	38.03	3.45
Trade receivables	9	-	-	26,004.37	18,867.44
Cash and cash equivalents	10B	-	-	139.52	82.98
Other balances with banks	10B	-	-	94.52	91.21

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Particulars	Refer Note	Non-Current		Current	
		As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
<b>Financial Liabilities measured at fair value through profit or loss (FVTPL)</b>					
Forward exchange contract (net)	14B	-	-	19.90	53.93
<b>Financial Liabilities measured at amortised cost</b>					
Borrowings	13A & 13B	7,321.03	4,899.15	21,370.36	16,684.76
Lease Liabilities	14A & 14B	6.93	18.88	23.01	20.60
Security Deposit	14A	5.00	-	-	-
Current maturities of long term borrowings	14B	-	-	2,184.96	2,356.91
Unclaimed dividend	14B	-	-	29.37	30.11
Interest accrued and due	14B	-	-	123.03	143.53
Accrued salary & benefits	14B	-	-	206.91	204.38
Creditors for expenses	14B	-	-	730.47	663.12
Creditors for capital expenditure	14B	-	-	63.81	112.78
Other payables	14B	-	-	11.65	13.39
Trade payables	18	-	-	4,227.51	2,217.45

# Investment is not held for trading. Upon the application of Ind AS 109 - Financial Instruments, the Company has chosen to measure said investment in equity instrument at FVTOCI irrevocably as the management believes that presenting fair value gains and losses relating to the said investment in the statement of profit and loss may not be indicative of the performance of the Company.

### B) Fair Value Measurements

- All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows:  
Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities.  
Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.  
Level 3 — inputs that are unobservable for the asset or liability.
- The following tables provide the fair value measurement hierarchy of the Company's financial assets and liabilities:

As at 31<sup>st</sup> March, 2021

(₹ in Lakhs)

Financial Assets/ Financial Liabilities	Fair value as at 31.03.2021	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through other comprehensive income</b>				
Investments in unquoted equity shares (Note 3)	3,175.82	-	3,175.82	-
<b>Financial Liabilities measured at fair value through profit or loss (FVTPL)</b>				
Forward exchange contracts (net) (Note 14B)	19.90	19.90	-	-

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**
**As at 31<sup>st</sup> March, 2020**
**(₹ in Lakhs)**

Financial Assets/ Financial Liabilities	Fair value as at 31.03.2020	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through other comprehensive income</b>				
Investments in unquoted equity shares (Note 3)	2,210.45	-	2,210.45	-
<b>Financial Liabilities measured at fair value through profit or loss (FVTPL)</b>				
Forward exchange contracts (net) (Note 14B)	53.93	53.93	-	-

**(iii) Fair value of financial assets and liabilities measured at amortised cost:**
**(₹ in Lakhs)**

Particulars	As at 31.03.2021		As at 31.03.2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Electricity & other deposits	7.88	7.88	7.61	7.61
Security deposits	27.00	24.23	27.00	24.36
Loan to employees	14.84	14.61	24.34	23.92
Share application money	-	-	2.37	2.37
Term Deposits held as margin money or security against borrowing, guarantees or other commitments	0.25	0.25	0.47	0.47
Interest accrued on term deposits held as margin money or security against borrowing, guarantees or other commitments	3.44	3.44	3.70	3.70
Others	38.03	38.03	3.45	3.45
Trade receivables	26,004.37	26,004.37	18,867.44	18,867.44
Cash and cash equivalents	139.52	139.52	82.98	82.98
Other balances with banks	94.52	94.52	91.21	91.21
<b>Total Financial Assets</b>	<b>26,329.86</b>	<b>26,326.85</b>	<b>19,110.57</b>	<b>19,107.51</b>
<b>Financial Liabilities</b>				
Borrowings	28,691.87	28,691.39	21,587.58	21,583.91
Lease Liabilities	32.31	29.94	43.50	39.48
Security Deposit	5.00	5.00	-	-
Current maturities of long term borrowings	2,186.03	2,184.96	2,359.05	2,356.91
Unclaimed dividend	29.37	29.37	30.11	30.11
Interest accrued and due	123.03	123.03	143.53	143.53
Accrued salary & benefits	206.91	206.91	204.38	204.38
Creditors for expenses	730.47	730.47	663.12	663.12
Creditors for capital expenditure	63.81	63.81	112.78	112.78
Other payables	11.65	11.65	13.39	13.39
Trade payables	4,227.51	4,227.51	2,217.45	2,217.45
<b>Total Financial Liabilities</b>	<b>36,307.96</b>	<b>36,304.04</b>	<b>27,374.89</b>	<b>27,365.06</b>

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

The carrying amounts of financial assets (other than security deposits and loan to employees) and financial liabilities (Other than long term borrowings & lease liabilities) measured at amortised cost in the financial statements are reasonable approximation of their fair values since the Company does not anticipate that the carrying amount would be significantly different from the value that would eventually be received or settled.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

There have been no transfers between Level 1 and Level 2 for the years ended 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020.

### C) Financial Risk Management- Objectives and Policies

The Company is exposed to: (a) Market Risks comprising of Interest Rate Risk, Currency Rate Risk, Commodity Price Risk and Equity Price Risk (b) Liquidity Risk and (c) Credit Risk comprising of trade receivable risk and financial instrument risk. The Company has well placed Risk Management Policy (RMP). The policy provide broad guidelines to identify the risk arising from these factors and provide guidelines to the team for its mitigation or at-least minimize its effect on income / expense on the Company is optimized. Team involved in RMP meets frequently to discuss the level of risk they foresee based on the conditions persisting.

The Company's exposure to Market Risk, Credit Risk and Liquidity Risk have been summarized below:

#### Market Risk :-

##### Interest Rate Risk :

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on short-term and long-term floating rate interest bearing liabilities. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by prevailing interest rates. These exposures are reviewed by the management on a periodic basis.

The exposure of the Company's financial liabilities to interest rate risk based on liabilities as at reporting date is as follows:

Particulars	(₹ in Lakhs)	
	Impact on profit before tax	
	2020-21	2019-20
Increase in interest rate by 100 basis points	(308.26)	(238.76)
Decrease in interest rate by 100 basis points	308.26	238.76

(Calculated based on risk exposure outstanding as of date and assuming that all other variables, in particular foreign currency rates, remain constant).

#### Foreign Currency Risk:

The Company is exposed to fluctuations in foreign currency exchange rates where transaction references more than one currency and/or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Exposures on foreign currency are managed through a hedging policy, which is reviewed periodically by the management. The Company usually enters into forward exchange contracts progressively based on their maturity to hedge the effects of movements in foreign currency exchange rates individually on assets and liabilities. The sources of foreign exchange risk for the Company are trade receivables, trade payables for imported materials & capital goods as well as foreign currency denominated borrowings. The policy of the Company is to determine on a regular basis what portion of the foreign exchange risk are to be hedged through forward exchange contracts.



## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

The exposure of the Company's foreign currency risk based on unhedged exposure as at the reporting date is as follows:

(₹ in Lakhs)

Particulars	Impact on profit before tax	
	2020-21	2019-20
Increase in exchange rates by 5%	82.74	(7.35)
Decrease in exchange rates by 5%	(82.74)	7.35

### Commodity Price Risk

The Company is exposed to the movement of copper and aluminium prices on the London Metal Exchange (LME). Any increase or decline in the prices of these commodities will have an impact on the profitability of the Company. As a general policy, the Company aims to purchase these commodities at prevailing market prices and also sell the products at price adjusted for prevailing market prices. The Company substantially ensures sale of products with simultaneous purchase of these commodities on back-to back basis ensuring no or minimum price risk for the Company.

### Equity Price Risk

Equity price risk relates to change in fair value of investments in the equity instruments measured at fair value through OCI. As at 31<sup>st</sup> March, 2021 the carrying value of such equity instruments recognised at fair value through OCI amounts to ₹ 3,175.82 Lakhs (P.Y. ₹ 2,210.45 Lakhs).

A sensitivity analysis demonstrating the impact of change in the carrying value of investment in equity instrument as at reporting date is given below:

(₹ in Lakhs)

Particulars	Impact on OCI before tax	
	2020-21	2019-20
Increase by 5%	158.79	110.52
Decrease by 5%	(158.79)	(110.52)

### Liquidity Risk

Liquidity risk refers to the risk that the Company encounter difficulty in raising fund to meet its financial commitments. The objective of liquidity risk management is to maintain the liquidity and to ensure that funds are available for short operational needs and to fund Company's expansion projects. The Company has availed credit facility from the banks & financial institutions to meet its financial commitment in timely and cost effective manner.

The Company remains committed to maintaining a healthy liquidity and gearing ratio and strengthening the balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below.

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Total	Carrying Value
<b>At 31<sup>st</sup> March, 2021</b>				
Borrowings (Note 13A and 13B)	21,370.36	7,321.03	28,691.39	28,691.39
Derivative Financial Liability (Note 14B)	19.90	-	19.90	19.90
Other Financial Liabilities (Note 14A & 14B)	3,373.20	11.93	3,385.13	3,385.13
Trade Payables (Note 18)	4,227.51	-	4,227.51	4,227.51

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Total	Carrying Value
<b>At 31<sup>st</sup> March, 2020</b>				
Borrowings (Note 13A and 13B)	16,684.76	4,899.15	21,583.91	21,583.91
Derivative Financial Liability (Note 14B)	53.93	-	53.93	53.93
Other Financial Liabilities (Note 14A & 14B)	3,544.82	18.88	3,563.70	3,563.70
Trade Payables (Note 18)	2,217.45	-	2,217.45	2,217.45

### Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk for trade receivables and financial guarantees for dealers, derivative financial instruments and other financial assets.

The Company assess the counter party before entering into transactions and wherever necessary supplies are made against advance payment. The Company on continuous basis monitor the credit limit of the counter parties to mitigate or minimise the credit risk. The credit risk for the financial guarantees issued by the Company to bank for credit facilities availed by Company's dealers from bank is minimum as those parties have long vintage with the Company and they are also subject to credit risk assessment by bank on periodical basis. The credit risk on export receivables are limited as almost all export sales are made to parties having a long vintage with the Company and new parties are subject to necessary due diligence.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on expected credit loss method. The movement in expected credit loss allowance on trade receivable is as under:

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Balance at the beginning of the year	540.14	247.91
Add/(Less): Allowance(reversal) for impairment for the year	(123.41)	417.10
Less:- Amount written off during the year	123.41	124.87
Balance at the end of the year	540.14	540.14

### Risk due to COVID-19 pandemic

The outbreak of second wave of Coronavirus (COVID -19) pandemic in India has again caused disturbance and slowdown down in the economic activities and impacted business, by interruption in supply and demand chain, unavailability of personnel. The Company has considered external and internal information in assessing the impact of second wave of COVID-19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

### Note 39 : Details of Subsidiary and Joint Venture

(₹ in Lakhs)

Name of Company	Subsidiary/ Joint Arrangement	Country of Incorporation	% of Holding as on 31.03.2021	% of Holding as on 31.03.2020	Method used to account for the Investment
RR-Imperial Electricals Limited	Jointly Controlled Entity	Bangladesh	10%	10%	At Cost
Global Copper Private Limited	Subsidiary	India	60%	60%	At Cost
Epavo Electricals Private Limited (Note 43.2)	Subsidiary	India	74%	0%	At Cost

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### Note 40: Revenue from Contracts with Customers

Disaggregation of Revenue from Contract with Customers

The revenue is recognised at a point in time considering the contract terms and business practice. The following summary provides the disaggregation of revenue from contracts with customers :

(₹ in Lakhs)

Products :- Wires & Strips	2020-21	2019-20
<b>Sale of Products</b>		
India	1,24,770.87	1,13,357.59
Outside India	12,152.32	10,687.58
<b>Processing Fees</b>	2.12	93.06
<b>Sale of Scrap</b>	1,621.90	1,179.24
<b>Revenue from Contract with Customers</b>	<b>1,38,547.21</b>	<b>1,25,317.47</b>

(₹ in Lakhs)

Summary of Contract Balance	As at 31.03.2021	As at 31.03.2020
Trade Receivable (Note 9)	26,004.37	18,867.44
Contract Assets	-	-
Contract Liabilities (Note 19)	301.58	383.29

Trade receivables are non- interest bearing with credit terms of 30 days to 90 days. Contract liabilities are towards advance received from customers for goods to be delivered.

The Company has recognised revenue amounting to ₹ 367.30 lakhs in the current year that was included in the Contract Liability balance in the previous year i.e. as at 31<sup>st</sup> March, 2020.

Performance obligation is satisfied at a point in time which normally occurs on delivery of the goods as per the terms of contract in case of domestic sales and in case of export on the basis of shipping terms and with payment terms 30 days to 90 days or against advance payment. There is negligible obligation towards sales return.

### Reconciliation of revenue recognised in Statement of Profit and Loss with contract price

(₹ in Lakhs)

Particulars	2020-21	2019-20
Contract Price	1,38,752.54	1,25,529.34
Less :		
Cash Discount	76.53	93.26
Quantity Discount	74.35	59.08
Incentives & Benefits	54.45	59.53
<b>Total Revenue from Sale of Product</b>	<b>1,38,547.21</b>	<b>1,25,317.47</b>

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### Note 41 : Disclosure relating to provisions pursuant to Ind As 37 - " Provisions, Contingent Liabilities, Contingent Assets"

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Opening Provision	12.86	12.86
Addition	15.02	-
Utilisation	26.57	-
Reversal	-	-
Closing Balance	1.31	12.86

Provision is for Pending C Forms under Sales Tax. No Provision is made for pending dispute under Central Excise Act & Service Tax (Note 29)

### Note 42: Segment Information

- In accordance with Ind AS 108 the Company operates only in one segment and there is no separate reportable segment.
- Revenue from contract with external customers:

(₹ in Lakhs)

Particulars	2020-21	2019-20
- India	1,26,394.89	1,14,629.89
- Outside India	12,152.32	10,687.58
<b>Total Revenue</b>	<b>1,38,547.21</b>	<b>1,25,317.47</b>

- All non current assets of the Company are located in India.
- There is no transaction with single external customer which amounts to 10% or more of the Company's revenue.

### Note 43 : Details of Investments made & Guarantee given covered u/s 186(4) of the Companies Act, 2013

- Details of Investments made are given in Note 3.
- Financial guarantee has been given by the Company in respect of credit facility availed by the Company's dealers under channel financing arrangements (Note 29.2).

**Note 43.1 :** The Company has incorporated Epavo Electricals Private Limited ("Epavo") on 26<sup>th</sup> August, 2020 in a joint arrangement with Ennov Techno Tools Private Limited ("Ennov"), wherein the Company holds 74 % equity share capital and Ennov holds 26 % equity share capital. The equity paid up capital of Epavo as on 31<sup>st</sup> March, 2021 is ₹ 401.00 Lakhs. Epavo is formed to carry on the business of manufacturing of BLDC motors for Air conditioner, Hub, HVLS Fan and Submersible Pumps etc. and related products. (Ref Note. No. 33 of the Consolidated Financial Statement for the financial information Epavo).

### Note 44: Operating Lease:-

Lease Contracts entered into by the Company are mainly in respect for office premises taken on the lease in the ordinary course of business. Lease Contracts are for the period of 3- 5 years.

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

The change in the Lease Liabilities for the year ended are as follows

(₹ in Lakhs)

Particulars	2020-21	2019-20
<b>1<sup>st</sup> April,</b>	<b>39.48</b>	10.11
Addition	10.75	49.41
Finance cost accrued during year	3.35	4.52
Deletions	-	-
Payment of lease liabilities	23.64	24.56
<b>31<sup>st</sup> March</b>	<b>29.94</b>	39.48

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Not later than 1 year	-	2.40
Later than 1 year but not later than 5 years	-	-

The following are the amounts recognised in profit or loss:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Depreciation expenses on right-of-use assets	23.51	24.56
Interest expenses on lease liabilities	3.35	4.52
Interest expenses on fair value of security deposits	-	-
Expense relating to short-term leases (included in other expenses)	4.75	6.39
Expense relating to leases of low-value assets (included in other expenses)	-	-
Variable lease payments (included in other expenses)	-	-

The Company has applied practical expedient to all rent concession as provided by amendment to Ind As 116 due to COVID-19. The impact thereof on the statement of Profit & Loss is ₹ 2.33 Lakhs.

Rental Income from the assets given on operating lease basis to a subsidiary company is ₹ 11.54 Lakhs (P.Y. Nil).

**Note 45:** Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

### As per our Report of even date

#### For Bhagwagar Dalal & Doshi

Chartered Accountants  
(Firm Registration No. 128093W)

#### Jatin V. Dalal

Partner

M.No. 124528

Place : Mumbai

Dated : 29<sup>th</sup> June, 2021

### For and on behalf of the Board of Directors

#### Tribhuvanprasad Kabra Mahendrakumar Kabra

Chairman

DIN - 00091375

Managing Director

DIN - 00473310

#### Hemant Kabra

Director & CFO

DIN - 01812586

#### Saurabh Gupta

Company Secretary

ACS - 53006

## INDEPENDENT AUDITOR'S REPORT

To  
The Members,  
**Ram Ratna Wires Limited**

### Report on the Audit of the Consolidated Financial Statements

#### 1. Opinion

We have audited the accompanying Consolidated Financial Statements of Ram Ratna Wires Limited ("the Parent") and its subsidiaries- (i) Global Copper Private Limited (GCPL) and (ii) Epavo Electricals Private Limited (EEPL) ("collectively referred as the Subsidiaries") (the Parent and the Subsidiaries together referred to as "the Group") which includes its share of Profit in Joint Venture - RR-Imperial Electricals Limited ("the Joint Venture"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flows Statement and the Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of GCPL and the Joint Venture referred below in paragraph 7 Other Matters, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Joint Venture as at 31<sup>st</sup> March, 2021 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements in paragraph 6 below of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred below in paragraph 7 Other Matters, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

#### 3. Key Audit Matters

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

The key audit matter	How our audit addressed the key audit matter
<b>Revenue Recognition</b> (Refer note 1 (d) (xi) and 37 of the Consolidated Financial Statements) Revenue is the main profit driver and therefore susceptible to misstatement. There is inherent risk of incorrect timing of recognition of revenue and related rate difference, discounts in reporting period. Cut- off on the reporting date is the key assertion insofar as revenue is concern, any in-appropriate method can result in misstatement of results for the year.	Our audit incorporated the following procedures with regard to Revenue Recognition :- <ul style="list-style-type: none"> <li>assessing the process, internal controls and testing the effectiveness of key controls;</li> <li>testing the accuracy of cut-off with substantive analytical procedures supplemented with third party confirmation, delivery acknowledgment, delivery terms, estimation for delivery time based on historical records ;</li> </ul>

<p><b>Investment in Joint Venture</b></p> <p>Joint Venture in which the Group has investment of ₹ 467.72 lakhs and reported in the Financial Statements at cost less adjusted for accrued share of profit/loss, which has accumulated losses as on reporting date with further commitment for investment, in our view is area of key matter for assessment of impairment of investment.</p> <p><b>Impairment of Goodwill in Consolidated Financial Statements</b></p> <p>The Consolidated Financial Statement reflects Goodwill of ₹ 137.20 lakhs on acquisition of GCPL. Goodwill is required to be tested annually for impairment. The parent has estimated the recoverable amount of the Subsidiary to which goodwill is allocable based on value in use or fair value. Determination of value in use involves significant estimations, assumptions and judgments as regards to determination of value in use and susceptible to misstatements and therefore, area of key audit matter.</p>	<ul style="list-style-type: none"> <li>• judgments and estimations made for discounts, rebates, appropriate authorisation, historical trends, credit and debit notes issued after the balance sheet date, inventory reconciliation and receivable balance confirmations.</li> </ul> <p>Our audit incorporated the following procedures with regard to assessment of impairment of investment :-</p> <ul style="list-style-type: none"> <li>• reviewing the approach adopted for testing impairment including method used for determination of value in use;</li> <li>• valuation report based on income approach obtained from independent qualified Valuer to test the impairment;</li> <li>• performing substantive testing in respect of financial projections for their accuracy;</li> <li>• reviewing the assumptions and inputs used for valuation;</li> <li>• discussions with key person of the Parent looking after the affairs of the Joint Venture and ascertaining the factors contributing towards such performance and strategy to overcome it;</li> <li>• discussions on group's management perception regarding business, market condition, future expected growth in the country of operation, future planning, financial strength, support and intention of other co-venturers.</li> </ul> <p>Our audit incorporated the following procedures with regard to assessment of impairment of goodwill on acquisition of the Subsidiary:-</p> <ul style="list-style-type: none"> <li>• reviewing the approach adopted for testing impairment including method used for determination of value in use;</li> <li>• valuation report based on income approach obtained from independent qualified Valuer to test the impairment;</li> <li>• Checking the fair valuation considered by the Parent and considering the bases of assessment of fair valuation;</li> <li>• performing substantive testing in respect of financial projections for their accuracy and reviewing same with the historical performance;</li> <li>• reviewing the assumptions used for valuation.</li> </ul>
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#### 4. Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Parent's Board of Directors is responsible for other information. Other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements, Standalone Financial Statement and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover 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, compare with the financial information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us, referred below paragraph 7 - Other Matters, 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.

#### 5. Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of



these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flow and consolidated changes in equity of the Group including the Joint Venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Parent, the Subsidiaries and the 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 Group and the Joint Venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Consolidated Financial Statements by the directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Statements the respective Board of Directors of the Parent, the Subsidiaries and the Joint Venture are responsible for assessing the ability of the Group and the 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 the management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Parent, the Subsidiaries and the Joint Venture are also responsible for overseeing the financial reporting process of the Group and of the Joint Venture.

## **6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Joint Venture'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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Joint Venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and of the Joint Venture to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for

the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of Parent and other entity included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### **7. Other Matters**

We did not audit the financial statements/financial information of GCPL included in the Consolidated Financial Statements, whose financial statements reflects total gross assets of ₹ 7,495.54 lakhs as at 31<sup>st</sup> March, 2021, total gross revenue ₹ 14,582.57 lakhs and net cash inflows amounting to ₹ 138.48 lakhs for the year then ended, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Parent's share of net profit of ₹ 31.64 lakhs for the year ended 31<sup>st</sup> March, 2021, as considered in the Consolidated Financial Statements, in respect of the Joint Venture. The financial statements/ financial information of GCPL has been audited by other auditors whose reports have been furnished to us by the Management. The financial statements of the Joint Venture in Bangladesh have been restated by the management of the Parent in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India based on audited financial statements and report thereon of other auditor which were prepared following International Financial Reporting Standards and Generally Accepted Accounting Practices prevalent in Bangladesh. Our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of the GCPL and the Joint Venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the GCPL and the Joint Venture is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements above, and our report on Other Legal and Regulatory Requirements in paragraph 8 below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

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

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on the separate financial statement and other information of the Subsidiaries and the Joint Venture to the extent applicable 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 of Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31<sup>st</sup> March, 2021 taken on record

by the Board of Directors and the report of the statutory auditors of the Subsidiaries, none of the directors are disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate Report in Annexure which is based on the auditor's report of the Parent and the Subsidiaries. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of the Parent and the Subsidiaries.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year 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:

- The Consolidated Financial Statements disclosed the impact, if any, of pending litigations as at 31<sup>st</sup> March, 2021 on its consolidated financial position of the Group and the Joint Venture - Refer Note 29 to the Consolidated Financial Statements;
- The Group and the Joint Venture did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

For **Bhagwagar Dalal & Doshi**  
Chartered Accountants  
(Firm Registration No.128093W)

UDIN: 21124528AAAABD3108

Place : Mumbai

Date : 29<sup>th</sup> June, 2021

**Jatin V. Dalal**

Partner

Membership No. 124528

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph (f) under the "Report on Other Legal and Regulatory Requirements" in the Independent Auditors' Report of even date to the members of Ram Ratna Wires Limited**

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

In conjunction with our audit of the Consolidated Financial Statements of the Group as and for the year ended 31<sup>st</sup> March, 2021 we have audited the internal financial controls over financial reporting of Ram Ratna Wires Limited ("the Parent") and its subsidiaries - Global Copper Private Limited (GCPL) and Epavo Electricals Private Limited (EEPL) ("collectively referred as the Subsidiaries"), as of that date.

### 1. **Management's Responsibility for Internal Financial Controls**

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

### 2. **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and the

Subsidiaries based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 auditors of GCPL in terms of their report referred to in Other Matters paragraph 6 below, is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting of the Parent and the Subsidiaries.

**3. Meaning of Internal Financial Controls Over Financial Reporting**

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

**4. Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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.

**5. Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the report of the auditor of GCPL referred to in Other Matters paragraph 6 below, the Parent and the Subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**6. Other Matters**

Our aforesaid report under section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to GCPL, is based on the corresponding report of the auditor of the GCPL. Our opinion is not modified in respect of the above matter.

**For Bhagwagar Dalal & Doshi**  
Chartered Accountants  
(Firm Registration No.128093W)

UDIN: 21124528AAAABD3108  
Place : Mumbai  
Date : 29<sup>th</sup> June, 2021

**Jatin V. Dalal**  
Partner  
Membership No. 124528

**CONSOLIDATED BALANCE SHEET as at 31<sup>st</sup> March, 2021**

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	2A	15,641.18	16,443.61
Capital Work-in-Progress	2B	342.75	58.49
Goodwill	2C	137.20	137.20
Intangible Assets	2D	36.89	55.48
Intangible Assets under development	2E	1.83	0.76
Right of Use Assets	2F	28.98	39.54
Financial Assets			
Investments			
Investment in Joint Venture	3	490.15	472.91
Other Investments	3	3,222.37	2,253.95
Loans	4A	29.58	21.78
Other Financial Assets	5A	0.25	1.85
Income Tax Assets (Net)	6	56.09	123.69
Other Assets	7A	702.94	559.30
		<b>20,690.21</b>	<b>20,168.56</b>
<b>CURRENT ASSETS</b>			
Inventories	8	13,344.29	10,195.26
Financial Assets			
Trade Receivables	9	28,408.30	21,799.42
Cash and Cash Equivalents	10B	397.76	97.73
Other Balances with Banks	10B	94.82	92.05
Loans	4B	19.43	41.17
Other Financial Assets	5B	41.47	7.15
Other Assets	7B	1,603.97	1,644.18
Assets Held for Sale		17.00	17.00
		<b>43,927.04</b>	<b>33,893.96</b>
		<b>64,617.25</b>	<b>54,062.52</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	11	1,100.00	1,100.00
Other Equity	12	18,925.90	16,777.30
		<b>20,025.90</b>	<b>17,877.30</b>
Non-Controlling Interest	12	852.36	663.05
		<b>20,878.26</b>	<b>18,540.35</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	13A	10,596.03	7,389.15
Other Financial Liabilities	14A	6.93	18.88
Provisions	15A	81.25	109.53
Deferred Tax Liability (Net)	16	1,170.79	952.16
Deferred Income	17	21.88	65.47
		<b>11,876.88</b>	<b>8,535.19</b>
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	13B	23,301.90	19,475.43
Trade Payables			
- Micro, Small & Medium Enterprises	18	103.55	32.44
- Others	18	4,374.76	3,101.16
Other Financial Liabilities	14B	3,568.54	3,814.98
Other Liabilities	19	396.10	449.39
Provisions	15B	23.92	35.93
Income Tax Liabilities (Net)	20	93.34	77.65
		<b>31,862.11</b>	<b>26,986.98</b>
		<b>64,617.25</b>	<b>54,062.52</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	1-40		

**As per our Report of even date**
**For Bhagwagar Dalal & Doshi**

Chartered Accountants

(Firm Registration No. 128093W)

**Jatin V. Dalal**

Partner

M.No. 124528

Place : Mumbai

Dated : 29<sup>th</sup> June, 2021

**For and on behalf of the Board of Directors**
**Tribhuvanprasad Kabra Mahendrakumar Kabra**

Chairman

DIN - 00091375

Managing Director

DIN - 00473310

**Hemant Kabra**

Director &amp; CFO

DIN - 01812586

**Saurabh Gupta**

Company Secretary

ACS - 53006

## CONSOLIDATED STATEMENT OF PROFIT & LOSS for the year ended on 31<sup>st</sup> March, 2021

(₹ in Lakhs)

Particulars	Note No.	2020-21	2019-20
Revenue from Operations			
Sale of Products	21	1,51,479.51	1,43,208.58
Other Operating Revenues	21	1,214.75	1,435.45
Other Income	22	272.66	369.75
<b>Total Revenue</b>		<b>1,52,966.92</b>	<b>1,45,013.78</b>
Cost of Materials Consumed	23	1,40,427.41	1,28,338.27
Purchase of Stock in Trade		1,225.49	1,137.23
Changes in Inventories	24	(4,155.44)	(995.37)
Employee Benefits Expense	25	3,217.29	3,422.33
Finance Costs	26	2,540.90	2,843.00
Depreciation & Amortisation Expense	27	1,759.58	1,852.23
Other Expenses	28	5,867.86	6,744.78
<b>Total Expenses</b>		<b>1,50,883.09</b>	<b>1,43,342.47</b>
<b>Profit for the year before share of Profit in Jointly Controlled Entity</b>		<b>2,083.83</b>	<b>1,671.31</b>
Add : Share of Profit/(Loss) of Jointly Controlled Entity		31.64	(2.47)
<b>Profit Before Tax</b>		<b>2,115.47</b>	<b>1,668.84</b>
Tax Expenses:	15		
Current Tax		550.85	526.24
Short/(Excess)Tax Provision of earlier years		5.15	(38.86)
Deferred tax		(13.09)	(276.88)
		<b>542.91</b>	<b>210.50</b>
<b>Profit After Tax</b>		<b>1,572.56</b>	<b>1,458.34</b>
<b>Other Comprehensive Income/(Loss) (OCI)</b>			
A (i) Items that will not be reclassified to Profit or Loss			
a) Remeasurement benefit of defined benefit plans		50.85	(52.13)
b) Fair value Income/(Loss) on investment in equity instrument through OCI		965.37	(2,063.78)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(231.72)	487.38
B (i) Items that will be reclassified to Profit or Loss			
Exchange difference arising on translation of foreign operations		(13.41)	38.35
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
<b>Total Other Comprehensive Income/(Loss) (OCI) (A+B)</b>		<b>771.09</b>	<b>(1,590.18)</b>
<b>Total Comprehensive Income/(Loss) for the year</b>		<b>2,343.65</b>	<b>(131.84)</b>
<b>Profit for the year attributable to</b>			
- Owners of the Company		1,490.05	1,444.61
- Non-Controlling Interest		82.51	13.73
<b>Other Comprehensive Income/(Loss) for the year attributable to</b>			
- Owners of the Company		768.55	(1,588.93)
- Non-Controlling Interest		2.54	(1.25)
<b>Total Comprehensive Income/(Loss) for the year attributable to</b>			
- Owners of the Company		2,258.60	(144.32)
- Non-Controlling Interest		85.05	12.48
<b>Earnings per Equity Share of ₹ 5 each: (Note 30)</b>			
Basic		6.77	6.57
Diluted		6.77	6.57
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	1-40		

As per our Report of even date

For Bhagwagar Dalal & Doshi

Chartered Accountants

(Firm Registration No. 128093W)

Jatin V. Dalal

Partner

M.No. 124528

Place : Mumbai

Dated : 29<sup>th</sup> June, 2021

For and on behalf of the Board of Directors

Tribhuvanprasad Kabra Mahendrakumar Kabra

Chairman

Managing Director

DIN - 00091375

DIN - 00473310

Hemant Kabra

Director & CFO

DIN - 01812586

Saurabh Gupta

Company Secretary

ACS - 53006



# **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended on 31<sup>st</sup> March, 2021**

(₹ in Lakhs)

<b>EQUITY SHARE CAPITAL</b>		As at 31.03.2021	As at 31.03.2020
Balance at the beginning of the year		1,100.00	1,100.00
Changes in equity share capital during the year		-	-
Balance at the end of the year		1,100.00	1,100.00

<b>OTHER EQUITY</b>	<b>Reserves &amp; Surplus</b>			<b>Equity Instruments through OCI</b>	<b>Foreign Currency Transnational Reserve</b>	<b>Total attributable to Owners of the Company</b>	<b>Non Controlling Interest</b>
	<b>Security Premium</b>	<b>General Reserve</b>	<b>Retained Earnings</b>				
<b>Balance as at 1<sup>st</sup> April, 2019</b>	763.20	513.00	12,648.50	3,271.23	57.22	17,253.15	650.57
Additions during the year	-	-	1,444.61	-	-	1,444.61	13.73
Profit for the year	-	-	-	-	-	-	-
Add/(Less): Items of OCI for the year, net of tax- Exchange difference arising on translation of foreign operation	-	-	-	-	38.35	38.35	-
Remeasurement benefit of defined benefit plans	-	-	(39.56)	-	-	(39.56)	(1.25)
Net fair value loss on investment in equity instruments through OCI	-	-	-	(1,587.72)	-	(1,587.72)	-
<b>Total Comprehensive Income/ (Loss) For the year 2019-20</b>	-	-	1,405.05	(1,587.72)	38.35	(144.32)	12.48
Reductions during the year	-	-	-	-	-	-	-
Dividend	-	-	(275.00)	-	-	(275.00)	-
Income Tax on Dividend	-	-	(56.53)	-	-	(56.53)	-
<b>Total</b>	-	-	(331.53)	-	-	(331.53)	-
<b>Balance as at 31<sup>st</sup> March, 2020</b>	763.20	513.00	13,722.02	1,683.51	95.57	16,777.30	663.05
Additions during the year	-	-	-	-	-	-	104.26
Non Controlling Interest as on date of acquisition/investment	-	-	1,490.05	-	-	1,490.05	82.51
Profit for the year	-	-	-	-	-	-	-
Items of OCI for the year, net of tax- Exchange difference arising on translation of foreign operation	-	-	-	-	(13.41)	(13.41)	-
Remeasurement benefit of defined benefit plans	-	-	35.27	-	-	35.27	2.54
Net fair value gain on investment in equity instruments through OCI	-	-	-	746.69	-	746.69	-
<b>Total Comprehensive Income For the year 2020-21</b>	-	-	1,525.32	746.69	(13.41)	2,258.60	189.31
Reductions during the year	-	-	-	-	-	-	-
Dividend	-	-	(110.00)	-	-	(110.00)	-
Income Tax on Dividend	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-
<b>Total</b>	-	-	(110.00)	-	-	(110.00)	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	763.20	513.00	15,137.34	2,430.20	82.16	18,925.90	852.36

For and on behalf of the Board of Directors

As per our Report of even date

**For Bhagwagar Dalal & Doshi**

Chartered Accountants

(Firm Registration No. 128093W)

**Jatin V. Dalal**

Partner

M.No. 124528

Place : Mumbai

Dated : 29<sup>th</sup> June, 2021

**Tribhuvanprasad Kabra**

Chairman

DIN - 00091375

**Mahendrakumar Kabra**

Managing Director

DIN - 00473310

**Hemant Kabra**

Director & CFO

DIN - 01812586

**Saurabh Gupta**

Company Secretary

ACS - 53006



**CONSOLIDATED CASH FLOW STATEMENT for the year ended on 31<sup>st</sup> March, 2021**

(₹ in Lakhs)

Particulars	2020-21	2019-20
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	2,115.47	1,668.84
Adjustments for:		
Depreciation & amortisation	1,759.58	1,852.23
Grant related to property, plant & equipment	(75.51)	(87.77)
Share of (Gain) / Loss from Jointly Controlled Entity	(31.64)	2.47
Finance costs	2,540.90	2,843.00
Interest income	(6.49)	(4.52)
Dividend income	-	(44.34)
Others	13.52	-
Allowance for doubtful debts and bad debts written off	173.41	544.56
Unrealised foreign exchange loss (net)	6.44	27.93
Gain on Mutual Funds	(3.05)	(3.52)
Loss on sale of property, plant & equipment (net)	2.43	9.00
<b>Operating Profit before working capital changes</b>	<b>6,495.06</b>	<b>6,807.88</b>
Adjustments for decrease/(increase):		
Trade receivables	(6,823.28)	1,961.34
Financial assets	(20.64)	(15.71)
Other assets	47.90	1,792.51
Inventories	(3,149.03)	(147.01)
Trade payables	1,345.85	(3,245.60)
Financial liabilities	75.47	(169.82)
Other liabilities & provisions	(42.73)	(59.36)
<b>Cash generated from operating activities</b>	<b>(2,071.40)</b>	<b>6,924.23</b>
Income tax paid (net of refund)	(492.82)	(494.56)
<b>Net cash (used in)/flow from Operating activities (A)</b>	<b>(2,564.22)</b>	<b>6,429.67</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant & equipment	(1,400.04)	(1,718.32)
Purchases of asset held for sale	-	(17.00)
Sale of property, plant & equipment	31.86	14.01
Refund of share application money- Joint Venture	2.37	-
(Investment)/Proceed from fixed deposits (net)	(3.29)	6.78
Dividend received	-	44.34
Interest received	6.75	4.90
<b>Net cash flow (used in) Investing activities (B)</b>	<b>(1,362.35)</b>	<b>(1,665.29)</b>

(₹ in Lakhs)

Particulars	2020-21	2019-20
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from equity share capital of non-controlling interest	104.26	-
Proceeds from non current borrowing (net)	3,034.53	852.97
Proceeds /(Repayment) from current borrowing (net)	3,826.47	(3,072.26)
Repayment of lease liabilities	(23.64)	(24.56)
Finance costs paid	(2,605.02)	(2,813.90)
Dividend paid (Inclusive of income tax on dividend Nil (P.Y. ₹ 56.53)	(110.00)	(331.53)
<b>Net cash flow from / (used in) Financing activities (C)</b>	<b>4,226.60</b>	<b>(5,389.28)</b>
<b>(D) Net increase / (decrease) in cash and Cash equivalents ( A+B+C )</b>	<b>300.03</b>	<b>(624.90)</b>
<b>Add: Cash and cash equivalents as at 1<sup>st</sup> April</b>	<b>97.73</b>	<b>722.63</b>
<b>Cash and cash equivalents as at 31<sup>st</sup> March</b>	<b>397.76</b>	<b>97.73</b>

Notes:

a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

b) Cash and Cash Equivalents comprises of :

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Cash on hand	5.44	4.76
Balance with banks	392.32	92.97
	<b>397.76</b>	<b>97.73</b>

c) Reconciliation of liabilities arising from financing activities

(₹ in Lakhs)

Particulars	As at 31.03.2020	Cash (used in) / flow	Non cash changes		As at 31.03.2021
			Fair value changes	Current/Non-Current Classification	
Borrowings- Non Current	7,389.15	5,046.72	-	(1,839.84)	10,596.03
Borrowings- Non Current (current maturities)	2,357.31	(2,012.19)	-	1,839.84	2,184.96
Borrowings- Current	19,475.43	3,826.47	-	-	23,301.90

As per our Report of even date

For Bhagwagar Dalal &amp; Doshi

Chartered Accountants

(Firm Registration No. 128093W)

Jatin V. Dalal

Partner

M.No. 124528

Place : Mumbai

Dated : 29<sup>th</sup> June, 2021

For and on behalf of the Board of Directors

Tribhuvanprasad Kabra Mahendrakumar Kabra

Chairman

Managing Director

DIN - 00091375

DIN - 00473310

Hemant Kabra

Director &amp; CFO

DIN - 01812586

Saurabh Gupta

Company Secretary

ACS - 53006

## **NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021**

### **CORPORATE INFORMATION**

The Consolidated Financial Statements comprise consolidated financial statements of Ram Ratna Wires Limited ('the Parent'), its subsidiaries a) Global Copper Private Limited, b) Epavo Electricals Private Limited ('the Subsidiaries') (collectively 'the Group') and Group share in Jointly Controlled Entity RR-Imperial Electricals Limited for the year ended 31<sup>st</sup> March, 2021.

The Parent is a public company limited by shares incorporated and domiciled in India with its registered office in Mumbai, Maharashtra. The Parent is listed on the Bombay Stock Exchange (BSE).

The Parent and its jointly controlled entity are mainly engaged in the business of manufacturing of enamelled winding wires and strips, Global Copper Private Limited is engaged in the business of trading and manufacturing of copper tubes & pipes and Epavo Electricals Private Limited is engaged in the business of manufacturing of BLDC motors for Air conditioner, Hub, HVLS Fan and Submersible Pumps etc. and related products.

The Consolidated Financial Statements ("the Consolidated Financial Statements") as at 31<sup>st</sup> March, 2021 present the consolidated financial position of the Group as well as its interest in jointly controlled entity. The Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 29<sup>th</sup> June, 2021.

The functional and presentation currency of the Group is Indian Rupees (₹) which is the currency of the primary economic environment in which the Group operates.

### **1. SIGNIFICANT ACCOUNTING POLICIES & KEY ACCOUNTING ESTIMATES & JUDGEMENTS**

#### **(a) BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

##### **(i) Basis of preparation :**

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The Consolidated Financial Statements have been prepared on accrual and going concern basis. The accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Consolidated Financial Statements includes Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit & Loss including Other Comprehensive Income, Cash Flows Statement, Statement of Change in Equity for the year ended 31<sup>st</sup> March, 2021 and significant accounting policy and other explanatory information.

##### **(ii) Basis of Measurement:**

The Consolidated Financial Statements have been prepared and presented under the historical cost convention except for certain consolidated financial assets and consolidated financial liabilities that are required to be measured at fair values at the end of each reporting period by Ind AS.

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

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.

##### **(iii) Recent Pronouncements:**

Ministry of Corporate Affairs notified the amendments to existing Ind AS on 24<sup>th</sup> July 2020 which are effective for annual period beginning after 1<sup>st</sup> April, 2020. The following are the amendments to existing standards, which have no significant impact on the Company's Financial Statements.

##### **Ind AS 103 - Business Combination**

The amendments provide change in definition of business. The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The new definition is narrower but may require a complex assessment.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### **Ind AS 116 - Leases**

The amendment provides the practical expedient in Ind AS 116 for accounting of rent concessions due to COVID 19.

### **Ind AS 107 - Financial Instruments: Disclosures, Ind AS 109 - Financial Instruments**

The specific hedge accounting requirements have been amended to provide relief from the potential effects of the uncertainty caused by IBOR reform.

**Ind AS 1** - Presentation of Financial Statements, **Ind AS 8** - Accounting Policies, Changes in Accounting Estimates and Errors, **Ind AS 10** - Events after the Reporting Period.

### **Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets**

The amendments provide refined definition of material. The refinements are not intended to alter the concept of materiality and are expected to make it easier to understand.

### New Ind AS or amendments to existing Ind AS issued but not effective:

Ministry of Corporate Affairs has notified amendments to the existing Ind AS to be effective from 1<sup>st</sup> April, 2021 on 18<sup>th</sup> June, 2021. Key amendments to existing Ind AS are:

### **Ind AS 116 - Leases**

Extension of time period for practical expedient in Ind AS 116 for accounting of rent concession due to COVID 19.

### **Ind AS 109 - Financial Instruments, Ind AS 107 - Financial Instruments: Disclosures,**

Practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform and additional disclosure to be made on account of interest rate benchmark reform.

### **Ind AS 102 - Share Based payment**

Definition of Equity Instrument in reference to the Conceptual framework of Financial Reporting.

### **Ind AS 103- Business Combination**

Amendment to definition of assets and liabilities in accordance with the definition given in the framework for the Preparation and Presentation of Financial Statements in accordance with Ind AS for qualifying the recognition criteria as per acquisition method.

### **Ind AS 16- Property Plant & Equipment**

Substituting the words "Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use" with "Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use".

### Others :-

Ministry of Corporate Affairs through a notification dated 24<sup>th</sup> March, 2021, amended Schedule III of the Companies Act, 2013 to be effective from 1<sup>st</sup> April, 2021. Key amendments to division II which relates to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are: -

### **Balance Sheet**

- Disclosure of Lease Liabilities under head "financial liabilities: duly classified as current - non-current;
- Additional disclosures in the statement of changes in the equity such as changes in equity capital due to prior period errors and restatement of balance sheet at the beginning of the current period;
- Promoters Shareholding Pattern disclosure in specified format;
- Specified format for ageing of trade receivables, trade payable, capital work-in progress and intangible assets under development;
- Detail disclosure, If a company has not utilised the fund borrowed from banks and financial institution for the specified purpose for which money has been borrowed;

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

- Specified disclosure under "additional regulatory requirements" such as :
  - o compliance with approved scheme of arrangements;
  - o compliance with number of layers of companies;
  - o title deed of immovable property not in the name of company;
  - o loans and advances to promoters, directors, key managerial personnel and related parties;
  - o details of benami property held.

### Statement of Profit and Loss

- additional Reporting on Corporate Social Responsibilities (CSR)
- reporting of crypto or virtual currency

The Company will evaluate the impact of changes in Ind AS and Schedule III to give effect to them as required by the law.

### (iv) Current/ Non- Current Classification:

Any asset or liability is classified as current or non-current based on Group's normal- operating cycle and other criteria as set out in the Division II of schedule III to the Companies Act, 2013.

Asset/ Liability is classified as current, if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Group's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- the asset 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 date;
- in the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of product and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

### (b) KEY ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and the accompanying disclosures in notes including disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in the outcomes requiring adjustment to the carrying amounts of assets or liabilities in future periods. The estimates and the associated assumptions are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances as available at the time of preparation of the Financial Statement. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements. The estimates and the associated assumptions are reviewed on ongoing basis. Changes in accounting estimates are recognised prospectively.

Significant judgements and estimates have been made by the Group relating to

- Amount and Timing of recognising of revenue from contract at a point in time with customers, identifying performance obligations in a sales transactions and volume rebate that gives rise to variable consideration in a sales contract.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

- Useful lives of property, plant and equipment and intangible assets at the end of each reporting period.
- Impairment of property, plant and equipment and intangible assets
- Impairment of Investments
- Provision for employee benefits and other provisions
- Provision for Income Tax including payment of advance Tax
- Recoverability of deferred tax assets
- Fair Value Measurements of Financial Instruments
- Identification of Lease, assessing lease terms (including anticipated renewals) and applicable discount rate
- Commitments and contingencies

### Estimation of uncertainties relating to the second wave of pandemic COVID-19

The outbreak of second wave of Coronavirus (COVID-19) in India during mid-March, 2021, has again casted clouds of uncertainty in the Indian economy and caused disturbance and slowdown in the economic activities. This has affected the operations of the Group in the initial period of 2021-22 due to slow demand, restrictions of the movement of the staffs etc.

However, there is no material impact on the carrying value of the Current Assets particularly Trade receivables and inventories, which account for substantial part of the current assets of the Group. In assessing the recoverability of trade receivables, the Group has considered subsequent recoveries, past trends, credit risk of the customers based on the industry and internal, external information, as available, till preparation of Financial Statements.

### (c) Basis of Consolidation

#### (i) Consolidation of Subsidiaries

The Consolidated Financial Statements incorporate the financial statements of the Parent and entities controlled by the Parent i.e. Subsidiaries.

Control is achieved when the company has

- Power over the investee;
- is exposed to or has rights to the variable returns of the entity and;
- has the ability to affect those returns through its power over the entity.

Generally, there is presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an entity, the Company considers all relevant facts and circumstances in assessing whether it has power over an entity, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Company's voting rights and potential voting rights;
- The size of the Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the company gains control until the date the company ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies. The Financial Statements of all

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e. year ended on 31<sup>st</sup> March. When the end of the reporting period of the Parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the Financial Statements of the Parent to enable the Parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

### Consolidation Procedure

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of the Subsidiaries. For this purpose, income and expenses of the Subsidiaries are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.
- Offset (eliminate) the carrying amount of the Parent's investment in the Subsidiaries and the Parent's portion of equity of the Subsidiaries. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- Non-controlling interests in the net assets (excluding goodwill) of the Subsidiaries is identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

### (ii) Consolidation of Joint Venture (Jointly Controlled entity)

The joint venture is an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investment in jointly controlled entity is accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint arrangement since the acquisition date. Goodwill, if any relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of profit and loss reflects the Group's share of the results of jointly controlled entity. Any change in OCI of the jointly controlled entity is presented as part of the Group's OCI. Unrealised gains and losses resulting from inter-group transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

If Group's share of losses of a joint venture exceeds its interest in that joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and then recognises the loss as share of profit of a joint venture in the consolidated statement of profit or loss.



## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### (d) SIGNIFICANT ACCOUNTING POLICIES

#### i) Property, Plant and Equipment

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discount or rebate is deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the statement of profit and loss as and when incurred.

Capital work-in-progress includes cost of property, plant and equipment not ready for the intended use as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'capital advances' under other non-current assets.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost of disposal.

The Group had elected to continue with the carrying value of all of its property, plant and equipment appearing in the financial statements prepared as per accounting standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (Generally Accepted Accounting Standards "Previous GAAP") as the deemed cost of the property, plant and equipment in the opening balance sheet under Ind AS effective 1<sup>st</sup> April, 2016.

Exchange differences arising on translation of long-term foreign currency monetary items recognised in the Previous GAAP financial statements in respect of which the Group has elected to recognise such exchange differences as a part of cost of assets is allowed under Ind AS 101. Such differences are added/deducted to/ from the cost of assets and are recognised in the statement of profit and loss on a systematic basis as depreciation over the balance life of the assets.

#### (ii) Intangible Assets

Intangible assets acquired are initially measured at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition, intangible assets with defined useful lives are carried at cost less accumulated amortization and accumulated impairment loss, if any. Internally generated intangibles are not capitalized and the related expenditure is reflected in consolidated statement of profit and loss in the period in which the expenditure is incurred.

Computer Software an intangible asset is measured on initial recognition at cost. Costs comprise of license fees and cost of system integration services and development.

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. On de-recognition the intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the statement of profit and loss.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### (iii) Depreciation on Property, Plant and Equipment and Amortisation of Intangible Assets :-

Depreciation on property, plant and equipment is provided on pro rata basis using the straight-line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 in consideration with useful life of the assets as estimated by the management.

Intangible Assets with finite lives are amortized on a straight-line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

The estimated useful lives, residual values and methods of depreciation of property, plant & equipment are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate and adjusted prospectively, if any.

The estimated useful life of items of property, plant and equipment and intangible Assets are:

Particulars	Years	Particulars	Years
Factory Buildings (including roads)	10 to 30	Office & Other Equipment	5 to 10
Workers Quarters	60	Computers/ Laptops/ Computers Hardware	3
Plant & Machineries	15 to 40	Computer Servers	6
Laboratory Equipments	10	Computer Software	5
Electrical Installations	10	Vehicle	8 to 10
Furniture & Fixtures	10		

### (iv) Impairment of Assets

At each balance sheet date, the Group reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any).

An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

### (v) Leases

#### The Group as Lessee

The Group's lease assets classes primary consists of leases for premises. The Group assesses whether a contract is qualifies to be a lease at the inception of contract. A contract is, or contains, a lease, if the contract conveys the right to control the use of an assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of identified asset, the Group assess whether, throughout the period of use, the Group has both of the following:-

- right to obtain substantially all of the economic benefits from use of the identified assets
- right to direct the use of the identified assets

Identification of lease requires significant judgment including judgement to assess the lease terms (including anticipated renewals) and the applicable discount rate. The Company determines the lease terms as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease, if the Group is reasonably certain to exercise that option; and period covered by an option to terminate the lease, if the Group is reasonably certain not to exercise that option. In assessing, whether the Group is reasonably certain to exercise the option to extend a lease, or not to exercise an option to terminate a lease, the Group consider all relevant facts

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revise the lease term if there is a change in the non-cancellable period of lease terms.

At the date of the commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease contracts in which it is a lessee, except for leases contract for a period of twelve months or less (short term leases), variable leases and low value leases, in those cases the lease payments are recognised in the statement of profit and loss on a straight-line basis over the term of the lease.

ROU is initially recognized at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU is depreciated from the commencement date on a straight-line basis over the lease term or useful life of the underlining asset, whichever is shorter. ROU is tested for impairment and account for as per impairment of assets policy of the Company.

The lease liability is initially measure at the present value of the future lease payments, which comprises of the fixed payments, variable lease payments, guaranteed residual value or exercise price of purchase option, if the Group is reasonably certain to exercise the option. The lease payments are discounted using interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet. Interest expense on lease liability is reported as finance cost in the statement of profit and loss account and lease payments have been classified as financing cash flows.

### **The Group as Lessor**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases mainly of workers quarters are recognised in the statement of profit and loss on straight line basis.

### **(vi) Inventories:**

- Raw Materials, Work-in-progress, Stock-in Trade and Finished goods are valued at the lower of cost or net realizable value. The cost is determined using FIFO method.
- The cost of Inventories of work-in-progress and finished goods comprises the cost of purchases and the cost of conversion and in case of finished goods it also includes the cost of packing materials.

The cost of purchase comprises of the purchase price including duties and taxes (other than those subsequently recoverable by the Company from the taxing authorities), freight inward and other expenditure directly attributable to the acquisition but net of trade discount, rebates, duties for import under advance licenses and other similar items.

The cost of conversion comprises of depreciation and repairs and maintenance of factory buildings and plant and machineries, power and fuel, factory management and administration expenses and consumable stores and spares.

- Packing Materials, Consumable Stores & Spares and Fuel are valued at lower of cost or net realizable value. The cost is determined using FIFO method.

- Scrap is valued at net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost to make sale.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### (vii) 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.

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition and adjusted for transaction costs that are attributable to the acquisition or issues of financial assets and financial liabilities in case of financial assets or financial liabilities not at fair value through profit or loss account.

Where the fair value of financial assets and financial liabilities at initial recognition is different from its transaction price, the difference between the fair value and transaction price is recognised in the statement of profit and loss.

However, trade receivables that do not contain a significant financing component are initially measured at transaction price.

#### a) Financial Assets :-

##### Cash and bank balances

Cash and bank balances consist of:

- **Cash and cash equivalents** - which includes cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.
- **Other bank balances** - which includes balances and deposits with banks that are restricted for withdrawal and usage.

##### Financial assets measured at amortised cost

A financial asset is subsequently measured at amortised cost if both of the following conditions are met:

- If it is held within a business model whose objective is to hold the asset 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.

This category applies to trade receivables, loans and other financial assets of the Group measured using the Effective Interest Rate (EIR) method less impairment, if any, and the amortisation of EIR and loss arising from impairment, if any is recognised in the statement of profit and loss.

##### Financial assets measured at fair value

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

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

Fair value movements are recognised in the other comprehensive income.

The Group in respect of equity instruments (other than equity instruments of subsidiaries and joint venture) which are not held for trading has made an irrevocable election to present the subsequent changes in fair value of such equity instruments in other comprehensive income. Such an election is made by the Group on an instrument-by-instrument basis at the time of initial recognition of such equity investments. On de-recognition, cumulative gain or loss previously recognised in other comprehensive is reclassified from the equity to retained earnings in the statement of changes in equity.

A financial asset not classified as either amortised cost or at fair value through other comprehensive income is carried at fair value through the consolidated statement of profit & loss.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### **Impairment of Financial Assets**

The Group applies loss allowance using the expected credit loss (ECL) model for the financial assets which are measured at amortised cost and fair value through other comprehensive income. Loss allowance for trade receivables with no significant financing component is measured following simplified approach wherein an amount equal to lifetime ECL is measured and recognised as a loss allowance.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on life time ECLs at each reporting date, right from its initial recognition.

For all other consolidated financial assets, ECLs are measured at an amount equal to 12-month ECL, unless there has been a significant increase in credit risk for initial recognition in which case those are measured at lifetime ECL.

### **De-recognition of Financial Assets**

A financial asset is de-recognised only when

- The contractual rights to cash flows from the financial asset expires,
- The Group has transferred the contractual rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## **b) Financial Liabilities**

### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity Instrument

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

#### Financial Liability

Trade and other payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the consolidated statement of profit and loss.

Interest bearing loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost using effective interest rate method. Any difference between proceeds (net of transaction cost) and the settlement amount of borrowing is recognised over the terms of the borrowings in the consolidated statement of profit and loss

### **De-recognition**

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or has expired.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### c) Financial Guarantee Contracts

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

### d) Derivative Financial Instruments

The Group enters into derivative financial contracts in the nature of forward currency contracts with banks to reduce business risks which arise from its exposures to foreign exchange. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/firm contractual commitments.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Any changes therein are generally recognised in the consolidated statement of profit & loss. Derivatives are carried as financial assets when fair value is positive & as financial liabilities when fair value is negative.

### e) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### (viii) Fair Value Measurement

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. 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 asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows: -

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level that are observable for the asset or liability, either directly or indirectly
- Level 3 - inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

### (ix) Non-Current Assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets held for sale are not depreciated or amortized.



## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### (x) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation or present 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 and where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

### (xi) Revenue

Revenue from contracts with customer is recognized when the Group satisfies a performance obligation by transferring the promised goods or services to a customer at a transaction price. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is to be allocated. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer as per contract, excluding amount of taxes collected on behalf of the government. The transaction price is adjusted of trade discount, cash discount, volume rebate and other variable considerations as per the terms of contract which is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Consideration payable to a customer is accounted as reduction of transaction price and therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Company.

#### **Sale of Goods: -**

Revenue from sale of products is recognised at a point in time when the control on the goods have been transferred to a customer i.e. when material is delivered to the customer or as per shipping terms, as may be specified in the contract.

#### **Job Work**

Revenue from Job work is recognised when intended job work is carried out and goods are ready for transfer to the owner of the goods.

#### **Export Incentives**

Eligible export incentives are recognised in the year in which the conditions precedents are met and there is no significant uncertainty about the collectability.

### (xii) Other Income

#### **Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion



**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**

basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Rental Income**

Rental income is recognised in the statement of profit & loss on straight line basis.

**Dividend Income**

Dividend Income from investments is recognised when shareholder's rights to receive payment have been established.

**Commission Income**

Guarantee commission income (notional) for the financial guarantee issued by the Company to the bank in respect of credit facility granted by the bank to the dealers of the Company is recognised over the period of guarantee.

**(xiii) Government Grant**

Government grants are recognised when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions. When the grant relates to revenue expense, it is recognised as an income on a systematic basis over the period necessary to match it with the expenses that it is intended to compensate. Government grant related to expenditure on property, plant & equipment is included as cost of property, plant & equipment and is credited to the statement of profit & loss over the useful lives of qualifying assets or credited to the statement of profit & loss over the period in which the corresponding export obligation is fulfilled. Total grants availed less the amounts credited to the statement of profit and loss at the balance sheet date are included in the balance sheet as deferred income.

**(xiv) Foreign Currency Transactions**

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The functional and presentation currency of the Group is Indian Rupees (₹).

Transactions denominated in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary items is restated at the closing exchange rates. Non-monetary items are recorded at exchange rate prevailing on the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognized in the consolidated statement of profit and loss.

The forward exchange contracts are marked to market and gain/loss on such contracts are recognised in the statement of profit and loss at the end of each reporting period.

The Group as per previous GAAP elected to recognise as part of cost of assets, exchange differences arising on translation of long-term foreign currency monetary items and this method of recognition of such exchange difference is followed by the Group as allowed under Ind AS 101. Such differences are added/deducted to/ from the cost of assets and are recognised in the statement of profit and loss on a systematic basis as depreciation over the balance life of the assets.

For the purpose of presenting in consolidated financial statements the share of profit/(loss) in the foreign joint venture (jointly controlled entity) is express in rupees derived using average exchange rate during the period and net share in the assets of the jointly controlled entity is derived using closing exchange rate as on reporting date.

The exchange differences arising are recognised in other comprehensive income and accumulated in a separate component of equity. On disposal of foreign operation, all the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to the consolidated statement of profit and loss. Goodwill and fair value adjustments arising on the acquisition of foreign operation if any, are treated as assets & liabilities of the foreign operation and translated at the closing rate.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### (xv) Employee Benefits

#### a) Short Term Obligations

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Group recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

#### b) Post-Employment Benefits

##### i) Defined benefit plan

Gratuity liability is a defined benefit obligation and recognized based on actuarial valuation carried out using the Projected Unit Credit Method. The scheme for all the group companies except one subsidiary is maintained and administered by Life Insurance Corporation of India to which each group company makes periodical contributions. The scheme is separate for each group company.

##### ii) Defined contribution plans

A Defined Contribution Plan is plan under which the Group makes contribution to Employee's Provident Fund administered by the Central Government. The Group's contribution is charged to the consolidated statement of profit and loss.

#### c) Other Long Term Employee Benefits - Leave Encashment

The liability towards leave encashment which is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related services is recognized based on actuarial valuation carried out using the Projected Unit Credit Method.

### (xvi) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized. All other borrowing costs are expensed in the period in which they occur.

### (xvii) Income Taxes

Tax expenses for the year comprises current tax and deferred tax.

#### Current Tax

Current tax is the amount of income tax payable in respect of taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because taxable profit is adjusted for items of income or expenses which are taxable or deductible in other years and also for items which are never taxable or deductible.

The Group's liability for current tax is calculated using tax rates and tax laws that are in force.

#### Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and joint venture, except where the Group is able to control the reversal of the temporary difference and it is

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**

probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws in force.

The deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the Parent and the Subsidiary Companies, as per their applicable laws and then aggregated.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity in which case the tax is recognised in Other Comprehensive Income or directly in equity, respectively.

**MAT**

Minimum Alternate Tax ('MAT') as per the provision of Income Tax Act, 1961 is recognised as deferred tax in the statement of profit and loss. The credit available as per tax laws in India in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the credit can be carried forward for set off against the normal tax liability. Such asset is reviewed at each Balance Sheet date.

**(xviii) Segment Reporting**

Operating segment is a component of an entity whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) of the Parent to make decision about resource to be allocated to the segment and assess its performance.

**(xix) Statement of Cash Flow**

Cash flow statement is reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cashflows. The cash flows from operating, investing and financing activities of the Group are segregated.

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purposes of cash flow statement cash and cash equivalents consist of cash and short-term deposits, as defined above.

**(xx) Events after Reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)****(xxi) Earnings per Share**

As per the requirement of Ind AS 33, basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity share outstanding during the period.

For the purpose calculating Diluted Earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(xxii) Goodwill**

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 - Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Company's cash generating units (CGUs) that are expected to benefit from the combination. A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired; by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Group recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

**(xxiii) Business Combination**

Business combination is accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination is measured and recognized in accordance with the requirements of Ind AS 12 "Income Taxes" and Ind AS 19 "Employee Benefits", respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the statement of profit and loss in the period in which they are incurred.

In case of business combination involving entities under common control, the above policy does not apply. Business combinations involving entities under common control is accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

# NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

## Note 2

### A) PROPERTY, PLANT & EQUIPMENT

Description	Gross Carrying Amount				Depreciation			Net Carrying Amount
	As at 01.04.2020	Additions	Deductions/ Adjustments	As at 31.03.2021	As at 01.04.2020	For the Year	Deductions / Adjustments	As at 31.03.2021
Land - Free Hold	2,747.07	-	-	2,747.07	-	-	-	2,747.07
Factory Buildings	4,557.50	76.75	-	4,634.25	417.64	180.98	-	4,035.63
Residential Buildings	158.29	-	-	158.29	12.37	3.09	-	142.83
Plant & Machineries	12,814.46	682.38	39.62	13,457.22	4,340.58	1,346.00	27.09	7,797.73
Laboratory Equipment	300.25	98.04	-	398.29	85.73	31.10	-	281.46
Electrical Installations	230.36	2.98	-	233.34	78.60	28.52	-	126.22
Furniture & Fixtures	184.38	5.17	-	189.55	33.92	17.32	-	138.31
Office & Other Equipment	295.04	38.20	-	333.24	138.41	59.18	-	135.65
Vehicles	400.75	41.22	68.69	373.28	137.24	46.69	46.93	236.28
<b>Total</b>	21,688.10	944.74	108.31	22,524.53	5,244.49	1,712.88	74.02	15,641.18
<b>B) Capital Work - in - Progress</b>	58.49	352.12	67.86	342.75	-	-	-	342.75
<b>Total (A + B)</b>	21,746.59	1,296.86	176.17	22,867.28	5,244.49	1,712.88	74.02	15,983.93

(₹ in Lakhs)

Description	Gross Carrying Amount				Depreciation			Net Carrying Amount
	As at 01.04.2019	Additions	Deductions/ Adjustments	As at 31.03.2020	As at 01.04.2019	For the Year	Deductions / Adjustments	As at 31.03.2020
Land - Free Hold	2,730.12	16.95	-	2,747.07	-	-	-	2,747.07
Factory Buildings	4,356.63	200.87	-	4,557.50	241.23	176.41	-	4,139.86
Residential Buildings	158.29	-	-	158.29	9.27	3.10	-	145.92
Plant & Machineries	11,718.22	1,155.42	59.18	12,814.46	2,934.97	1,444.86	39.25	8,473.88
Laboratory Equipment	267.42	32.83	-	300.25	57.72	28.01	-	214.52
Electrical Installations	227.42	2.94	-	230.36	49.52	29.08	-	151.76
Furniture & Fixtures	143.02	41.36	-	184.38	17.74	16.18	-	150.46
Office & Other Equipment	257.41	39.96	2.33	295.04	77.77	62.13	1.49	156.63
Vehicles	292.16	113.62	5.03	400.75	95.25	44.78	2.79	263.51
<b>Total</b>	20,150.69	1,603.95	66.54	21,688.10	3,483.47	1,804.55	43.53	16,443.61
<b>B) Capital Work - in - Progress</b>	87.28	119.05	147.84	58.49	-	-	-	58.49
<b>Total (A + B)</b>	20,237.97	1,723.00	214.38	21,746.59	3,483.47	1,804.55	43.53	16,502.10

(₹ in Lakhs)

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**

(₹ in Lakhs)

Description	Gross Carrying Amount			Amortisation/Impairment			Net Carrying Amount
	As at 01.04.2020	Additions	Deductions/ Adjustments	As at 31.03.2021	As at 01.04.2020	For the Year	As at 31.03.2021
<b>C) Goodwill</b>							
Goodwill (On Business Combination)	137.20	-	-	137.20	-	-	137.20
<b>D) Intangible Assets</b>							
Computer Software	112.26	18.12	13.52	116.86	56.78	23.19	79.97
<b>E) Intangible Asset under development</b>							
Trade Marks	0.76	1.07	-	1.83	-	-	1.83

(₹ in Lakhs)

Description	Gross Carrying Amount			Amortisation/Impairment			Net Carrying Amount
	As at 01.04.2019	Additions	Deductions/ Adjustments	As at 31.03.2020	As at 01.04.2019	For the Year	As at 31.03.2020
<b>C) Goodwill</b>							
Goodwill (On Business Combination)	137.20	-	-	137.20	-	-	137.20
<b>D) Intangible Assets</b>							
Computer Software	109.16	3.10	-	112.26	33.66	23.12	55.48
<b>E) Intangible Asset under development</b>							
Trade Marks	0.76	-	-	0.76	-	-	0.76

**F) RIGHT OF USE ASSETS**

(₹ in Lakhs)

Description	Gross Carrying Amount			Amortisation/Impairment			Net Carrying Amount
	As at 01.04.2020	Additions	Deductions/ Adjustments	As at 31.03.2021	As at 01.04.2020	For the Year	As at 31.03.2021
Office Premises	64.10	12.95	-	77.05	24.56	23.51	28.98
<b>Total</b>	<b>64.10</b>	<b>12.95</b>	<b>-</b>	<b>77.05</b>	<b>24.56</b>	<b>23.51</b>	<b>28.98</b>

(₹ in Lakhs)

Description	Gross Carrying Amount			Amortisation/Impairment			Net Carrying Amount
	As at 01.04.2019	Additions	Deductions/ Adjustments	As at 31.03.2020	As at 01.04.2019	For the Year	As at 31.03.2020
Office Premises	-	64.10	-	64.10	-	24.56	39.54
<b>Total</b>	<b>-</b>	<b>64.10</b>	<b>-</b>	<b>64.10</b>	<b>-</b>	<b>24.56</b>	<b>39.54</b>

2.1 The details of property, plant & equipment pledged against borrowings are presented in Note 13.3 to 13.9.

2.2 The amount of contractual commitments for the acquisition of property, plant & equipment is disclosed in Note 29 B (i).

2.3 Details of additions on account of Foreign Exchange Differences and Borrowing costs: Nil

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Note 3: INVESTMENTS	Nos.	Face Value	Non-Current	
			As at 31.03.2021	As at 31.03.2020
Investments in equity instruments				
i) Joint Venture (Note 38)				
- RR-Imperial Electricals Limited - Bangladesh (10%)	63,40,244	Taka 10	490.15	472.91
ii) Other Entities (measured at fair value and designated as FVOCI)				
- R R Kabel Limited	3,41,120	₹ 10	3,175.82	2,210.45
- The Saraswat Co-operative Bank Limited	2,500	₹ 10	0.25	0.25
Investment in Quoted Mutual Funds (measured at fair value and designated as FVTPL)			46.30	43.25
			3,712.52	2,726.86
Aggregate amount of quoted investments at fair value			46.30	43.25
Aggregate amount of unquoted investments at fair value			3,176.07	2,210.70
Aggregate value of impairment in value of investments			-	-

3.1 For estimated amount of capital commitments- Note 29 B (ii).

3.2 Information on financial information, the Parent's ownership interest and other information of the joint venture - Note 38.

(₹ in Lakhs)

Note 4A: LOANS	Non-Current	
	As at 31.03.2021	As at 31.03.2020
<b>Unsecured, Considered good :</b>		
Electricity & Other Security Deposits	7.93	7.61
Security Deposits*	20.73	12.77
Loan to Employees	0.92	1.40
	29.58	21.78

(₹ in Lakhs)

Note 4B: LOANS	Current	
	As at 31.03.2021	As at 31.03.2020
<b>Unsecured, Considered good :</b>		
Security Deposits*	3.50	11.59
Loan to Employees	15.93	29.58
	19.43	41.17

(₹ in Lakhs)

* Includes	As at 31.03.2021	As at 31.03.2020
Security deposit with Director	7.32	6.62
Security Deposit with a Private Limited Company in which one of the Director of the Parent is Director and some of Directors of the Parent are members	3.50	3.50



## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Note 5A: OTHER FINANCIAL ASSETS	Non-Current	
	As at 31.03.2021	As at 31.03.2020
<b>Unsecured, Considered good :</b>		
Share Application Money - Joint Venture	-	1.38
Term Deposits with bank held as margin money or security against Borrowing, Guarantees or other Commitments having maturity more than 12 months	0.25	0.47
	<b>0.25</b>	<b>1.85</b>

(₹ in Lakhs)

Note 5B: OTHER FINANCIAL ASSETS	Current	
	As at 31.03.2021	As at 31.03.2020
<b>Unsecured, Considered good :</b>		
Interest accrued on term deposits held as margin money or security against Borrowing, Guarantees or other Commitments	3.44	3.70
Others	38.03	3.45
	<b>41.47</b>	<b>7.15</b>

(₹ in Lakhs)

Note 6: INCOME TAX ASSETS (NET)	Non-Current	
	As at 31.03.2021	As at 31.03.2020
Advance payment of Income Tax (net)	56.09	123.69
	<b>56.09</b>	<b>123.69</b>

(₹ in Lakhs)

Note 7A: OTHER ASSETS	Non-Current	
	As at 31.03.2021	As at 31.03.2020
<b>Unsecured, Considered good :</b>		
Capital Advances	285.81	132.28
Other Advances :		
Balances with government authorities		
Cenvat Credit Receivable	37.04	37.04
VAT Receivable	372.73	376.19
Advance receivable in cash or in kind	7.36	13.79
	<b>702.94</b>	<b>559.30</b>

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Note 7B: OTHER ASSETS	Current	
	As at 31.03.2021	As at 31.03.2020
<b>Unsecured, Considered good :</b>		
Other Advances		
Balances with government authorities		
GST Receivable	647.10	538.50
Export Incentives Receivable	133.88	270.70
Excise Duty Refundable	19.26	22.23
Advance receivable in cash or in kind	185.81	154.22
Advances to Suppliers	617.41	658.23
Advance to Employees (net)	0.51	0.30
	<b>1,603.97</b>	<b>1,644.18</b>

(₹ in Lakhs)

Note 8: INVENTORIES	Current	
	As at 31.03.2021	As at 31.03.2020
Raw Materials	1,609.37	1,392.02
Raw Material-in-Transit	79.02	1,395.59
Work-in-Progress	4,592.20	2,394.79
Finished Goods	1,949.45	2,897.92
Stock in Trade	36.13	243.72
Finished Goods-in-Transit	4,623.30	1,486.75
Others:		
Packing Materials	136.03	96.28
Scrap	57.57	80.03
Consumable Stores & Spares	250.00	198.06
Fuel	11.22	10.10
	<b>13,344.29</b>	<b>10,195.26</b>

8.1 The cost of inventories recognised as an expenses during the year is disclosed in Note 23 and 24.

8.2 The cost of inventories written down during the year NIL (P.Y. NIL)

8.3 The inventories are hypothecated as the security as disclosed in Note 13

(₹ in Lakhs)

Note 9: TRADE RECEIVABLES	Current	
	As at 31.03.2021	As at 31.03.2020
Secured- considered good	717.56	799.28
Unsecured- considered good	27,690.74	21,000.14
Unsecured- credit impaired	178.37	369.62
Unsecured- significant increase in credit risk	363.23	209.90
	<b>28,949.90</b>	<b>22,378.94</b>
Less: Allowance for credit impaired (doubtful debts)	178.37	369.62
Less: Allowance for significant increase in credit risk (doubtful debts)	363.23	209.90
	<b>28,408.30</b>	<b>21,799.42</b>

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**
**(₹ in Lakhs)**

<b>9.1 Due from Directors , Firm or Private Limited Company</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Due from a Firm in which a Director of the Parent is a Partner	<b>179.53</b>	132.58

- 9.2 Trade Receivables are generally non-interest bearing with credit period of 60 days to 90 days.
- 9.3 The Parent has arranged channel financing facility for its customers from bank against which a sum of ₹ 5,219.45 Lakhs (₹ 4,795.47 Lakhs) has been received (net of advances) against the trade receivables as on the date of balance sheet and correspondingly the trade receivable stand reduced by the said amount. Also refer Note 29.2.
- 9.4 The Group's exposure to credit risk, currency risk and market risk related to trade receivables are disclosed in Note 36(C).
- 9.5 Refer Note for accounting policies on financial instruments.

**(₹ in Lakhs)**

<b>Note 10A: CASH AND BANK BALANCES</b>	<b>Non-Current</b>	
	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Other Balance with Banks</b>		
Term Deposits held as Margin money or security against Borrowing, Guarantees or other commitments having maturity of more than 12 months	<b>0.25</b>	0.47
Less: Amount included under the head Other Financial Assets	<b>0.25</b>	0.47
	<b>-</b>	-

**(₹ in Lakhs)**

<b>Note 10B: CASH AND BANK BALANCES</b>	<b>Current</b>	
	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>(A) Cash &amp; Cash Equivalents</b>		
(a) Balance with Banks		
Current Accounts	<b>392.32</b>	92.97
Cheques, draft on hand	-	-
(b) Cash on hand	<b>5.44</b>	4.76
	<b>397.76</b>	97.73
<b>(B) Other Balance with Banks</b>		
(a) Unclaimed Dividend Accounts*	<b>29.37</b>	30.11
(b) Term deposits held as margin money or security against Borrowing, Guarantees or other Commitments	<b>65.45</b>	61.94
	<b>94.82</b>	92.05

\* Amount can be utilise only towards settlement of unclaimed dividend.

**(₹ in Lakhs)**

<b>Note 11: EQUITY SHARE CAPITAL</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
<b>Authorised Capital</b>		
3,00,00,000 Equity Shares of ₹ 5/- each	<b>1,500.00</b>	1,500.00
<b>Issued, Subscribed and Paid Up Capital</b>		
2,20,00,000 Equity Shares of ₹ 5/- each fully paid-up	<b>1,100.00</b>	1,100.00
	<b>1,100.00</b>	1,100.00

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### 11.1 Reconciliation of Equity Shares outstanding at the beginning & at the end of the year

Fully Paid up Equity Shares	As at 31.03.2021		As at 31.03.2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
As at the beginning of the year	2,20,00,000	1,100.00	2,20,00,000	1,100.00
Add/(Less):- Change during the year	-	-	-	-
As at the end of the year	2,20,00,000	1,100.00	2,20,00,000	1,100.00

### 11.2 Details of Shareholders holding more than 5% Equity Shares #

Name of Shareholder	As at 31.03.2021		As at 31.03.2020	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Ram Ratna Research & Holdings Private Limited	34,00,000	15.45	34,00,000	15.45
Mahendrakumar Kabra	18,67,966	8.49	18,67,966	8.49
TMG Global FZCO	14,00,000	6.36	14,00,000	6.36
Rameshwarlal Kabra - As Karta of Rameshwarlal Kabra (HUF)	12,41,000	5.64	12,41,000	5.64

# As per the records of the parent, including its register of members

### 11.3 Terms/ rights attached to Equity Shares

The Parent has only one class of shares referred to as equity shares having face value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share. The Dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

As per the Companies Act, 2013 the holders of equity shares will be entitled to receive remaining assets of the company, after the distribution of all preferential amounts in the event of the liquidation of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

# NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

NOTE 12: OTHER EQUITY	Reserves & Surplus			Equity Instruments through OCI	Foreign Currency Translation Reserve	Total attributable to Owners of the Company	Non Controlling Interest
	Security Premium	General Reserve	Retained Earnings				
<b>Balance as at 1<sup>st</sup> April, 2019</b> (A)	763.20	513.00	12,648.50	3,271.23	57.22	17,253.15	650.57
Additions during the year	-	-	1,444.61	-	-	1,444.61	13.73
Profit for the year	-	-	-	-	-	-	-
Add/(Less): Items of OCI for the year, net of tax :	-	-	-	-	-	-	-
Exchange difference arising on translation of foreign operation	-	-	-	-	38.35	38.35	-
Remeasurement benefit of defined benefit plans	-	-	(39.56)	-	-	(39.56)	(1.25)
Net fair value Loss on investment in equity instruments through OCI	-	-	-	(1,587.72)	-	(1,587.72)	-
<b>Total Comprehensive Income For the year 2019-20</b> (B)	-	-	1,405.05	(1,587.72)	38.35	(144.32)	12.48
Reductions during the year	-	-	-	-	-	-	-
Dividend	-	-	(275.00)	-	-	(275.00)	-
Income Tax on Dividend	-	-	(56.53)	-	-	(56.53)	-
Transfer to General Reserve	-	-	-	-	-	-	-
<b>Total</b> (C)	-	-	(331.53)	-	-	(331.53)	-
<b>Balance as at 31<sup>st</sup> March, 2020</b> (D) = (A+B+C)	763.20	513.00	13,722.02	1,683.51	95.57	16,777.30	663.05
Additions during the year	-	-	-	-	-	-	-
Non Controlling Interest as on date of acquisition/investment	-	-	-	-	-	-	104.26
Profit for the year	-	-	1,490.05	-	-	1,490.05	82.51
Add/(Less): Items of OCI for the year, net of tax :	-	-	-	-	(13.41)	(13.41)	-
Exchange difference arising on translation of foreign operation	-	-	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	35.27	-	-	35.27	2.54
Net fair value Gain on investment in equity instruments through OCI	-	-	-	746.69	-	746.69	-
<b>Total Comprehensive Income For the year 2020-21</b> (E)	-	-	1,525.32	746.69	(13.41)	2,258.60	189.31
Reductions during the year	-	-	-	-	-	-	-
Dividend	-	-	(110.00)	-	-	(110.00)	-
Transfer to General Reserve	-	-	-	-	-	-	-
<b>Total</b> (F)	-	-	(110.00)	-	-	(110.00)	-
<b>Balance as at 31<sup>st</sup> March, 2021</b> (D+E+F)	763.20	513.00	15,137.34	2,430.20	82.16	18,925.90	852.36

## 12.1 Security Premium

Security premium is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

## 12.2 General Reserve

General Reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. Under the Companies Act, 2013 there is no mandatory requirement for transfer of a specific percentage of net profit to general reserve which was required under the erstwhile Companies Act, 1956.

## 12.3 Equity Instruments through Other Comprehensive Income

This represents the cumulative gains/(losses) arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, it will be reclassified to retained earnings when such assets are disposed off.

## 12.4 Foreign Currency Translation Reserve

Exchange differences relating to the translation of the results and net assets of Joint Venture from their functional currencies to the Parent presentation currency (i.e. ₹) are recognised directly in the Other Comprehensive Income and accumulated in Foreign Currency Translation Reserve.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Note 13A: BORROWINGS	Non-Current	
	As at 31.03.2021	As at 31.03.2020
<b>Secured</b>		
Term Loans from Banks		
Ruppee Loans	6,286.01	3,812.76
Vehicle Loans	34.74	49.61
<b>Unsecured</b>		
Loan from Directors	2,299.59	1,510.59
Loan from Promoters & Relatives	661.69	702.19
Inter Corporate Loans	1,314.00	1,314.00
	<b>10,596.03</b>	<b>7,389.15</b>

(₹ in Lakhs)

Note 13B: BORROWINGS	Current	
	As at 31.03.2021	As at 31.03.2020
<b>Secured</b>		
Working Capital Loans		
From Banks		
Ruppee Loans		
Short Term	14,286.00	9,234.94
Repayable on demand	3,184.90	4,734.95
<b>Unsecured</b>		
Working Capital Loans		
From Banks		
Ruppee Loan - Short Term	5,831.00	5,398.21
From Financial Institution		
Ruppee Loans	-	107.33
	<b>23,301.90</b>	<b>19,475.43</b>

(₹ in Lakhs)

Note 13.1: Term Loans	Rate of Interest	As at	
		31.03.2021	31.03.2020
Term Loan I - 4 Quarterly Installments	MCLR+ 0.95%	774.04	1,649.66
Term Loan II - 9 Quarterly Installments	MCLR+ 0.95%	746.09	974.68
Term Loan III - 3 Quarterly Installments	MCLR+ 0.95%	147.10	285.00
Term Loan IV - 11 Quarterly Installments	MCLR+ 0.80%	2,610.17	3,245.40
Term Loan V - 48 Quarterly Installments*	EBRL + 0.00%	3,578.05	-
Term Loan VI - 48 Quarterly Installments*	REPO + 3.30%	600.00	-
		<b>8,455.45</b>	<b>6,154.74</b>
Less : Current maturities of long term borrowing under "Other Financial Liabilities" (Note 14B)		<b>2,169.44</b>	<b>2,341.98</b>
		<b>6,286.01</b>	<b>3,812.76</b>

\* 12 months principal moratorium

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Note 13.2: Vehicle Loans	Rate of Interest	As at 31.03.2021	As at 31.03.2020
Vehicle Loan - I		-	0.71
Vehicle Loan - II - 19 Monthly Installments	8.85% p.a.	6.58	9.68
Vehicle Loan - III - 41 Monthly Installments	9.20% p.a.	43.68	54.15
Vehicle Loan - IV		-	0.40
		50.26	64.94
Less : Current maturities of long term borrowing under "Other Financial Liabilities" (Note 14B)		15.52	15.33
		34.74	49.61

### 13.3 (i) The Term loans (I to IV) are secured by:

- First pari passu charge on immovable assets of the Parent located at Survey No. 212/2 and Survey No 316 at Dadra, Silvassa, Survey No. 16/1 at Village Sayli, Silvassa and Survey No. 205, 206, 207/1, 207/2, 193/1, 193/2 and 327/2/P2 at Waghodia, Dist. Vadodara.
- First pari passu charge on both present and future movable assets of the Parent (except vehicles of the Parent).
- Second pari passu charge on entire current assets of the Parent both present and future.
- Personal guarantees of the Chairman and Managing Director of the Parent and their relative.

### (ii) The Term loan (V) is secured by

- Primary Guarantee of National Credit Guarantee Trustee Limited and approved under ECLGS scheme.
- Second pari passu charge on immovable assets of the Parent located at Survey No. 212/2 and Survey No 316 at Dadra, Silvassa, Survey No. 16/1 at Village Sayli, Silvassa and Survey No. 205, 206, 207/1, 207/2, 193/1, 193/2 and 327/2/P2 at Waghodia, Dist. Vadodara.
- Second pari passu charge on both present and future movable assets (except vehicles) of the Parent.
- Second pari passu charge on entire current assets of the Parent both present and future.

### (iii) The Term loan (VI) is secured by

- Primary Guarantee of National Credit Guarantee Trustee Limited and approved under ECLGS scheme
- Second pari passu charge on immovable assets of one of the subsidiary company at Survey No. 65-66, Village - Garadia Jarod Samlaya Road, TA, Savli, Vadodara.
- Second pari passu charge on both present and future movable assets (except vehicles) of one of the subsidiary company.
- Second pari passu charge on entire current assets of one of the subsidiary company both present and future.

### 13.4 The working capital loans of ₹ 15,539.36 Lakhs (P.Y. ₹ 11,286.55 Lakhs) are secured by:

- First pari passu charge on entire current assets of the Parent both present and future.
- Second pari passu charge on immovable assets of the Parent located at Survey No. 212/2 and Survey No. 316 at Dadra, Silvassa, Survey No. 16/1 at Village Sayli, Silvassa and Survey No. 205, 206, 207/1, 207/2, 193/1, 193/2 and 327/2/P2 at Waghodia, Dist. Vadodara and both present and future movable assets of the Parent (except vehicles of the Parent).
- Personal guarantees of the Chairman and Managing Director of the Parent and their relative.

### 13.5 The working capital loans of ₹ 1,931.54 Lakhs (P.Y. ₹ 2,683.34 Lakhs) are secured by:

- First pari passu charge on entire current assets of one of the subsidiary company both present and future.
- Second pari passu charge on immovable assets of one of the subsidiary company located Survey No. 65-66, Village - Garadia Jarod Samlaya Road, TA, Savli, Vadodara.
- Personal guarantees of some of the Directors of one of the subsidiary company.

### 13.6 Personal guarantees have been given by the Chairman and Managing Director of the Parent for unsecured working capital loans from banks availed by the Parent.



## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

- 13.7 Vehicle loans are secured by way of hypothecation of specific vehicle.
- 13.8 Other Unsecured Loans carry interest rates from 9% to 11% with different tenures.
- 13.9 Charges with respected to secured borrowings of the Parent have been created in favour of security trustee. No separate charge created for each of the borrowing.
- 13.10 As stated in the previous consolidated financial statement in Note 13.9, in terms of Covid-19 Regulatory Package announced by Reserve Bank of India (RBI) on 27<sup>th</sup> March, 2020, the Parent had initially applied for availing moratorium of three months for repayment of Term Loans Installments, however the said applications were later on withdrew by the Parent. As per the understanding given to the Parent by the bankers at that point in time, the repayment of Term Loans will be as per original repayment schedule. Later on, on account of Funded Interest Term Loan and other internal guidelines of the lender banks in line with RBI directions, the repayment schedule of Term Loans of the Parent has been re-scheduled. Due to the same there is a mismatch in the amount reported under current maturities (note 14B) in the consolidated financial statement for the year ended 31<sup>st</sup> March, 2020 of the Term Loans and actual payment thereof made during the year ending 31<sup>st</sup> March, 2021.
- 13.11 Default in terms of repayment of Principal and Interest - NIL

(₹ in Lakhs)

Note 14A: OTHER FINANCIAL LIABILITIES	Non-Current	
	As at 31.03.2021	As at 31.03.2020
Lease Liabilities	6.93	18.88
	6.93	18.88

(₹ in Lakhs)

Note 14B: OTHER FINANCIAL LIABILITIES	Current	
	As at 31.03.2021	As at 31.03.2020
<b>Current maturities of long term borrowings</b>		
Rupee Loans (Note 13.1)	2,169.44	2,341.98
Vehicle Loans (Note 13.2)	15.52	15.33
<b>Investor Education &amp; Protection Fund</b>		
Unclaimed dividends*	29.37	30.11
<b>Other Payables :</b>		
Interest accrued and due	123.03	210.61
Accrued Salary & Benefits **	239.84	226.01
Creditors for Expenses	850.30	789.26
Forward Exchange Contracts (Net)	19.90	53.93
Creditors for Capital Expenditure	84.14	113.76
Lease Liabilities	23.01	20.60
Other Payable	13.99	13.39
	<b>3,568.54</b>	<b>3,814.98</b>

\* There is no amount due and outstanding to be transferred to the Investor Education & Protection Fund (IEPF) as at 31<sup>st</sup> March, 2021. Unclaimed Dividends, shall be transferred to IEPF as and when they become due.

\*\* Includes amount of ₹ 0.56 Lakhs (P. Y. ₹ 12.82 Lakhs) payable to the Managing Director of the Parent on account of Commission on profit.

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**
**(₹ in Lakhs)**

Note 15A: PROVISIONS	Non-Current	
	As at 31.03.2021	As at 31.03.2020
<b>Provision for Employee Benefits</b>		
- Leave Encashment	81.25	101.39
- Gratuity	-	8.14
	<b>81.25</b>	<b>109.53</b>

**(₹ in Lakhs)**

Note 15B: PROVISIONS	Current	
	As at 31.03.2021	As at 31.03.2020
<b>Provision for Employee Benefits</b>		
- Leave Encashment	23.09	34.20
- Gratuity	0.83	1.73
	<b>23.92</b>	<b>35.93</b>

**(₹ in Lakhs)**

Note 16: INCOME TAXES		As at 31.03.2021	As at 31.03.2020
<b>A. The major components of income tax expenses for the year are as under :</b>			
<b>(i) Income tax expenses recognised in profit or (loss)</b>			
(a) Current Tax :			
In respect of current year	550.85	526.24	
Short/(Excess) provision of earlier years	5.15	(38.86)	
(b) Deferred Tax :			
In respect of current year	(13.09)	(276.88)	
	<b>542.91</b>	<b>210.50</b>	
<b>(ii) Income tax expenses recognised in the OCI</b>			
<b>Deferred Tax :</b>			
Deferred Tax on fair value of equity instruments through OCI	218.68	(476.06)	
Deferred Tax on remeasurements of defined benefit plans	13.04	(11.32)	
	<b>231.72</b>	<b>(487.38)</b>	
<b>B. Reconciliation of estimated income tax expenses and the accounting profit for the year is as under :</b>			
<b>Profit before tax :</b>	<b>2,083.83</b>	<b>1,671.31</b>	
Statutory Income Tax rates in India	<b>25.168%/27.82%</b>	<b>25.168%/27.82%</b>	
Expected Income tax expense at statutory income tax rate	549.03	417.42	
Tax effect on non deductible expenses	63.89	151.36	
Effect of income that is exempted from tax	(0.85)	(11.16)	
Others (including MAT credit entitlement)	(61.22)	(31.38)	
Current Tax expense as per Consolidated Statement of Profit and Loss for the year	<b>550.85</b>	<b>526.24</b>	

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

C: The major components of deferred tax liabilities/ (assets) are as follows:	As at 31.03.2020	Profit and Loss 2020-21	OCI 2020-21	As at 31.03.2021
<b>Deferred Tax Liabilities</b>				
Difference between written down value/ capital work in progress of property, plant & equipment and intangible assets as per the books of accounts & Income Tax Act, 1961	907.41	(19.32)	-	888.09
Others	24.01	(6.93)	-	17.08
Difference in carrying value and tax base of investments in equity measured at FVTOCI	504.83	-	218.68	723.51
<b>Deferred Tax Assets</b>				
Provision for expenses allowed for tax purpose on payment basis (net)	(48.55)	(7.99)	-	(56.54)
Allowance for doubtful debts	(146.19)	9.80	-	(136.39)
Unused tax losses	(163.80)	62.69	-	(101.11)
Unused tax credits (MAT)	(102.40)	(50.74)	-	(153.14)
Difference in Right-of-use asset and lease liabilities	(0.58)	(0.32)	-	(0.90)
Deposit	(0.07)	0.03	-	(0.04)
Others	1.50	0.07	-	1.57
Remeasurement benefit of defined benefit plans	(24.00)	(0.38)	13.04	(11.34)
Deferred Tax Expenses/ (benefit)		(13.09)	231.72	
Net Deferred Tax Liabilities	952.16			1,170.79

(₹ in Lakhs)

Note 17: DEFERRED INCOME	Non-Current	
	As at 31.03.2021	As at 31.03.2020
Grants Related to property, plant & equipment	21.88	65.47
	21.88	65.47

- 17.1 Grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under such scheme, the Group is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Group would be required to pay the duty saved along with interest to the regulatory authorities. Such grants are recognised in the statement of profit and loss based on fulfilment of related export obligations.

(₹ in Lakhs)

Note 18: TRADE PAYABLES	Current	
	As at 31.03.2021	As at 31.03.2020
<b>Trade Payables</b>		
Micro, Small & Medium Enterprises	103.55	32.44
Others*	4,374.76	3,101.16
	4,478.31	3,133.60

\* Includes Amount of ₹ 3,259.60 Lakhs (P.Y. NIL) paid to suppliers of Parent initially by the banks, while the Parent continues to recognise the liability till the settlement with the banks which are normally effected within a period of 60 days.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Note 19: OTHER LIABILITIES	Current	
	As at 31.03.2021	As at 31.03.2020
<b>Revenue Received in advance</b>		
Contract Liabilities (Note 37)	302.40	401.30
<b>Others</b>		
Statutory Taxes/ dues Payable		
Towards Provident Fund and Professional Tax	21.90	22.76
Towards TDS/TCS and GST Payable	71.80	25.33
	<b>396.10</b>	<b>449.39</b>

(₹ in Lakhs)

Note 20: INCOME TAX LIABILITIES (NET)	Current	
	As at 31.03.2021	As at 31.03.2020
Provision for Income Tax (net of Advance Tax)	93.34	77.65
	<b>93.34</b>	<b>77.65</b>

(₹ in Lakhs)

Note 21: REVENUE FROM OPERATIONS	2020-21	2019-20
<b>Sale of Products</b>	<b>1,51,479.51</b>	<b>1,43,208.58</b>
<b>Other Operating Revenues :</b>		
Sale of Scrap	1,061.72	1,093.26
Processing Charges	2.12	93.06
Export Incentive	74.40	133.28
Grant related to property, plant & equipment (EPCG)	75.51	87.77
Bad Debts Recovered	1.00	28.08
	<b>1,52,694.26</b>	<b>1,44,644.03</b>

(₹ in Lakhs)

Note 22: OTHER INCOME	2020-21	2019-20
Interest Income on Financial assets carried at amortised cost		
Bank Deposits	6.49	4.52
Others	132.25	93.77
Dividend Income		
Dividend from unquoted equity investments measured at fair value through OCI	-	44.34
Sundry Balances Written Back	7.83	7.05
Rent	23.54	24.62
Guarantee Commission	54.45	59.52
Net Foreign Exchange Gain (net)	-	110.19
Miscellaneous Income	48.10	25.74
	<b>272.66</b>	<b>369.75</b>

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**

(₹ in Lakhs)

<b>Note 23: COST OF MATERIALS CONSUMED</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Raw Materials Consumption</b>		
Copper	<b>1,32,865.44</b>	1,20,501.20
Others	<b>6,214.92</b>	6,496.37
Packing Materials	<b>1,347.05</b>	1,340.70
	<b>1,40,427.41</b>	1,28,338.27

23.1 For determination of cost (Note 1(d)(vi))

(₹ in Lakhs)

<b>Note 24: CHANGE IN INVENTORIES</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Inventories at the end of the year:</b>		
Finished Goods	<b>1,949.45</b>	2,897.92
Finished Goods in Transit	<b>4,623.30</b>	1,486.75
Stock in Trade	<b>36.13</b>	243.72
Work-in-Progress	<b>4,592.20</b>	2,394.79
Scrap	<b>57.57</b>	80.03
(A)	<b>11,258.65</b>	7,103.21
<b>Less:- Inventories at the beginning of the year:</b>		
Finished Goods	<b>2,897.92</b>	1,251.53
Finished Goods in Transit	<b>1,486.75</b>	2,999.12
Stock in Trade (including in Transit NIL ; P.Y. ₹ 369.91 Lakhs)	<b>243.72</b>	419.16
Work-in-Progress	<b>2,394.79</b>	1,355.27
Scrap (including in Transit NIL ; P.Y. ₹ 18.55 Lakhs)	<b>80.03</b>	82.76
(B)	<b>7,103.21</b>	6,107.84
(B-A)	<b>(4,155.44)</b>	(995.37)

(₹ in Lakhs)

<b>Note 25: EMPLOYEE BENEFITS EXPENSE</b>	<b>2020-21</b>	<b>2019-20</b>
Salaries, Wages and Incentives	<b>2,809.17</b>	2,945.71
Director's Remuneration*	<b>121.32</b>	160.11
Contributions to -		
Provident Fund (Note 32 B)	<b>135.18</b>	148.00
Gratuity Fund (Note 32 A)	<b>64.10</b>	49.29
Staff Welfare Expenses	<b>87.52</b>	119.22
	<b>3,217.29</b>	3,422.33

\* Including Commission of ₹ 0.56 Lakhs (P.Y. ₹ 12.82 Lakhs) to Managing Director of Parent.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

<b>Note 26: FINANCE COSTS</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Interest on financial liabilities carried at amortised cost</b>		
Interest on Borrowings	2,421.26	2,788.62
Other Borrowing costs	96.18	38.00
Interest on Lease liabilities	3.35	4.52
Interest on Income Tax	20.11	11.86
	<b>2,540.90</b>	<b>2,843.00</b>

(₹ in Lakhs)

<b>Note 27: DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>2020-21</b>	<b>2019-20</b>
Depreciation of Property, Plant and Equipment (Note 2A)	1,712.88	1,804.55
Amortisation of Intangible Assets (Note 2D)	23.19	23.12
Depreciation of Right of use assets (Note 2F)	23.51	24.56
	<b>1,759.58</b>	<b>1,852.23</b>

(₹ in Lakhs)

<b>Note 28: OTHER EXPENSES</b>	<b>2020-21</b>	<b>2019-20</b>
Auditors' Remuneration	45.90	35.55
Bank Charges	48.48	40.53
Consumption of Consumable Stores and Spares	504.57	608.27
Power and Fuel	2,756.43	2,847.87
Freight & Handling Charges	1,140.49	1,243.03
Foreign Exchange Loss (net)	2.25	-
Corporate Social Responsibility Expenses	58.88	67.01
Donations	76.10	165.02
Insurance	79.44	43.31
Loss on Sale of Property Plant & Equipment	2.43	9.00
Legal & Professional Fees	113.26	119.97
Allowance for doubtful debts :		
Allowance provided during the year	50.00	321.96
Amount written off	211.33	222.60
Less : Provision reversed during the year	(87.92)	-
Rent	13.07	12.85
Repairs and Maintenance of :		
Buildings	30.43	64.14
Plant and Machinery	356.83	308.72
Others	54.44	40.91
Rates and Taxes	34.17	46.87
Commission on sales	57.10	108.37
Business Promotion	11.01	27.22
Travelling	36.55	128.35
Miscellaneous Expenses	272.62	283.23
	<b>5,867.86</b>	<b>6,744.78</b>

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Note 29 : CONTINGENT LIABILITIES AND COMMITMENTS	As at 31.03.2021	As at 31.03.2020
<b>A. Contingent Liabilities</b>		
i) Claims against the Company not acknowledged as debts (Note 29.1)		
Income Tax Demands	35.96	35.76
Excise & Service Tax Demands	794.77	781.18
Sales Tax Demands	84.87	-
<b>B. Commitments</b>		
(i) Estimated amount of contracts remaining to be executed and not provided for		
- On Capital Account (Net of advance)	344.58	73.37
(ii) Estimated amount of Investment		
- in Joint Venture (Jointly Controlled Entity)	95.43	95.28
iii) Letter of credit and bank guarantees issued by the banks	4,869.02	1,513.39
iv) For Lease Commitment	-	2.40
v) For derivative contract (Note 35)		

29.1 The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely to be upheld in the appellate process and accordingly, no provision has been made in the financial statements for the tax demands raised. The management believes that the ultimate outcome of these proceedings will not have material adverse effect on the Group's financial position and results of operations.

29.2 The Parent has arranged Channel Finance facility with recourse for its customers from bank against which sum of ₹ 5,278.53 Lakhs (P.Y. ₹ 4,988.11 Lakhs) has been utilised as on the date of balance sheet and correspondingly, the trade receivables stand reduced by ₹ 5,219.45 Lakhs (P.Y. ₹ 4,795.47 Lakhs) (net of advance).

29.3 Details of the Jointly Controlled Entity have been disclosed at full value and not to the extent of the Parent interest.

(₹ in Lakhs)

Note 30: CALCULATIONS OF EARNINGS PER SHARE	2020-21	2019-20
Profit after Tax (₹ in Lakhs)	1,490.05	1,444.61
Weighted average number of equity shares outstanding during the year (Nos.)	2,20,00,000	2,20,00,000
Face value of equity share (in ₹)	5.00	5.00
<b>Earnings Per Share</b>		
Basic Earnings Per Share (in ₹)	6.77	6.57
Diluted Earnings Per Share (in ₹)	6.77	6.57

### Note 31 : SEGMENT INFORMATION

a) Basis of Segmentation :

Factors used to identify the reportable segments:

The Group has following business segments, which are its reportable segments. These segments offer different products which are managed separately because they require different technology and production processes.

Reportable Segment	Operations
Enamelled wires and strips	Manufacturing of Enamelled wires and strips
Copper tubes and pipes	Trading and Manufacturing of Copper tubes and pipes
Other	Trading and Manufacturing of BLDC motors for Air conditioner, Hub, HVLS Fans, Submersible Pumps and related Products.

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.



## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

The measurement principles of segments are consistent with those used in Significant Accounting Policies. Inter-segment transactions are determined on an arm's length basis.

(₹ in Lakhs)

Particulars	2020-21				2019-20		
	Enamelled wires and strips	Copper tubes and pipes	Other	Total	Enamelled wires and strips	Copper tubes and pipes	Total
i) Segment Revenue	1,38,698.12	14,536.36	20.88	1,53,255.36	1,25,548.28	19,181.73	1,44,730.01
Less :- Inter Segment Revenue from Operation				561.10			85.98
ii) Segment Results	1,822.30	355.44	(62.27)	2,115.47	1,635.57	33.27	1,668.84
iii) Other Information							
a) Segment assets	56,436.68	7,493.36	687.21	64,617.25	45,870.74	8,191.78	54,062.52
b) Segment Liabilities	37,809.02	5,591.09	338.88	43,738.99	28,985.63	6,536.54	35,522.17
c) Capital Expenditure	715.60	227.71	304.88	1,248.19	1,494.33	83.93	1,578.26
d) Depreciation and Amortisation Expenses	1,640.92	116.49	2.17	1,759.58	1,736.34	115.89	1,852.23

b) Revenue from external Customers:

(₹ in Lakhs)

Particulars	2020-21	2019-20
<b>Sale of Products</b>		
- India	1,39,035.43	1,32,351.26
- Outside India	12,444.08	10,857.32
Processing Charges	2.12	93.06
Sale of Scrap	1,061.72	1,093.26
<b>Total</b>	<b>1,52,543.35</b>	<b>1,44,394.90</b>

c) All non current assets of the Group are located in India.

d) There is no transaction with single external customer which amounts to 10% or more of the Group's revenue.

### Note 32 : EMPLOYEE BENEFITS

#### A) Defined Benefit Plan- Gratuity

The employees' Gratuity Fund Scheme, is a defined benefit plan. The scheme for all the group companies except one subsidiary is maintained and administered by Life Insurance Corporation of India (LIC) to which each group company makes periodical contributions. The scheme is separate for each group company. Under the scheme, every employee who has completed at least five years of service usually gets gratuity on departure @ 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

The following table summarises the components of net benefits expense recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the balance sheet :

(₹ in Lakhs)

Particulars	Gratuity	
	2020-21	2019-20
i) <b>Change in Defined Benefit Obligation</b>		
Obligation at the beginning of the year	479.62	358.21
Current Service Cost	67.06	55.20

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**

Particulars		Gratuity	
		2020-21	2019-20
	Interest Cost	30.79	26.58
	Past Service Cost	-	-
	Benefits Paid	(23.49)	(10.62)
	Remeasurement (gains)/ losses	(53.65)	50.25
	<b>Defined Benefit Obligation at year end</b>	<b>500.33</b>	<b>479.62</b>
ii)	<b>Change in Plan Assets</b>		
	Fair value of plan assets at the beginning of the year	498.76	404.47
	Expected Return on plan assets	33.75	32.59
	Employer Contributions	36.36	75.68
	Benefits Paid	(23.49)	(10.62)
	Remeasurement (losses)/gains	(2.95)	(3.36)
	<b>Fair Value of Plan Assets at the end of the year</b>	<b>542.43</b>	<b>498.76</b>
iii)	<b>Amount recognized in the Balance Sheet</b>		
	Present value of funded defined benefit obligation	500.33	479.62
	Fair value of plan assets at the end of the year	542.43	498.76
	Amount not recognized due to assets limit	-	-
	<b>Amount Recognized in the Balance Sheet (Net)</b>	<b>(42.10)</b>	<b>(19.14)</b>
iv)	<b>Expenses recognized in the Statement of Profit and Loss</b>		
	<b>Employee Benefits Expense</b>		
	Current Service Cost	67.06	55.20
	Past Service Cost	-	-
	Interest Cost including interest on value of asset ceiling	30.79	26.68
	Expected Return on plan assets	(33.75)	(32.59)
	(A)	64.10	49.29
	<b>Other Comprehensive Income</b>		
	(Gain)/ Loss on plan assets	2.95	3.36
	Actuarial (gain)/loss arising from changes in financial assumption	(13.37)	46.57
	Actuarial (gain)/loss arising from changes in demographic assumption	-	-
	Actuarial (gain)/loss arising on account of experience changes	(40.43)	3.68
	Actuarial (gain)/loss arising on account of adjustment to recognize the effect of assets ceiling	-	(1.48)
	(B)	(50.85)	52.13
	<b>Expenses recognised in the statement of profit and loss</b>	<b>13.25</b>	<b>101.42</b>
	(A) + (B)		
	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>	
v)	<b>Investment details</b>		
	LIC - Administrator of the plan funds	542.58	498.76
vi)	<b>Principal assumption used in determining defined benefit obligation</b>		
	Discount rate (per annum)	6.50% - 6.85%	6.30% - 6.75%
	Salary escalation rate (per annum)	7% - 10%	7% - 10%

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**
**(₹ in Lakhs)**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>vii) Sensitivity Analysis</b>		
<b>Increase in 50bps on DBO</b>		
Change in discounting rate	(22.91)	(23.18)
Change in Salary Escalation	24.55	24.79
<b>Decrease in 50bps on DBO</b>		
Change in discounting rate	24.85	25.21
Change in Salary Escalation	(22.85)	(23.16)
<b>viii) Maturity profile of defined benefit obligation</b>		
Within the next 12 months (next annual reporting period)	63.32	45.06
Between 2 and 5 years	111.15	116.31
Between 5 and 10 years	224.27	204.40

- The average duration of the defined benefit plan obligation at the end of the reporting period is 9.60 years to 13.06 years.
- The Group expects to contribute ₹ 83 Lakhs to the plan during the next financial year.
- The estimates of rate of escalation in salaries considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method.

**B) Defined Contribution Plan - Provident fund**

The Group makes its contribution along with the share of employees' contribution deducted from salary on monthly basis to Employees' Provident Fund administered by the Central Government. The Group's Contribution is charged to Statement of Profit & Loss. The Group has no obligation for any further contribution in case of any shortfall. The details of contribution are as under :-

**(₹ in Lakhs)**

Particulars	2020-21	2019-20
Contribution to Provident Fund	135.18	148.00

**C) Other Employee benefits -Leave Encashment**

The employees of the Group are entitled for the compensation in respect of unavailed leave as per the policy of the respective group companies. The liability towards compensated absences for the Company is recognised based on actuarial valuation carried out using Projected Unit Credit method and that for the Subsidiary on actual basis.

**(₹ in Lakhs)**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Amount recognized in the Balance Sheet</b>		
Current Liability	23.09	34.20
Non - Current Liability	81.25	101.39

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

**Note 33 : FORM AOC-I: Statement containing salient features of the financial statements of Subsidiaries and Joint Ventures**  
(Pursuant to section 129(3) of the Act read with rule 5 of Companies (Accounts) Rules, 2014)

### A) Subsidiaries:

(₹ in Lakhs)

	<b>Global Copper Pvt. Ltd.</b>	<b>Epavo Electricals Pvt. Ltd.</b>
i) Name	<b>01.04.2020 to 31.03.2021</b>	<b>26.08.2020 to 31.03.2021</b>
ii) Reporting period		
iii) Reporting currency	<b>Indian ₹</b>	<b>Indian ₹</b>
iv) Share capital	<b>107.69</b>	<b>401.00</b>
v) Reserves & surplus	<b>1,796.76</b>	<b>(52.67)</b>
vi) Total liabilities	<b>5,591.09</b>	<b>348.48</b>
vii) Total assets	<b>7,495.54</b>	<b>696.81</b>
viii) Investments	<b>46.55</b>	<b>-</b>
ix) Turnover	<b>14,536.36</b>	<b>20.88</b>
x) Profit before taxation	<b>355.26</b>	<b>(62.27)</b>
xi) Provision for tax	<b>114.75</b>	<b>(9.60)</b>
xii) Profit after taxation	<b>240.51</b>	<b>(52.67)</b>
xiii) Proposed dividend	<b>NIL</b>	<b>NIL</b>
xiv) % of shareholding	<b>60%</b>	<b>74%</b>

- Names of subsidiaries which are yet to commence operations- Epavo Electricals Pvt. Ltd. (Partially Commenced)
- Names of subsidiaries which have been liquidated or sold during the year-NIL

### B) Jointly Venture (Jointly Controlled Entity)

(₹ in Lakhs)

i) Name	<b>RR-Imperial Electricals Ltd.</b>
ii) Latest audited balance sheet date	<b>31.03.2021</b>
iii) Date on which acquired	<b>10% investment on various dates</b>
iv) Shares of Joint Ventures held by the Company as at 31 <sup>st</sup> March, 2021	
No. of Equity shares	<b>63,40,244</b>
Amount of Investment in Joint Venture (₹ in Lakhs)	<b>467.72</b>
Extend of Holding %	<b>10%</b>
v) Description of how there is Significant influence :-	<b>Not Applicable</b>
vi) Reason Why Associate/Joint Venture not Consolidated :-	<b>Consolidated</b>
vii) Net worth attributable to Shareholding as per latest audited balance sheet (₹ in Lakhs)	<b>490.15</b>
viii) Profit/(Loss) for the year :-	
Considered in Consolidation (₹ in Lakhs)	<b>31.64</b>
Not Considered in Consolidation	<b>NIL</b>

- Names of jointly controlled entity which are yet to commence operations- NIL
- Names of jointly controlled entity which have been liquidated or sold during the year-NIL

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### Note 34: Disclosure in respect of Related Parties pursuant to Ind AS- 24 "Related Party Disclosures"

List of Related Parties with whom transactions have taken place - (as certified by Management)

#### a) Key Management Personnel

Shri Tribhuvanprasad Kabra	- Chairman
Shri Mahendrakumar Kabra	- Managing Director
Shri Hemant Kabra	- Executive Director & CFO

#### Non Executive Directors

Shri Ramesh Chandak	Dr. Ajai Singh (retired w.e.f. 05 <sup>th</sup> Feb, 2021)
Shri Sandeep Jhanwar	Shri Upendra Kamath(resigned w.e.f. 09 <sup>th</sup> June,2021)
Shri R. Kannan	Smt. Kirtidevi Kabra

#### b) Close Family Members of Key Management Personnel

Shri Rameshwarlal Kabra	- Father of Shri Tribhuvanprasad Kabra & Shri Mahendrakumar Kabra
Smt. Ratnidevi Kabra	- Mother of Shri Tribhuvanprasad Kabra & Shri Mahendrakumar Kabra
Shri Shreegopal Kabra	- Brother of Shri Tribhuvanprasad Kabra & Shri Mahendrakumar Kabra
Late Smt. Umadevi Kabra	- Wife of Shri Tribhuvanprasad Kabra
Shri Mahhesh Kabra	- Son of Shri Tribhuvanprasad Kabra
Shri Sumeet Kabra	- Son of Shri Mahendrakumar Kabra

#### c) Entities over which Key Management and their close family members are able to exercise significant influence

MEW Electricals Ltd.	R R Kabel Ltd.
Ram Ratna International	Ram Ratna Research & Holdings Pvt. Ltd.
Kabel Buildcon Solutions Pvt. Ltd.	Shreegopal Kabra (HUF)
Ram Ratna Infrastructure Pvt. Ltd.	Rameshwarlal Kabra (HUF)
Pratik Wire & Cable Machines Pvt. Ltd.	Jag-Bid Finvest Pvt. Ltd.
TMG Global Fzco.	

#### d) Other Related Party

Ram Ratna Wires Limited Emp Group	- Post Employment Benefit Plan Entity
Gratuity Scheme	

### Transactions with the related parties in the ordinary course of business (Excluding Reimbursement)

(₹ in Lakhs)

Particulars	Referred in		Referred in		Referred in	
	(a) above		(b) above		(c) & (d) above	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Purchases: Goods and Services</b>						
R R Kabel Ltd.	-	-	-	-	1,668.80	2,180.61
MEW Electricals Ltd.	-	-	-	-	137.06	8.63
Ram Ratna International	-	-	-	-	247.32	407.66
<b>Sales: Goods and Services</b>						
R R Kabel Ltd.	-	-	-	-	2.50	2.78
Ram Ratna International	-	-	-	-	5,784.66	4,366.91
MEW Electricals Ltd.	-	-	-	-	48.85	24.82

# NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Particulars	Referred in		Referred in		Referred in	
	(a) above		(b) above		(c) & (d) above	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Capital Goods:</b>						
R R Kabel Ltd. (Purchases)	-	-	-	-	10.93	30.65
MEW Electricals Ltd. (Purchases)	-	-	-	-	61.21	-
Pratik Wire & Cable Machines Pvt. Ltd. (Purchases)	-	-	-	-	25.40	-
<b>Income :</b>						
Interest on security deposits (Rent)	0.69	0.63	0.73	0.77	0.64	0.91
<b>Expenses:</b>						
Rent/Lease Liabilities payment (Including GST)	2.40	2.40	4.74	4.59	23.48	26.40
Interest	186.29	175.03	57.98	70.39	87.89	102.79
<b>Directors :</b>						
Sitting Fees	16.80	12.60	-	-	-	-
Remuneration – Shri Mahendrakumar Kabra	71.81	99.91	-	-	-	-
Salary – Shri Hemant Kabra	38.00	47.00	-	-	-	-
<b>Dividend :</b>						
Dividend Paid	17.08	42.69	14.71	36.78	43.64	109.11
Dividend Received	-	-	-	-	-	44.35
<b>Contribution Made :</b>						
Ram Ratna Wires Limited	-	-	-	-	28.11	59.38
Emp Group Gratuity Scheme	-	-	-	-	-	-
<b>Deposits / Loans Accepted</b>						
Shri Mahendrakumar Kabra	400.00	110.00	-	-	-	-
Shri Hemant Kabra	341.00	-	-	-	-	-
Late Smt. Umadevi Kabra	-	-	53.00	-	-	-
Ram Ratna Research & Holdings Pvt. Ltd.	-	-	-	-	-	80.00
Others	-	-	42.00	-	-	-
<b>Deposits / Loans Repaid</b>						
Shri Rameshwarlal Kabra	-	-	-	63.03	-	-
Shri Mahendrakumar Kabra	-	7.00	-	-	-	-
Late Smt. Umadevi Kabra	-	-	135.50	-	-	-

(₹ in Lakhs)

Particulars	Referred in		Referred in		Referred in	
	(a) above		(b) above		(c) & (d) above	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
<b>Outstanding as at :</b>						
<b>Rental Deposits</b>						
Late Smt. Umadevi Kabra	-	-	6.63	8.09	-	-
Shri Hemant Kabra	7.32	6.62	-	-	-	-

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**

(₹ in Lakhs)

Particulars	Referred in		Referred in		Referred in	
	(a) above		(b) above		(c) & (d) above	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Shreegopal Kabra (HUF)	-	-	-	-	6.79	6.15
Kabel Buildcon Solutions Pvt. Ltd.	-	-	-	-	3.50	3.50
<b>Trade and Others-Net (Payable)/ Receivable</b>						
Ram Ratna International	-	-	-	-	172.66	(46.87)
MEW Electricals Ltd.	-	-	-	-	(1.31)	(0.12)
R R Kabel Ltd.	-	-	-	-	(964.98)	(1,634.20)
Kabel Buildcon Solutions Pvt. Ltd.	-	-	-	-	-	(0.36)
Shri Shreegopal Kabra	-	-	-	(0.04)	-	-
Lease Liabilities	-	(2.27)	(11.06)	(2.15)	(18.88)	(16.18)
Interest accrued & due on Deposits/Loans	(0.00)	(39.33)	(0.02)	(14.46)	-	(13.76)
<b>Loans Outstanding</b>						
Ram Ratna Research & Holdings Pvt. Ltd.	-	-	-	-	514.00	514.00
Late Smt. Umadevi Kabra	-	-	53.00	135.50	-	-
Shri Hemant Kabra	441.00	100.00	-	-	-	-
Shri Tribhuvanprasad Kabra	15.17	15.17	-	-	-	-
Shri Mahendrakumar Kabra	1,649.00	1,249.00	-	-	-	-
Smt. Kirtidevi Kabra	146.42	146.42	-	-	-	-
Smt. Ratnadevi Kabra	-	-	280.49	280.49	-	-
Shri Shreegopal Kabra	-	-	205.54	205.54	-	-
TMG Global Fzco.	-	-	-	-	1,085.29	1,118.58
Others	-	-	65.12	23.12	-	-

- 34.1 Personal guarantees have been given by the Chairman and Managing Director of the Parent and their relative for the secured and unsecured borrowings of the Parent to the tune of ₹ 34,870 Lakhs (P.Y. ₹ 28,327 Lakhs) and ₹ 4,600 Lakhs ( P.Y. ₹ 2,500 Lakhs) respectively.
- 34.2 Personal guarantees have been given by the Chairman and the Managing Director of the Parent for the unsecured borrowings of the Parent to the tune of ₹ 5,000 Lakhs (P.Y. ₹ 8,750 Lakhs).
- 34.3 Personal guarantees have been given by the Directors of GCPL for the secured borrowings to the tune of ₹ 423.50 Lakhs (P.Y. ₹ 1,500 Lakhs).
- 34.4 The Parent has contributed ₹ 58.00 lakhs (P.Y. ₹ 60 Lakh) to a charitable trusts in which some of the directors of the Parent and their relatives are trustee.
- 34.5 Transactions with Jointly Controlled Entity have been disclosed at its full value and not to the extent of share of the Parent.



## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### Note : 35 EXPOSURE IN FOREIGN CURRENCY

The Company uses forward contracts to mitigate the risks associated with foreign currency fluctuations. The Company does not enter into any forward contracts which are intended for trading or speculative purposes.

- a) The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:-

(₹ in Lakhs)

Particulars	As at 31.03.2021		As at 31.03.2020	
	USD	INR	USD	INR
Booked against Import Creditors	14.04	1,051.40	-	-
Booked against firm commitments or highly probable forecasted transactions	8.00	590.78	24.10	1,782.74

- b) The details of foreign currency monetary exposures that are not hedged by derivatives instruments:-

(₹ in Lakhs)

Payables	As at 31.03.2021		As at 31.03.2020	
	USD	INR	USD	INR
Import Creditors / (Advance)	0.21	15.20	24.70	1,862.11

(₹ in Lakhs)

Receivables	As at 31.03.2021		As at 31.03.2020	
	USD	INR	USD	INR
Export Debtors	24.65	1,812.35	15.77	1,188.28

### Note 36: A) Category-wise classification of financial instruments

(₹ in Lakhs)

Particulars	Refer Note	Non-Current		Current	
		As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
<b>Financial assets measured at fair value through profit or loss (FVTPL)</b>					
Investments in quoted mutual funds	3	46.30	43.25	-	-
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>					
Investments in unquoted equity shares#	3	3,175.82	2,210.70	-	-
<b>Financial assets measured at amortised cost</b>					
Electricity & other deposits	4A	7.93	7.61	-	-
Security deposits	4A & 4B	20.73	12.77	3.50	11.59
Loan to employees	4A & 4B	0.92	1.40	15.93	29.58
Share application money	5A	-	1.38	-	-
Term Deposits held as margin money or security against borrowing, guarantees or other commitments	5A	0.25	0.47	-	-
Interest accrued on term deposits held as margin money or security against borrowing, guarantees or other commitments	5B	-	-	3.44	3.70
Others	5B	-	-	38.03	3.45
Trade receivables	9	-	-	28,408.30	21,799.42

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

(₹ in Lakhs)

Particulars	Refer Note	Non-Current		Current	
		As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Cash and cash equivalents	10B	-	-	397.76	97.73
Other balances with banks	10B	-	-	94.82	92.05
<b>Financial Liabilities measured at fair value through profit or loss (FVTPL)</b>					
Forward exchange contract (net)	14B	-	-	19.90	53.93
<b>Financial Liabilities measured at amortised cost</b>					
Borrowings	13A & 13B	10,596.03	7,389.15	23,301.90	19,475.43
Lease Liabilities	14A & 14B	6.93	18.88	23.01	20.60
Current maturities of long term borrowings	14B	-	-	2,184.96	2,357.31
Unclaimed dividend	14B	-	-	29.37	30.11
Interest accrued and due	14B	-	-	123.03	210.61
Accrued salary & benefits	14B	-	-	239.84	226.01
Creditors for expenses	14B	-	-	850.30	789.26
Creditors for capital expenditure	14B	-	-	84.14	113.76
Other payables	14B	-	-	13.99	13.39
Trade payables	18	-	-	4,478.31	3,133.60

# Investments are not held for trading. Upon the application of Ind AS 109 - Financial Instruments, the Group has chosen to measure said investments in equity instrument at FVTOCI irrevocably as the management believes that presenting fair value gains and losses relating to the said investments in the statement of profit and loss may not be indicative of the performance of the Group.

### B) Fair Value Measurements

- (i) All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows:
  - Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities.
  - Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
  - Level 3 — inputs that are unobservable for the asset or liability.
- (ii) The following tables provide the fair value measurement hierarchy of the Group's financial assets and liabilities:

As at 31<sup>st</sup> March, 2021

(₹ in Lakhs)

Financial Assets/ Financial Liabilities	Fair value as at 31.03.2021	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through profit or loss (FVTPL)</b>				
Investments in quoted mutual funds (Note 3)	46.30	46.30	-	-
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>				
Investments in unquoted equity shares (Note 3)	3,175.82	-	3,175.82	-
<b>Financial liabilities measured at fair value through profit or loss (FVTPL)</b>				
Forward exchange contracts (net) (Note 14B)	19.90	19.90	-	-

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

As at 31<sup>st</sup> March, 2020

(₹ in Lakhs)

Financial Assets/ Financial Liabilities	Fair value as at 31.03.2020	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through other comprehensive income</b>				
Investments in unquoted equity shares (Note 3)	43.25	43.25	-	-
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>				
Investments in unquoted equity shares (Note 3)	2,210.70	-	2,210.70	-
<b>Financial liabilities measured at fair value through profit or loss (FVTPL)</b>				
Forward exchange contracts (net) (Note 14B)	53.93	53.93	-	-

(iii) Fair value of financial assets and liabilities measured at amortised cost:

(₹ in Lakhs)

Particulars	As at 31.03.2021		As at 31.03.2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Electricity & other deposits	7.93	7.93	7.61	7.61
Security deposits	27.00	24.23	27.00	24.36
Loan to employees	17.08	16.85	31.68	30.98
Share application money	-	-	1.38	1.38
Term Deposits held as margin money or security against borrowing, guarantees or other commitments	0.25	0.25	0.47	0.47
Interest accrued on term deposits held as margin money or security against borrowing, guarantees or other commitments	3.44	3.44	3.70	3.70
Others	38.03	38.03	3.45	3.45
Trade receivables	28,408.30	28,408.30	21,799.42	21,799.42
Cash and cash equivalents	397.76	397.76	97.73	97.73
Other balances with banks	94.82	94.82	92.05	92.05
<b>Total Financial Assets</b>	<b>28,994.61</b>	<b>28,991.61</b>	<b>22,064.49</b>	<b>22,061.15</b>
<b>Financial Liabilities</b>				
Borrowings	31,966.87	33,897.93	26,866.61	26,864.58
Lease Liabilities	32.31	29.94	43.50	39.48
Current maturities of long term borrowings	2,186.03	2,184.96	2,358.64	2,357.31
Unclaimed dividend	29.37	29.37	30.11	30.11
Interest accrued and due	123.03	123.03	210.61	210.61
Accrued salary & benefits	239.84	239.84	226.01	226.01
Creditors for expenses	850.30	850.30	789.26	789.26
Creditors for capital expenditure	84.14	84.14	113.76	113.76
Other payables	13.99	13.99	13.39	13.39
Trade payables	4,478.31	4,478.31	3,133.60	3,133.60
<b>Total Financial Liabilities</b>	<b>40,004.19</b>	<b>41,931.81</b>	<b>33,785.49</b>	<b>33,778.11</b>

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

The carrying amounts of financial assets (other than security deposits and loan to employees) and financial liabilities (Other than long term borrowing and lease liabilities) measured at amortised cost in the financial statements are reasonable approximation of their fair values since the Group does not anticipate that the carrying amount would be significantly different from the value that would eventually be received or settled.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

There have been no transfers between Level 1 and Level 2 for the years ended 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020.

### C) Financial Risk Management- Objectives and Policies

The Group is exposed to: (a) Market Risks comprising of Interest Rate Risk, Currency Rate Risk, Commodity Price Risk and Equity Price Risk (b) Credit Risk comprising of trade receivable risk and financial instrument risk and (c) Liquidity Risk. The Group has well placed Risk Management Policy (RMP). The policy provide broad guidelines to identify the risk arising from these factors and provide guidelines to the team for its mitigation or at-least minimize its effect on income / expense on the Group is optimized. Team involved in RMP meets frequently to discuss the level of risk they foresee based on the conditions persisting.

The Group's exposure to Market Risk, Credit Risk and Liquidity Risk have been summarized below:

#### Market Risk :-

##### Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on short-term and long-term floating rate interest bearing liabilities. The Group's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by prevailing interest rates. These exposures are reviewed by the management on a periodic basis.

The exposure of the Group's financial liabilities to interest rate risk based on liabilities as at reporting date is as follows:

Particulars	(₹ in Lakhs)	
	Impact on profit before tax	
	2020-21	2019-20
Increase in interest rate by 100 basis points	(360.33)	(291.57)
Decrease in interest rate by 100 basis points	360.33	291.57

(Calculated based on risk exposure outstanding as of date and assuming that all other variables, in particular foreign currency rates, remain constant).

#### Foreign Currency Risk:

The Group is exposed to fluctuations in foreign currency exchange rates where transaction references more than one currency and/or where assets/liabilities are denominated in a currency other than the functional currency of the Group.

Exposures on foreign currency are managed through a hedging policy, which is reviewed periodically by the management. The Group usually enters into forward exchange contracts progressively based on their maturity to hedge the effects of movements in foreign currency exchange rates individually on assets and liabilities. The sources of foreign exchange risk for the Group are trade receivables, trade payables for imported materials & capital goods as well as foreign currency denominated borrowings. The policy of the Group is to determine on a regular basis what portion of the foreign exchange risk are to be hedged through forward exchange contracts.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

The exposure of the Group's foreign currency risk based on unhedged exposure as at the reporting date is as follows:

(₹ in Lakhs)

Particulars	Impact on profit before tax	
	2020-21	2019-20
Increase in exchange rates by 5%	89.86	(33.69)
Decrease in exchange rates by 5%	(89.86)	33.69

### Commodity Price Risk

The Group is exposed to the movement of copper and aluminium prices on the London Metal Exchange (LME). Any increase or decline in the prices of these commodities will have an impact on the profitability of the Group. As a general policy, the Group aims to purchase these commodities at prevailing market prices and also sell the product at price adjusted for prevailing market prices. The Group substantially ensures sale of products with simultaneous purchase of these commodities on back-to back basis ensuring no or minimum price risk for the Group.

### Equity Price Risk

Equity price risk relates to change in fair value of investments in the equity instruments measured at fair value through OCI. As at 31<sup>st</sup> March, 2021 the carrying value of such equity instruments recognised at fair value through OCI amounts to ₹ 3,175.82 Lakhs (P.Y. ₹ 2,210.45 Lakhs).

A sensitivity analysis demonstrating the impact of change in the carrying value of investment in equity instrument as at reporting date is given below:

(₹ in Lakhs)

Particulars	Impact on OCI before tax	
	2020-21	2019-20
Increase by 5%	158.79	110.52
Decrease by 5%	(158.79)	(110.52)

### Liquidity Risk

Liquidity risk refers to the risk that the Group encounter difficulty in raising fund to meet its financial commitments. The objective of liquidity risk management is to maintain the liquidity and to ensure that funds are available for short operational needs and to fund Group's expansion projects. The Group has availed credit facility from the banks & financial institutions to meet its financial commitment in timely and cost effective manner.

The Group remains committed to maintaining a healthy liquidity and gearing ratio and strengthening the balance sheet. The maturity profile of the Group's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below.

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Total	Carrying Value
<b>At 31<sup>st</sup> March, 2021</b>				
Borrowings (Note 13A and 13B)	23,301.90	10,596.03	33,897.93	33,897.93
Derivative financial liability (Note 14B)	19.90	-	19.90	19.90
Other financial liabilities (Note 14A and 14B)	3,548.64	6.93	3,555.57	3,555.57
Trade Payables (Note 18)	4,478.31	-	4,478.31	4,478.31

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)**
**(₹ in Lakhs)**

Particulars	Less than 1 year	Between 1 to 5 years	Total	Carrying Value
<b>At 31<sup>st</sup> March, 2020</b>				
Borrowings (Note 13A and 13B)	19,475.43	7,389.15	26,864.58	26,864.58
Derivative financial liability (14B)	53.93	-	53.93	53.93
Other financial liabilities (Note 14A and 14B)	3,761.05	18.88	3,779.93	3,779.93
Trade Payables (Note 18)	3,133.60	-	3,133.60	3,133.60

**Credit Risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk for trade receivables and financial guarantees for dealers, derivative financial instruments and other financial assets.

The Group assess the counter party before entering into transactions and wherever necessary supplies are made against advance payment. The Group on continuous basis monitor the credit limit of the counter parties to mitigate or minimise the credit risk. The credit risk for the financial guarantees issued by the Parent to bank for credit facilities availed by Parent's dealers from bank is minimum as those parties have long vintage with the Parent and they are also subject to credit risk assessment by bank on periodical basis. The credit risk on export receivables are limited as almost all export sales are made to parties having a long vintage with the Group and new parties are subject to necessary due diligence.

For trade receivables, as a practical expedient, the Group computes credit loss allowance based on expected credit loss method. The movement in expected credit loss allowance on trade receivable is as under:

**(₹ in Lakhs)**

Particulars	As at 31.03.2021	As at 31.03.2020
Balance at the beginning of the year	579.52	257.56
Add/(Less): Allowance(reversal) for impairment for the year(net)	173.41	544.56
Less:- Amount written off during the year	211.33	222.60
Balance at the end of the year	541.60	579.52

**Risk due to COVID - 19 pandemic**

The outbreak of second wave of Coronavirus (COVID -19) pandemic in India has again caused disturbance and slowdown down in the economic activities and impacted business, by interruption in supply and demand chain, unavailability of personnel. The Group has considered external and internal information in assessing the impact of second wave of COVID-19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### Note 37: REVENUE FROM CONTRACTS WITH CUSTOMERS

#### Disaggregation of Revenue from Contract with Customers

The revenue is recognised at a point in time considering the contract terms and business practice. The following summary provides the disaggregation of revenue from contracts with customers :

(₹ in Lakhs)

Particulars	2020-21				2019-20		
	Enamelled wires and strips	Copper tubes and pipes	Other	Total	Enamelled wires and strips	Copper tubes and pipes	Total
<b>Sale of Products</b>							
India	1,24,770.87	14,244.60	20.88	1,39,036.35	1,13,357.59	19,012.00	1,32,369.59
Outside India	12,152.31	291.76	-	12,444.07	10,687.58	151.41	10,838.99
<b>Processing Fees</b>	2.12	-	-	2.12	93.06	-	93.06
<b>Sale of Scrap</b>	1,621.90	-	-	1,621.90	1,179.24	-	1,179.24
	1,38,547.20	14,536.36	20.88	1,53,104.44	1,25,317.47	19,163.41	1,44,480.88
<b>Inter Segment Revenue</b>		-	-	(561.09)		-	(85.98)
<b>Revenue from Contract with Customers</b>				1,52,543.35			1,44,394.90

(₹ in Lakhs)

Summary of Contract Balance	As at 31.03.2021	As at 31.03.2020
Trade Receivable (Note 9)	28,408.30	21,799.42
Contract Assets	-	-
Contract Liabilities (Note 19)	302.40	401.30

Trade receivables are non- interest bearing with credit terms of 30 days to 90 days. Contract liabilities are towards advance received from customers for goods to be delivered.

The Group has recognised revenue amounting to ₹ 385.31 lakhs in the current year that was included in the Contract Liability balance in previous year i.e. as at 31<sup>st</sup> March, 2020.

Performance obligation is satisfied at a point in time which normally occurs on delivery of the goods as per the terms of contract in case of domestic sales and in case of export on the basis of shipping terms and with payment terms 30 days – 90 days or against advance payment. There is negligible obligation towards sales return.

#### Reconciliation of revenue recognised in Statement of Profit and Loss with contract price

(₹ in Lakhs)

Particulars	2020-21	2019-20
Contract Price	1,52,748.68	1,44,606.77
Less :		
Cash Discount	76.53	93.26
Quantity Discount	74.35	59.08
Incentives & Benefits	54.45	59.53
<b>Total Revenue from Sale of Product</b>	<b>1,52,543.35</b>	<b>1,44,394.90</b>



## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### Note 38: DETAILS OF SUBSIDIARIES AND JOINTLY VENTURE

(₹ in Lakhs)

Sr No	Name of Company	Subsidiaries/ Joint Arrangement	Country of Incorporation	% of Holding as on 31.03.2021	% of Holding as on 31.03.2020	Accounting Period
1	Global Copper Private Limited	Subsidiary	India	60%	60%	01.04.2020 to 31.03.2021
2	Epavo Electricals Private Limited (incorporated on 26.08.2020)	Subsidiary	India	74%	NA	26.08.2020 to 31.03.2021
3	RR-Imperial Electricals Limited	Jointly Controlled Entity	Bangladesh	10%	10%	01.04.2020 to 31.03.2021

#### 1. Interest in Subsidiaries

The following tables illustrates the summarized financial information of subsidiary having non controlling interest: (₹ in Lakhs)

Particulars	Global Copper Pvt. Ltd.		Epavo Electricals Pvt. Ltd.	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Current Assets	4,669.13	5,499.42	237.31	NA
Non-Current Assets	2,826.41	2,694.72	459.50	NA
Current Liabilities	2,344.14	3,945.74	78.12	NA
Non-Current Liabilities	3,246.95	2,590.80	270.36	NA
Equity	1,904.50	1,657.60	348.33	NA
Attributable to non- controlling interest	1,142.71	994.55	257.76	NA
Accumulated non- controlling interest as on 31 <sup>st</sup> March	761.79	663.05	90.57	NA

(₹ in Lakhs)

Particulars	Global Copper Pvt. Ltd.		Epavo Electricals Pvt. Ltd.	
	2020-21	2019-20	2020-21	2019-20
Revenue	14,536.36	19,181.73	20.88	NA
Profit for the year	240.51	34.33	(52.67)	NA
Other Comprehensive Income	6.34	(3.13)	-	NA
Total Comprehensive Income	246.85	31.20	(52.67)	NA
Total Comprehensive Income allocated to non-controlling interest	98.74	12.48	(13.69)	NA

(₹ in Lakhs)

Particulars	Global Copper Pvt. Ltd.		Epavo Electricals Pvt. Ltd.	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
<b>Contingent Liabilities</b>				
Income Tax Demands	35.96	35.76	-	NA
Excise & Service Tax Demands	-	-	-	NA
Sales Tax Demands	84.87	-	-	NA
<b>Commitments</b>				
Letter of credit and bank guarantees issued by the banks	83.65	65.00	-	NA
Estimated amount of contracts remaining to be executed and not provided for capital advance	-	-	85.75	NA

The Parent has incorporated Epavo Electricals Private Limited ("Epavo") on 26<sup>th</sup> August, 2020 in a joint arrangement with Ennov Techno Tools Private Limited ("Ennov"), wherein the Parent holds 74 % equity share capital and Ennov holds 26 % equity share capital. The equity paid up capital of Epavo as on 31<sup>st</sup> March, 2021 is ₹ 401.00 Lakhs. Epavo is formed to carry on the business of manufacturing of BLDC motors for Air conditioner, Hub, HVLS Fan and Submersible Pumps etc. and related products. (Ref Note No. 33 of the Consolidated Financial Statement for the financial informations of Epavo).

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

### 2. Interest in a Jointly Controlled Entity

The following tables illustrates the summarized financial information of jointly controlled entity (disclosed at full value and not to the extent of the Parent interest) :

(₹ in Lakhs)

Particulars	Jointly Controlled Entity	
	As at 31.03.2021	As at 31.03.2020
Current Assets	9,032.64	8,855.38
Non-Current Assets	4,864.47	4,887.58
Current Liabilities	7,909.66	7,930.01
Non-Current Liabilities	1,085.95	1,083.90
Equity	4,901.50	4,729.05
Proportion of the group's ownership interest	10%	10%
Carrying amount of the group's interest	490.15	472.91

(₹ in Lakhs)

Particulars	Jointly Controlled Entity	
	2020-21	2019-20
Revenue	9,510.55	13,253.00
Interest Income	21.21	17.71
Cost of raw material and components consumed	8,318.04	9,856.46
Changes in Inventories	(1,823.11)	355.96
Depreciation & amortization	444.34	414.35
Finance cost	347.10	416.08
Employee benefit expenses	915.58	907.95
Other expenses	820.35	1,028.02
Profit before tax	509.46	291.89
Income tax (expense)/ income ( including previous year adjustments)	(193.02)	(316.59)
Profit for the year	316.44	(24.70)
Other Comprehensive Income	-	-
Total Comprehensive Income	316.44	(24.70)
Group's share of profit for the year	31.64	(2.47)
Group's share of other comprehensive income for the year	N.A.	N.A.
Group's total comprehensive income for the year	N.A.	N.A.
Dividend received from Jointly Controlled Entity during the year	-	-

(₹ in Lakhs)

Particulars	Jointly Controlled Entity	
	As at 31.03.2021	As at 31.03.2020
<b>Contingent Liabilities</b>		
Letter of Credit	930.47	906.44
<b>Capital Commitments</b>		
Estimated amount of contracts remaining to be executed and not provided for capital advance	-	-

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021 (contd.)

**Note 39: Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Jointly Controlled Entity as per Schedule III of Companies Act, 2013**

(₹ in Lakhs)

Name of Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income/Loss		Share in Total Comprehensive Income	
	2020-21		2020-21		2020-21		2020-21	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit/(Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
<b>Parent Company</b>								
Ram Ratna Wires Ltd.	86.86%	18,135.32	86.03%	1,353.08	100.92%	778.16	90.94%	2,131.24
<b>Indian Subsidiary</b>								
Global Copper Pvt. Ltd.	5.48%	1,142.67	9.18%	144.31	0.49%	3.80	6.32%	148.11
Epavo Electricals Pvt. Ltd.	1.23%	257.76	(2.48%)	(38.98)	-	-	(1.66%)	(38.98)
Minority Interest in Subsidiary	4.08%	852.36	5.25%	82.51	0.33%	2.54	3.63%	85.05
<b>Joint Venture</b>								
RR-Imperial Electricals Ltd.	2.35%	490.15	2.01%	31.64	(1.74%)	(13.41)	0.78%	18.23
<b>Total</b>	<b>100.00%</b>	<b>20,878.26</b>	<b>100.00%</b>	<b>1,572.56</b>	<b>100.00%</b>	<b>771.09</b>	<b>100.00%</b>	<b>2,343.65</b>

(₹ in Lakhs)

Name of Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income/Loss		Share in Total Comprehensive Income	
	2019-20		2019-20		2019-20		2019-20	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit/(Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
<b>Parent Company</b>								
Ram Ratna Wires Ltd.	88.51%	16,409.84	97.81%	1,426.48	102.21%	(1,625.40)	150.88%	(198.92)
<b>Indian Subsidiary</b>								
Global Copper Pvt. Ltd.	5.37%	994.55	1.41%	20.60	0.12%	(1.88)	(14.20%)	18.72
Minority Interest in Subsidiary	3.58%	663.05	0.94%	13.73	0.08%	(1.25)	(9.47%)	12.48
<b>Joint Venture</b>								
RR-Imperial Electricals Ltd.	2.55%	472.91	(0.17%)	(2.47)	(2.41%)	38.35	(27.21%)	35.88
<b>Total</b>	<b>100.00%</b>	<b>18,540.35</b>	<b>100.00%</b>	<b>1,458.34</b>	<b>100.00%</b>	<b>(1,590.18)</b>	<b>100.00%</b>	<b>(131.84)</b>

**Note 40: Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.**

**As per our Report of even date**

**For Bhagwagar Dalal & Doshi**

Chartered Accountants  
(Firm Registration No. 128093W)

**Jatin V. Dalal**

Partner

M.No. 124528

Place : Mumbai

Dated : 29<sup>th</sup> June, 2021

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

**Tribhuvanprasad Kabra Mahendrakumar Kabra**

Chairman

DIN - 00091375

Managing Director

DIN - 00473310

**Hemant Kabra**

Director & CFO

DIN - 01812586

**Saurabh Gupta**

Company Secretary

ACS - 53006

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## NOTES

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## NOTES

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## **RAM RATNA WIRES LTD.**

CIN : L31300MH1992PLC067802

### **Regd. Office:**

Ram Ratna House, Oasis Complex, P. B. Marg, Worli, Mumbai - 400 013 • T : +91 - 22 - 2494 9009 / 2492 4144 • E : [indsales.sc@rrglobal.com](mailto:indsales.sc@rrglobal.com)

### **Corp. Office:**

305/A, Windsor Plaza, R. C. Dutt Road, Alkapuri, Vadodara - 390 007 • T : +91 - 265 - 2321 891 / 2 / 3 • F : +91 - 265 - 2321 894

E : [vadodara@rrglobal.com](mailto:vadodara@rrglobal.com)

[www.rrshramik.com](http://www.rrshramik.com) • [www.rrglobal.com](http://www.rrglobal.com)