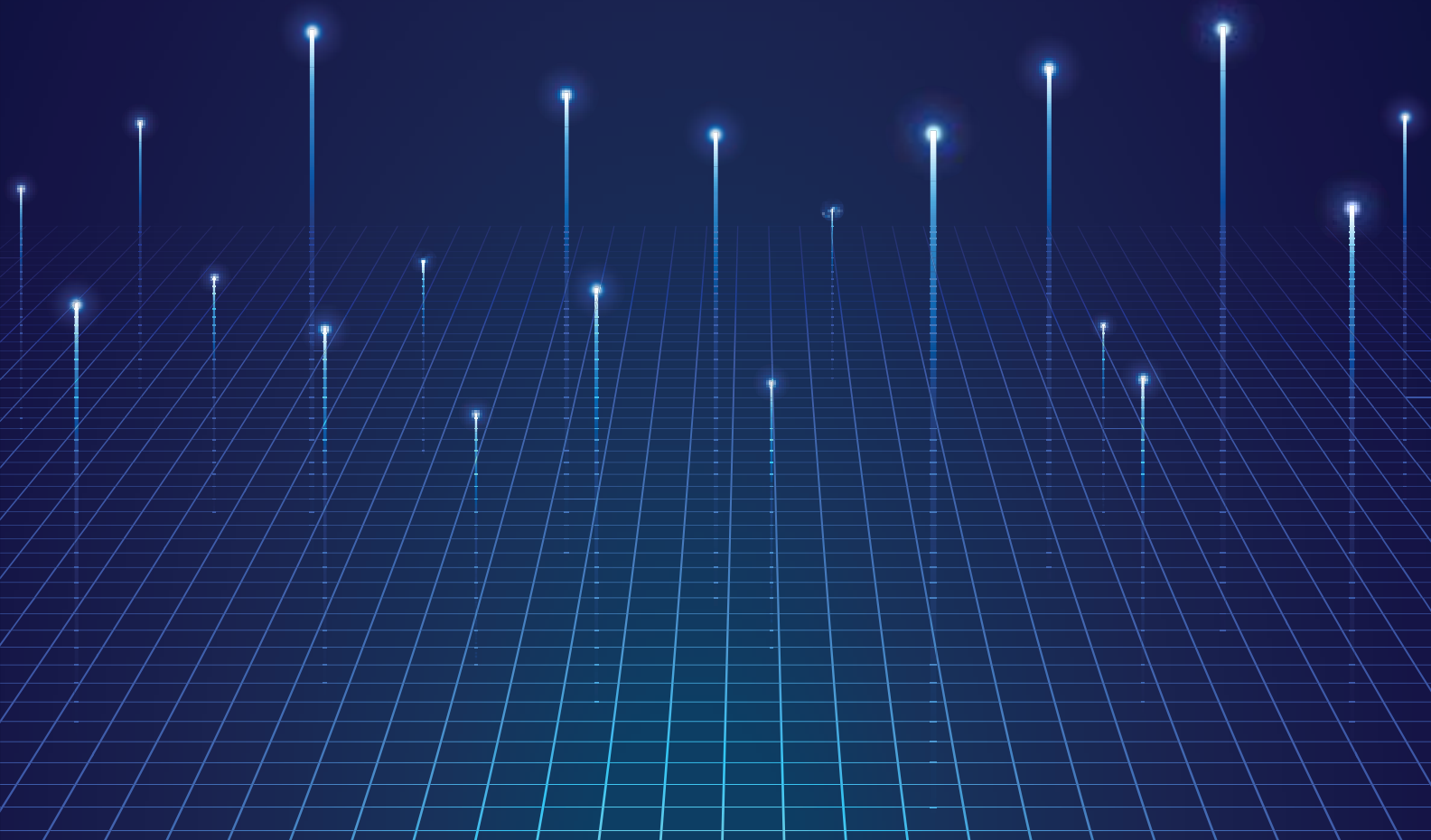




# 2020-21

## 27<sup>th</sup> ANNUAL REPORT

RR Kabel Limited





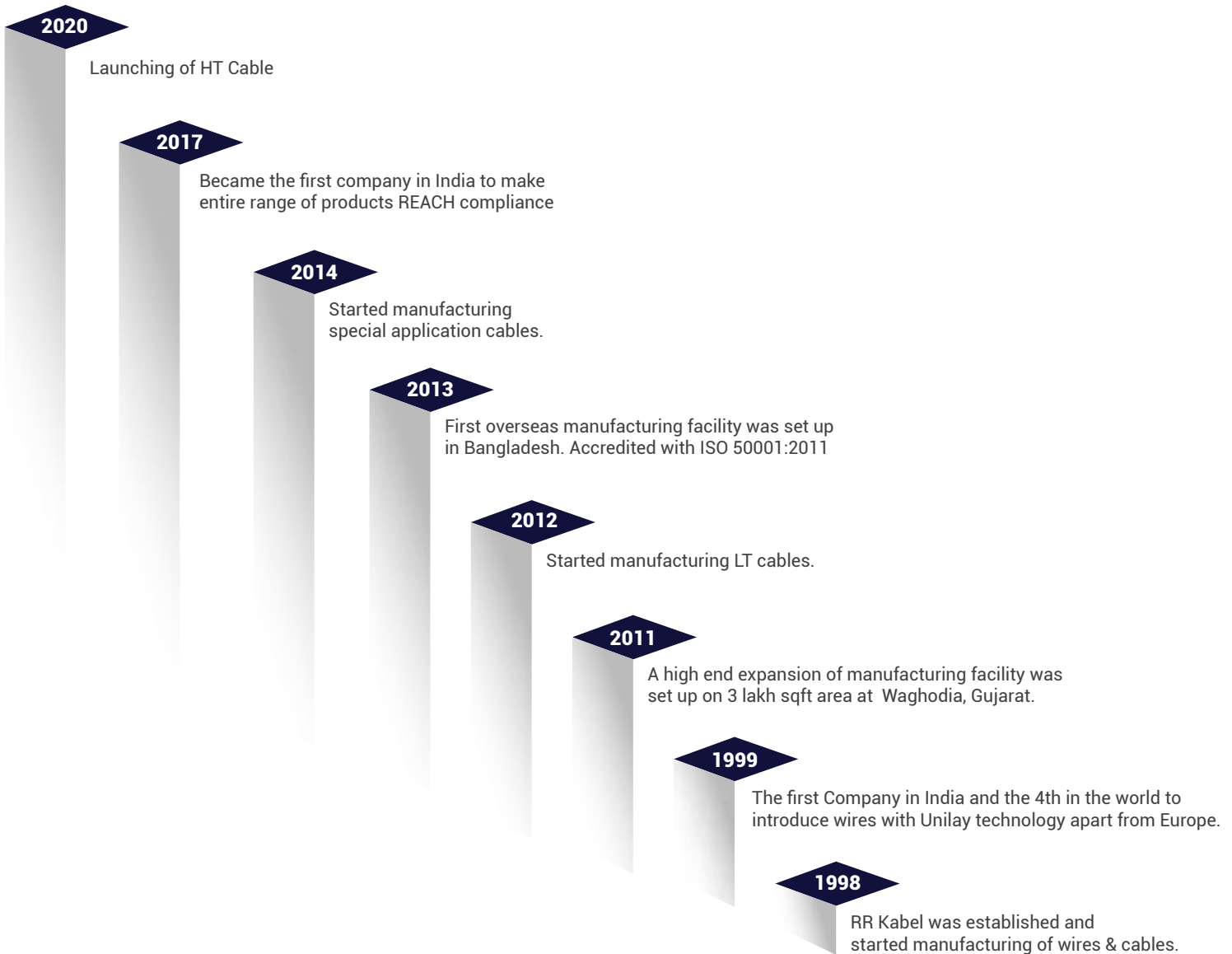


RR Kabel, a part of RR Global, is one of the leading conglomerates in the electrical sector. It has always endeavored to create best quality products using the latest advances in wire design and engineering. Working with determination to produce products with best technologies, RR Kabel offers the widest range of premium wires and cables for various residential, commercial, industrial and infrastructure purposes.

RR Kabel is ISO 9001, ISO 14001, OHSAS 18001 and ISO 50001 certified company. RR Kabel has multiple product certifications like CE, BIS (India), BASEC (UK), UL (USA), CSA (Canada), TUV, VDE (Germany), PSB (Singapore) The cables of international standards are tested for compliance to CPR (Construction Product Regulation). With REACH (Registration Evaluation Authorization of Chemical Substances and RoHS (Restriction of Hazardous Substances) compliance, the materials used in various products are unique after an extensive research by various skilled professionals that make sure every product adheres to all the guidelines and standards.

We believe that the future of design lies with innovation that instigates one to push boundaries, eliminating the borders between sciences. We at RR Kabel believe in this and hence are constantly emerging with new marketing and technical perspectives that are globally significant, aiming to create a safe environment for the consumers.

# ABOUT RR KABEL



# INDEX

Financial Highlights	4
Corporate Information	5
Board Of Directors	6
Chairman's Message	8
Environmental and Social Governance	10
Notice of Annual General Meeting	12
Director's Report	17
Annexure to the Director's Report	24
Independent Auditors' Report on Standalone Financial Statements	34
Standalone Financial Statements	42
Independent Auditors' Report on Consolidated Financial Statements	109
Consolidated Financial Statements	114

# FINANCIAL HIGHLIGHTS

Description	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
<b>A. Performance at a glance</b>										
Sales & Related Income	271594.22	247243.07	238806.58	197999.54	169815.25	157540.70	140524.76	123270.58	104565.85	86438.91
Other Income	2199.43	2701.81	2468.02	1352.16	1378.43	324.14	340.72	336.39	362.87	318.67
Earnings Before Interest, Depreciation, Taxes	25214.11	23180.33	20130.55	23643.99	18389.99	16026.92	12039.12	8870.66	7712.96	6528.18
Net profit before taxation	18033.39	15775.31	13241.57	18406.60	13395.27	11129.61	6637.08	4817.98	4108.82	3907.87
<b>Net profit after taxation</b>	<b>13429.80</b>	<b>12247.64</b>	<b>8564.76</b>	<b>12160.71</b>	<b>8721.82</b>	<b>7283.61</b>	<b>4306.37</b>	<b>3181.78</b>	<b>2724.60</b>	<b>2588.71</b>
<b>B. Financial Position</b>										
Fixed Assets (net)	40657.81	40589.85	34418.95	25411.15	20734.44	19535.24	17874.24	17725.52	13443.56	11819.26
Non Current Assets	2125.57	1502.48	3288.79	2233.64	1734.87	972.44	559.17	577.79	1849.03	1156.60
Investments	3983.16	3177.66	3818.1	3464.67	2353.14	1139.42	1139.70	1019.04	859.07	650.88
Current Assets	124667.58	109251.47	105392.63	68229.99	56778.07	45943.15	44386.75	38936.54	34093.96	28628.28
<b>Total Assets</b>	<b>171434.12</b>	<b>154521.46</b>	<b>146918.47</b>	<b>99339.45</b>	<b>81600.52</b>	<b>67590.25</b>	<b>63959.86</b>	<b>58258.89</b>	<b>50245.62</b>	<b>42255.02</b>
Share Capital	43911.00	42339.53	42339.53	2414.60	2414.60	2414.60	2414.60	2044.60	2044.60	2044.60
Reserve & Surplus	60674.77	48050.59	40813.15	43468.93	32948.68	23378.18	17982.78	14951.76	12486.96	10483.23
Share Holder's Fund	104585.77	90390.12	83152.68	45883.53	35363.28	25792.78	20397.38	16996.36	14531.56	12527.83
Non Current Liabilities	8260.65	7788.38	2661.89	4737.51	3068.46	6094.17	7882.58	7850.14	8369.25	7339.23
Current Liabilities	57798.89	55425.48	60340.19	47302.44	41808.49	34513.75	34454.74	32242.91	26419.48	21631.63
Deferred Tax	788.81	917.48	763.71	1415.97	1360.29	1189.55	1225.16	1169.48	925.33	756.33
<b>Total Liability</b>	<b>171434.12</b>	<b>154521.46</b>	<b>146918.47</b>	<b>99339.45</b>	<b>81600.52</b>	<b>67590.25</b>	<b>63959.86</b>	<b>58258.89</b>	<b>50245.62</b>	<b>42255.02</b>
<b>C. Equity Shares Data</b>										
Earnings per share (₹)	48.36	44.11	32.30	50.36	36.12	30.16	17.83	15.56	13.33	12.66
Book Value (₹)	376.65	325.53	299.46	190.03	146.46	106.82	84.48	83.13	71.07	61.27
Dividend / Interim Dividend (%)	100.00	75.00	55.00	80.00	80.00	65.00	40.00	30.00	30.00	30.00
Number of Shares	277.67	277.67	277.67	241.46	241.46	241.46	241.46	204.46	204.46	204.46

In terms of the Scheme amalgamation, the Company is require to allot 528,800 equity shares of ₹ 10 each and 140,568 Compulsory convertible preference shares of ₹ 1,080.33 each to existing shareholders of Ram Ratna Electricals Limited and same is considered in number of shares as on 31.03.2020 for the purpose of calculation of book value of the company.

Figures of FY 2018-19 reinstated / regrouped on the basis of balance sheet prepared after amalgamation.

# CORPORATE INFORMATION

<b>Board of Directors</b>	: Shri Tribhuvanprasad Kabra Shri Shreegopal Kabra Shri Mahendrakumar Kabra Shri Ashok Loya Smt. Kirtidevi Kabra Shri Mahhesh T Kabra Shri Sumeet Kabra Shri Sanjay Taparia Shri R Kannan Shri Rajesh Babu Jain Shri Bhagwat Singh Babel Shri Mukund Manohar Chitale Shri Puneet Bhatia Shri Mitesh Daga	Chairman Managing Director Jt Managing Director Whole-time Director Whole-time Director Whole-time Director Whole-time Director Whole-time Director Director Whole-time Director Director Director Director
<b>Audit Committee</b>	: Shri Ashok Loya Shri Bhagwat Singh Babel Shri R Kannan Shri Mukund Manohar Chitale Shri Mitesh Daga	Whole-time Director Director Director Director Director
<b>Auditors</b>	: B S R & Co. LLP Chartered Accountants	
<b>Bankers</b>	: State Bank of India HDFC Bank Limited Standard Chartered Bank Yes Bank Limited Kotak Mahindra Bank Limited DBS Bank Limited Citi Bank HSBC Bank Citicorp Finance (India) Limited Federal Bank	
<b>Registered Office</b>	: Ram Ratna House, Oasis Complex, P.B. Marg, Worli, Mumbai – 400 013 www.rrglobal.com CIN : U28997MH1995PLC085294	
<b>Corporate Office</b>	: 305/A, Windsor Plaza, R.C. Dutt Road Alkapuri, Vadodara – 390 007, Gujarat	
<b>Works</b>	: Survey No. 142/2, Madhuban Dam Road, Silvassa – 396 240 U.T. of Dadra & Nagar Haveli  Revenue Survey No. 202, 202/1, 202/2, 203 & 327/3 Khanda Road, Taluka Waghodia, Dist Vadodara - 391760, Gujarat  KH No. 35, Plot No 50, Shivganga Industrial State, Lakeshwari, P.O. Bhagwanpur, Roorkee, Dist - Haridwar, Uttarakhand - 247667  140 4th Phase, Bommasandra Industrial Area, Bommasandra, Bengaluru, (Bangalore) Urban, Karnataka - 560 099	

# BOARD OF DIRECTORS



**SHRI TRIBHUVANPRASAD KABRA**  
CHAIRMAN



**SHRI SHREEGOPAL KABRA**  
MANAGING DIRECTOR



**SHRI MAHENDRAKUMAR KABRA**  
JT MANAGING DIRECTOR



**SHRI ASHOK LOYA**  
WHOLE-TIME DIRECTOR



**SMT KIRTIDEVI KABRA**  
WHOLE-TIME DIRECTOR



**SHRI MAHHESH T KABRA**  
WHOLE-TIME DIRECTOR



**SHRI SUMEET M KABRA**  
WHOLE-TIME DIRECTOR





**SHRI SANJAY TAPARIA**  
.....  
WHOLE-TIME DIRECTOR



**SHRI R KANNAN**  
.....  
DIRECTOR



**SHRI RAJESHBABU JAIN**  
.....  
WHOLE-TIME DIRECTOR



**SHRI BHAGWAT SINGH BABEL**  
.....  
DIRECTOR



**SHRI MUKUND MANOHAR CHITALE**  
.....  
DIRECTOR



**SHRI PUNEET BHATIA**  
.....  
DIRECTOR



**SHRI MITESH DAGA**  
.....  
DIRECTOR

# CHAIRMAN'S MESSAGE

## SHREE TRIBHUVANPRASAD KABRA

Chairman, RR Global



### Dear Shareholders,

My sincere wishes that each of you is safe and well in these times.

The second wave of Covid has affected us all in some way or the other. My heart goes out to the families and friends of all those who have lost their loved ones or are struggling with health issues due to this pandemic. I would also like to place on record my appreciation of the entire RR Family who have risen to meet the challenges which this pandemic threw up over the year. I would also like to take this opportunity to express my immense gratitude to all our frontline heroes - police personnel, doctors, health workers and sanitation workers - for their efforts in keeping all of us safe during these uncertain times.

Amidst two waves of COVID-19 pandemic and two quarters of high demand in FY 20-21, our company rose to the expectations of various stakeholders by posting year-on-year growth in both top line and bottom line. Despite multiple headwinds our overall revenue growth in FY 2021 exceeded 10% over last year, ending at ₹2,738 crores, despite two months being severely impacted by COVID in the beginning of FY 20-21. Our EBITDA also increased by 9% to ₹252 crores due to cost optimisation and our Profit after Tax improved by 10% ending at ₹134 crores.

The economy bounced back with increased consumption in the third and fourth quarter of FY 20-21. This was a real game-changer. Surpassing all expectations of countries around the globe, India reared its head to show everyone that it has all the capabilities to grow as a world leader. But the world we knew has changed in the past one and half years right from individual hygiene to major scientific inventions. Due to COVID-19, India's GDP contracted by 24.4% in the first quarter. Post that, the economy showed a steady recovery with year-end GDP contraction reducing to 7.3%, mainly due to easing of lockdowns and rapid vaccinations. Due to this fast-paced recovery, which surpassed many other nations, economists are still predicting at least 8% to 9% of GDP growth for India.

Through this message, we would like to extend our heartfelt gratitude to the Government of India, which not only managed the health crises in the best possible manner but also helped minimise damage to the economy by extending financial and other assistance to MSME's, the backbone of any economy.

Our company analysed the changing circumstances in a timely manner and adopted the best working conditions to suit the current volatile business environment. We worked to the best of our ability to integrate the virtual factory model with the major substations in the company to provide advance decision-making capability in a remote atmosphere. To equip our marketing and sales team with enhanced information, the company created "COVID War Rooms" to handle day-to-day business challenges. We also kept a close watch on the financial health of our suppliers and customers to ensure that there are no business disruptions.

Innovation has been one of the strong pillars of R R Kabel Limited and this enabled us to always serve the need of industry in the best possible manner.

During FY 20-21, the company started the Loyalty Management Program (LMP). The objective here was to utilise our strong brand image to build business sustainability and brand loyalty among trade partners and electricians. The program offers one of the best reward strategies for its members in the electrical industry. As the nation was gearing up for the much awaited and extensively viewed Indian Premier League (IPL), we partnered up with Kolkata Knight Riders to bolster our brand further. IPL has always been a major attraction for companies to promote their brands and cricket in India reaches even the remotest households. R R Kabel Limited was indeed elated to be a part of the 14th edition of Indian Premier League. KKR seemed the right choice as the eastern markets are critical for strengthening the RR Kabel brand.

The company has been in aggressive digital transformation in recent times, which is yielding very encouraging results. To penetrate the "Micro markets", the company has initiated project "KaRRma" under the guidance of elite consultants, who have vast experience in building ground-level sales infrastructure. Their strategies, specifically designed for our company, are simple to understand and execute. There is also an ongoing training program where the sales team is taken through complete details of each product and informed about the insights derived from the project. This will enable us to create a stronger and fully equipped team, which is essential for achieving our ambitious goals.

The most valuable asset of any organization is its employees (including their families). Their safety is the topmost priority of the company. The COVID-19 pandemic has affected everyone and we were no exception. During the past 18 months, quite a few of our colleagues were infected with COVID and we even lost 5 of them. We remain committed to their families' continued well-being and towards this, we initiated an employee benefit plan under the name "RR Cares" for the family of the deceased. RR Cares provides up to 24 months CTC to the deceased employee's legal heir(s), job opportunity to the spouse or the major child on merit basis and education expenses till graduation for 2 children.

Our company has been very proactive in CSR activities. Amongst others, the key focus area is the "education for the rural under-privileged". The company has spent on different programs in the educational sector, funding 821 one-teacher schools for 6-14 years old children in remote villages across India. We have also invested in setting up a Rural Employment training centre building in Jarangloi, Odisha and also extended our support to promoting healthcare including Preventive Healthcare.

I would like to thank the Central and State Governments, shareholders, investors, lenders, suppliers and customers for their consistent and resolute support. I thank all my colleagues on the Board for their oversight in this crucial phase of our growth, their support and immense encouragement. I would like to specially acknowledge the collective efforts of the entire R R Kabel team who worked tirelessly in these challenging times to make this such a successful year.

With best wishes

Sincerely,

**Tribhuvanprasad Kabra**  
**Chairman**

# ENVIRONMENTAL AND SOCIAL GOVERNANCE

## A DECADE OF POSSIBILITIES

Climate change has become one of the most defining issues of our times, posing complex challenges as well as opportunities for our business. As a responsible corporate, we are aligning our business model closely to environmental, social and governance (ESG) goals and setting higher standards for ourselves. We see a decade of possibilities ahead of us.

Our business is inextricably linked with developments in real estate, industry and infrastructure. With growth in incomes, societies across the world over have aspired for improved standards of living, leading to sustained growth in demand for our products. The very notion of growth however is undergoing a change, with anthropogenic activities of the last century causing irreversible damage to our planet's ecosystems and threatening our very existence.

At the recently concluded COP 26 at Glasgow, it was evident that while the world is alarmingly headed for a 2.4 degree temperature increase by the end of the century, India has made bold commitments to demonstrate its leadership on addressing climate change. It is expected that in the coming decade, contribution to climate mitigation and adaptation from Indian corporates would significantly increase, not just to meet regulatory requirements and investor expectations, but also to drive corporate value.

RR Kabel is fully cognizant of the developments in sustainability and ESG in India and across the world. Our business has had a strong heritage and culture of resource conservation and environment consciousness. Our entire range of wires and cables are ROHS compliant for distribution in the Indian and overseas market. Rainwater harvesting efforts over the years in our largest production unit at Waghodia have resulted in significant increase of the ground water table. We have also installed 1 MW rooftop solar PV that fulfils 13% of our electricity requirement at the Waghodia unit. We also recharge ground water with roof top and surface run off water. Currently we are recharging groundwater at 34% of our equivalent use. We intend to increase this to 50% at least by next year and keep on improving by building sustainable infrastructure within the campus. We also planted close to 10K trees of various species which help in soil preservation, sound insulation, degrading carbon dioxide and increasing oxygen generation.

However, recognizing the magnitude of external developments on ESG and the need for a structured transformation program within, we have formed an ESG committee comprising of the Chief Financial Officer, 2 Whole Time Director, and Managing Director at top level and under them a core committee of committed senior executives who shall ensure the roll of ESG initiatives across the organisation. The ESG committee has engaged a specialized sustainability and ESG services firm, Envint, to undertake a comprehensive exercise of devising an ESG strategy and implementation plan.

In the first phase of the exercise, we have formulated our top ESG goals to embrace customer-centricity, enhanced communication and future-readiness. Our strategic and tactical items based on the above goals have helped us form the foundation on which further ESG actions are planned for current and following years. We shall begin with instilling a data culture around ESG parameters that help us in capturing information and enhancing our sustainability disclosures across all our facilities. We also propose to bring out a sustainability report by end of the current financial year and as a first step, compute our direct greenhouse gases (GHG) emissions.

An industry-leading directive on ESG disclosure, Business Responsibility and Sustainability Reporting (BRSR) was introduced by SEBI in May 2021. Although this regulation is applicable only to the top 1000 listed companies by market capitalization, RR Kabel is preparing its systems and processes to address the disclosure requirements by the next financial year (FY 2023). By proactively addressing such external ESG developments, we are starting our ESG journey in right earnest and would evolve to an ESG-leader in our industry segment.

Our ESG journey has begun.



## NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of **R R KABEL LIMITED** (“Company”) will be held through video-conferencing facility on Tuesday, 28 September, 2021 at 11.00 am to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a) The audited Financial Statements of the Company for the financial year ended 31 March 2021, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b) The audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2021, together with the Report of the Auditors thereon.
2. To declare dividend of (i) ₹10 per Equity of ₹10 each and (ii) ₹10 per Compulsory Convertible Preference Share of ₹1080.33 each for the financial year ended 31 March 2021.
3. To appoint a director in place of Smt. Kirtidevi Kabra (DIN – 00150796), who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a director in place of Shri Mahhesh Kabra (DIN - 00137796), who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

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

“**RESOLVED THAT** pursuant to the recommendations of the Nomination and Remuneration committee and the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read with section 198 of the Companies Act, 2013 and the rules made thereunder, including the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, Smt. Kirtidevi Kabra (DIN – 00150796) be and is hereby re-appointed as Whole-time Director of the Company for a period of 3 (three) years with effect from 1 January 2022 upon the terms as set out hereunder, with further liberty to the Board of Directors of the Company to alter and vary the said terms and conditions, in such manner as may be agreed to between the Board and Smt. Kirtidevi Kabra.

- a) Salary of ₹6,00,000/- per month
- b) Perquisites as per the policy of the Company.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Whole-time Director shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to the said Whole-time Director.

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the company be and are hereby authorized severally to take such actions and do all such things as may be necessary or desirable to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the recommendations of the Nomination and Remuneration committee and the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read with section 198 of the Companies Act, 2013 and the rules made thereunder, including the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, Shri Sumeet Kabra (DIN – 01751282) be and is hereby re-appointed as Whole-time Director of the Company for a period of 3 (three) years with effect from 1 January 2022 upon the terms as set out hereunder, with further liberty to the Board of Directors of the Company to alter and vary the said terms and conditions, in such manner as may be agreed to between the Board and Shri Sumeet Kabra.

- a) Salary of ₹6,00,000/- per month
- b) Perquisites as per the policy of the Company.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Whole-time Director shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to the said Whole-time Director.

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the company be and are hereby authorized severally to take such actions and do all such things as may be necessary or desirable to give effect to this resolution.”

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

“**RESOLVED THAT** as per the recommendation of the Nomination and Remuneration committee and pursuant to the provisions of Sections 196, 197 and 198 of the Companies Act, 2013 and the rules made thereunder, the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the remuneration of Shri Rajesh Babu Jain (DIN –06959083) be increased from ₹72,00,000/- to ₹100,00,000/- per annum with effect from 1 April 2021, for the remainder of his term, with periodic increments as may be determined by the Board of Directors.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Whole-time Director shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to the said Whole Time Director.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such actions and do all such things as may be necessary or desirable to give effect to this resolution.”

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

“**RESOLVED THAT** as per the recommendation of the Nomination and Remuneration committee and pursuant to the provisions of Sections 196, 197 and 198 of the Companies Act, 2013 and the rules made thereunder, the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the remuneration of Shri Sanjay Taparua (DIN – 01812564) be increased from ₹60,00,000/- to ₹90,00,000/- per annum with effect from 1 April 2021, for the remainder of his term, with periodic increments as may be determined by the Board of Directors.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Whole-time Director shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to the said Whole Time Director.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such actions and do all such things as may be necessary or desirable to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, and pursuant to the recommendation of the Audit Committee, the Members of the Company hereby approve a consolidated remuneration of ₹7,50,000/- (Rupees Seven Lakhs Fifty Thousand) plus taxes and out of pocket expenses, if any, chargeable extra on actual basis, payable to M/s Poddar & Co., Cost Accountants, (Firm Registration No. 29474) who have been appointed as Cost Auditors by the Board of Directors of the Company (the “Board”), to conduct cost audit of the cost records of the Company for the financial year ending 31 March 2022.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do or to authorize any person to do all such acts, deeds, matters and things as may be considered necessary, relevant, usual, customary, proper and/or expedient for giving effect to this resolution and for matters connected therewith or incidental thereto.”

Date: 2 September, 2021  
Place: Vadodara

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

For and on behalf of the Board  
**Tribhuvanprasad Kabra**  
Chairman  
DIN: 00091375



**NOTES:**

- 1) Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated January 13, 2021 read together with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
- 2) Proxies are not allowed in respect of this AGM being held through VC as physical attendance of members is not required.
- 3) Authorized representatives of corporate members intending to attend the Meeting must be authorized by proper Board resolution. A copy of the Board resolution must be sent to the Company before the Meeting. The resolution may be sent through an email to the Company Secretary.
- 4) The access details for attending the meeting through video conference are given below:

**Annual General Meeting dated 28 September, 2021****Time: 11:00 AM****Link to join the Meeting: <https://us06web.zoom.us/j/88283648717>**

- 5) In case of any technical or any other queries, members may please reach out to Company Secretary, and can call on +91- 9377918595.
- 6) Members can cast their vote by sending a mail to [himanshu.parmar@rrglobal.com](mailto:himanshu.parmar@rrglobal.com) from their registered email ID, when a poll is required to be taken on any resolutions.
- 7) Members are requested to login on the portal using the details provided in point 4 above at least 5 to 10 minutes prior to the scheduled time.
- 8) Considering the current lockdown imposed to tackle the COVID 19 pandemic, scanned copies of all documents referred to in the accompanying notice shall be made available for inspection via electronic means. If a shareholder desires to peruse any document, he/they may write to the Company Secretary, Shri. Himanshu Parmar at the email id [himanshu.parmar@rrglobal.com](mailto:himanshu.parmar@rrglobal.com), from their registered email address. The requested documents shall be provided at the earliest possible time.

**Profile of Directors being appointed / re-appointed in the order of the items mentioned in the notice.**

<b>Name</b>	<b>Smt. Kirtidevi Kabra</b>	<b>Shri Mahhesh Kabra</b>	<b>Shri Sumeet Kabra</b>
DIN	00150796	00137796	01751282
Date of Birth	23 February 1962	23 March 1977	10 August 1982
Date of Appointment on the Board	6 February, 1995	1 November 2010	12 November 2010
Qualification	B.Com	B.Com	MBA
Experience	A First-generation entrepreneur very effectively leading the Corporate Publicity & Communication of Ram Ratna Group through her sincere hard work and dedication. She is a driving force and is instrumental in creating a powerful and niche brand image of RR Global and R R Kabel to be nominated as one of the most powerful brands in India.	He has more than 20 years of experience in the electrical industry. He also carries along knowledge and experience in Finance, purchase and administration.	He has more than 10 years of experience in the electrical industry. He also carries along knowledge and experience in the field Specialized Cables and electrical goods.
Number of Board meetings attended	4	4	3



Name	Smt. Kirtidevi Kabra	Shri Mahhesh Kabra	Shri Sumeet Kabra
Name of Companies in which also holds Directorship	1. Ram Ratna Wires Ltd. 2. Upper Edge Media Solutions Pvt. Ltd. 3. Ram Ratna Infrastructure Pvt. Ltd. 4. KGR Electro-Build Pvt. Ltd	1. Kabel Buildcon Solutions Pvt. Ltd. 2. World Electricals Hub Pvt.Ltd. 3. EPAVO Electricals Private Limited	1. Hemlata Home Solutions Limited.
Name of the Companies in Committees of which holds Membership / Chairmanship	1. Ram Ratna Wires Limited 2. R R Kabel Limited	1. R R Kabel Limited	NIL
Number of Shares held in R R Kabel Limited	Equity 1264426	Equity 577217	Equity 634657

#### **STATEMENT TO BE ANNEXED TO NOTICE PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

##### **Item No. 5**

The members are informed that the current term of Smt. Kirtidevi Kabra expired on 31 December 2021. The Board on the recommendation of the Nomination and Remuneration committee has re-appointed Smt. Kirtidevi Kabra as Whole-time Director for a further period of three years effective from 1 January 2022.

Pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, the approval of the members would be required for the same.

In view of the above, the resolution for re-appointment of Smt. Kirtidevi Kabra as Whole-time Director effective from 1 January 2022 has been put up for the approval of members.

Except for the aforesaid director and her relatives, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, whether financially or otherwise in the above resolution.

##### **Item No. 6**

The members are informed that the term of Shri Sumeet Kabra expired on 31 December 2021. The Board on the recommendation of the Nomination and Remuneration committee has re-appointed Shri Sumeet Kabra as Whole-time director for a further period of three years effective from 1 January 2022.

Pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, the approval of the members would be required for the same.

In view of the above, the resolution for re-appointment of Shri Sumeet Kabra as Whole-time director effective from 1 January 2022 has been put up for the approval of members.

Except for the aforesaid director and his relatives, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, whether financially or otherwise in the above resolution.

##### **Item No. 7**

The members are informed that the Board, on the recommendation of the Nomination and Remuneration committee, has increased the remuneration of Shri Rajesh Babu Jain (DIN - 06959083), Whole-time Director, from ₹72,00,000/- to ₹100,00,000/- per annum with effect from 1 April 2021, for the remainder of his term, at the meeting held on 2 September 2021. The Board also approved grant of 14,820 ESOPs under RR Kabel Employee Stock Option 2020.

Pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, the approval of the members would be required for the same.

In view of the above, the resolution for revision of remuneration of Shri Rajesh Babu Jain, Whole-time director effective from 1 April 2021 been put up for the approval of members.

Except for the aforesaid director and his relatives, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, whether financially or otherwise in the above resolution.

**Item No. 8**

The members are informed that the Board, on the recommendation of the Nomination and Remuneration committee, has increased the remuneration of Shri Sanjay Taparia (DIN - 01812564), Whole-time Director, from ₹60,00,000/- to ₹90,00,000 per annum with effect from 1 April 2021, for the remainder of his term, at the meeting held on 2 September 2021. The Board also approved grant of 14,820 ESOPs under RR Kabel Employee Stock Option 2020.

Pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, the approval of the members would be required for the same.

In view of the above, the resolution for revision of remuneration of Shri Sanjay Taparia, Whole-time director effective from 1 April 2021 been put up for the approval of members.

Except for the aforesaid director and his relatives, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, whether financially or otherwise in the above resolution.

**Item No. 9**

The Board on recommendation of the Audit Committee has approved the appointment of M/s Poddar & Co. as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31 March 2022.

In accordance with the provisions of Section 148 of the Act read with Companies (Audit & Auditors) Rules 2014, the remuneration payable to the Cost Auditor shall be ratified by the shareholders of the Company.

Accordingly consent of members is sought for passing an Ordinary Resolution as set out at Item No.9 of the Notice for ratification of the remuneration payable to Cost Auditors for the financial year ending 31 March 2022.

None of the directors, key managerial personnel or their relatives is concerned or interested financially or otherwise in the resolution.

Date: 2 September, 2021  
Place: Vadodara

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

For and on behalf of the Board  
**Tribhuvanprasad Kabra**  
Chairman  
DIN: 00091375

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 27<sup>th</sup> Annual Report on the business and operations of the Company, along with the audited financial statement for the year ended 31 March 2021. These financial statements are prepared in accordance with Ind AS (Indian Accounting Standards) in terms of Section 133 of the Companies Act 2013.

- PERFORMANCE**

The Company's performance during the year as compared with the previous year is summarized below:

(₹ In Lakhs)

PARTICULARS	2020-21	2019-20
Sales and other Income	2,73,793.73	2,49,944.88
Cost of Materials Consumed	2,17,319.92	182,395.11
Depreciation	4,475.09	3,880.38
Profit before Tax	18,033.39	15,775.31
Current Tax	4891.18	3,275.34
Deferred Tax	(208.70)	148.51
Income tax for earlier year	(78.89)	103.82
Profit after Tax	13,429.80	12,247.64
Earnings per Share (₹)	48.37	44.11

- OPERATIONS & OUTLOOK**

During the year under review, your Company achieved a revenue from operations of ₹2,73,794 Lakhs as compared to ₹2,49,945 Lakhs in the previous year (an increase of about 9.54 %). The profit before tax for the year stood at ₹18,033 lakhs as compared to ₹15,775 lakhs in the previous year.

- IMPACT OF COVID**

The Year 2020-21 was a highly volatile and challenging year. Covid-19 changed almost every aspect of human lives in ways never imagined. During the year, the COVID-19 outbreak had a severe impact on the operations of several industries in India, including power, telecom, aerospace, electrical equipment and construction. This coupled with economic uncertainty in several states reduced the demand for wires and cables. The economic toll from the pandemic was unprecedented. First quarter was significantly impacted by nationwide lockdowns and our factories, warehouses, and offices were temporarily shut, in line with relevant guidelines from local and national authorities. During this time, we prioritized safety of our employees and partners. We also went beyond to help the communities and society at large through donations, collaborations, and direct support. Operational challenges mounted due to restricted movement and disrupted supply lines. However gradual unlocking from June showcased progressive signs of improvement as the restriction in movement eased.

- SHARE CAPITAL OF THE COMPANY**

During the current year, the Company has increased Authorized share capital from ₹4,71,99,99,108 /- (Rupees Four hundred and seventy one crores ninety nine Lakhs ninety nine thousand one hundred and eight) divided into 5,70,00,000 (Five crores seventy Lakhs) Equity Shares of ₹ 10/- (Rupees Ten only) each and 38,41,418 (Thirty eight Lakh forty one thousand four hundred eighteen) Preference Shares of ₹1080.33/- (Rupees One thousand eighty paise thirty three only) each to ₹4,72,18,59,437/- (Rupees Four hundred and seventy two crores eighteen Lakhs fifty nine thousand four hundred and thirty seven) divided into 5,70,00,000 (Five crores seventy Lakh) Equity Shares of ₹10/- (Rupees Ten only) each and 38,43,140 (Thirty eight Lakhs forty three thousand one hundred and forty) Preference Shares of ₹1080.33/- (Rupees One thousand eighty paise thirty three only) each by creation of additional 1722 (One thousand seven hundred and twenty two) Preference Shares of ₹1080.33/- (Rupees One thousand eighty paise thirty-three only) each.

Pursuant to the approval of the scheme of amalgamation of Ram Ratna Electricals Limited ("RREL") with the Company by National Company Law Tribunal, Mumbai and Ahmedabad benches, the company issued and allotted equity shares/preference shares to the respective shareholders of RREL as per the share entitlement ratio provided in the scheme. The Company issued and allotted 528,798 Equity shares of ₹10/- each and 140,568 Preference shares of ₹1080.33/- each to the respective equity and preference shareholders of RREL on 23 December 2020.

## DIRECTORS' REPORT (Contd.)

- **SUBSIDIARY AND ASSOCIATE**

The Company has no subsidiary or associate, therefore, disclosures regarding the same are not provided in the report.

- **EXPANSION AND JOINT VENTURE**

Your Company is 35% partner in a joint venture with Bangladesh counterpart under the name RR-Imperial Electricals Limited ("RR Imperial").

The Company's investment in joint venture is reported as a Non-Current investment and is stated at cost. As per the requirements of the Companies Act 2013 and IndAs – 21 (Standard on Consolidated Financial Statements) read with IndAs – 27 (Standard on Financial Reporting of Interests in Joint Ventures), the consolidated financials of the Joint Venture have been presented. The details in Form AOC 1 pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 are set out in the financial statements forming part of this Report and the said form also highlights the financial performance of the joint-venture entity.

- **DIVIDEND**

Your Directors are pleased to inform that your Company has declared dividend of ₹10 per equity share and ₹10 per Compulsory Convertible Preference Shares at the meeting of the Board of Directors held on 2 September 2021 subject to approval of shareholders and an amount of ₹2776.72 Lakhs was paid out of net profit for the year ended 31st March 2021 towards the dividend. The necessary resolutions in this regard have been proposed for the approval of the members at the ensuing Annual General Meeting ("AGM").

- **DIRECTORS**

### Declaration by Independent Directors

The Company has received necessary declarations from each Independent Director under Section 149(7) of the Companies Act 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act 2013.

### Directors retiring by rotation

Smt. Kirtidevi Kabra, Whole-time director and Shri Mahhesh Kabra, Whole-time director, retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

The necessary resolutions in this regard have been proposed for the approval of the members at the ensuing AGM. The details as per Regulation 1.2.5 of Secretarial Standard 2 have been included in the Notice.

### Appointment /Re-appointment of Whole-time Directors:

The Board on recommendation of the Nomination and Remuneration committee has approved the re-appointment of the following executive directors:

Name	Designation	Term Expiring on	Term renewed with effect from
Smt Kirtidevi Kabra	Whole-time director	31 December, 2021	3 years w.e.f. 1 January 2022
Shri Sumeet Kabra	Whole-time director	31 December, 2021	3 years w.e.f. 1 January 2022

The necessary resolutions in this regard have been proposed for the approval of the members at the ensuing AGM.

The Board, on the recommendation of the Nomination and Remuneration Committee appointed Shri Rajeev Pandiya, as Chief Financial Officer with effect from 1 April 2021 in place of Shri Partha Chakraborti.

No other changes have been made in composition of Board.

- **BOARD MEETINGS HELD DURING THE YEAR**

During the financial year 2020-21, four meetings of the Board of Directors were held on 3 September, 2020, 28 September, 2020, 23 December, 2020 and 25 March, 2021.

The attendance of the Directors at the meetings of the Board and last AGM is set out below:

## DIRECTORS' REPORT (Contd.)

Name of Directors	No. of Board Meeting Attended during the year 2020-21	Whether attended last AGM held on 28 September 2020
Shri Tribhuvanprasad Kabra	4	Yes
Shri Shreegopal Kabra	4	Yes
Shri Mahendrakumar Kabra	4	Yes
Shri Ashok Loya	4	Yes
Smt Kirtidevi Kabra	4	Yes
Shri Mahhesh Kabra	4	Yes
Shri Sumeet Kabra	3	Yes
Shri Sanjay Taparia	3	Yes
Shri Rajesh Babu Jain	4	Yes
Shri R Kannan	4	Yes
Shri Bhagwat Singh Babel	4	Yes
Shri Mukund Chitale	3	Yes
Shri Puneet Bhatia	4	No
Shri Mitesh Daga	4	No

### Board Evaluation

In terms of provisions of the Companies Act, 2013 read with the rules issued there under, the Board of Directors have evaluated the effectiveness of the Board / Director (s) for the financial year 2020-21. The Board has monitored and reviewed the evaluation framework. The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by Board.

### • DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts for the year ended on March 31, 2021 have prepared on a 'Going Concern' basis.
- e) the Directors have laid down the internal financial controls followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### • COMMITTEES OF THE BOARD

#### Audit Committee

The Audit Committee was reconstituted on 3 September, 2020 and Shri Mahhesh Kabra was appointed as Member of the Committee in place of Shri Ashok Loya. Currently the Committee comprises of Shri R Kannan, Shri Bhagwat Singh Babel, Shri Mahhesh Kabra, Shri Mitesh Daga and Shri Mukund Chitale. During the year under review, three meetings of the Audit Committee were held on 2 September, 2020, 23 December, 2020 and 25 March, 2021 to perform their duties in accordance with the provisions of Section 177 of the Companies Act, 2013. During the period under review, the Company has adhered to the broad framework laid down by the following policies:

## DIRECTORS' REPORT (Contd.)

### a. Vigil mechanism policy

Pursuant to the requirement of Section 177(9) of the Companies Act 2013 and Companies (Meetings of Board and its Powers) Rules 2014, the Company has adopted a Vigil Mechanism policy. The policy is available on the website of the Company at [www.rrkabel.com](http://www.rrkabel.com).

### b. Policy on Related Party Transactions

There were no materially significant transactions with related parties during the financial year under review, which were in the conflict of the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (Ind AS 24) has been made in the notes to the financial statement.

The Company has formulated policy on Related Party Transactions. The policy adopted by the Board is also available on website of the Company at [www.rrkabel.com](http://www.rrkabel.com).

The details in Form AOC 2 pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 are given as Annexure A to this report.

### c. Risk Management Policy

The policy is available on the website of the Company at [www.rrkabel.com](http://www.rrkabel.com). The Risk Management Policy is integral to the Company's business model and is based on core values and ethics. Under this Policy, risks are identified across all business processes of the Company on continuous basis. This Policy covers long term interests of the Company as well as the regular functioning of each of the processes and the risks associated with incorrect or untimely financial and non-financial reporting. Each risk is mapped to the concerned department for further and effective action to be taken.

#### Nomination and Remuneration committee

The Nomination and Remuneration Committee presently comprises of Shri R. Kannan, Shri Bhagwat Singh Babel, Shri Mukund Chitale, Shri Tribhuvanprasad Kabra and Shri Puneet Bhatia. During the year four meetings of the Committee were held on 3 September, 2020, 28 September, 2020, 23 December, 2020 and 25 March, 2021 to perform the duties in accordance with the provisions of the Companies Act, 2013.

The Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 of the Companies Act 2013 is given on the website of the Company at [www.rrkabel.com](http://www.rrkabel.com).

#### Corporate Social Responsibility (CSR) Committee

The Committee comprises of Shri Bhagwat Singh Babel, Shri Mahhesh Kabra, Smt. Kirtidevi Kabra and Shri Puneet Bhatia. During the year two meetings of the Committee were held on 3 September, 2020 and 25 March, 2021 to perform the duties in accordance with the provisions of the Companies Act, 2013. The Company has formulated Corporate Social Responsibility Policy pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. This policy is available on Company's website at [www.rrkabel.com](http://www.rrkabel.com).

The initiatives undertaken by your Company during the financial year 2020-21 in CSR activities have been detailed in Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as set out in Annexure B to this Report.

## • AUDITORS AND AUDITORS' REPORT

M/s B S R & Co. LLP, Chartered Accountants, (Firm Registration number 101248W/W-100022) were appointed as Statutory Auditors of the Company, to hold office from the conclusion of 24th AGM till the conclusion of the 29th AGM, at the AGM held on 29 September 2018. They continue to hold office.

There are no observations or qualifications, or remarks made by the Auditors in their report.

#### DETAIL OF FRAUD AS PER AUDITORS REPORT:

There is no fraud in the Company during the financial year ended 31 March 2021. This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the financial year ended 31 March 2021.

## DIRECTORS' REPORT (Contd.)

### • COST AUDITORS

The Board, on the recommendation of the Audit Committee, has approved the appointment of and payment of remuneration to M/s. Poddar & Co., Chartered Accountants as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ended 31 March 2022. In accordance with the provisions of Section 138 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. The necessary resolution in this regard is included in the notice convening the Annual General Meeting.

### • MAINTENANCE OF COST RECORDS;

The Company has maintained Cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, as required by the Company and accordingly such accounts and records are made and maintained as applicable in the nature of the Business of the Company.

### • SECRETARIAL AUDITORS

A Secretarial Audit was conducted during the year by the Secretarial Auditor, M/s. Khanna & Co., Practicing Company Secretaries, in accordance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit report is attached as Annexure C and forms part of the Board's Report. There are no qualifications or remarks made by the Secretarial Auditor in their Report.

### • COMPLIANCE OF SECRETARIAL STANDARDS

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 and General Meetings.

### • ANNUAL RETURN

The Annual Return of the Company as on 31 March, 2021 is available on the Company's website and can be accessed at <https://www.rrkabel.com/notice/MGT-7.PDF>.

### • PARTICULARS OF EMPLOYEES

The details of employees who are in receipt of remuneration equal to or exceeding the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 read with Section 134 of the Companies Act 2013, are given below:

Name and Designation of the employee:	Joydeep Mukherjee, CEO Electrical Division (designated as COO with effect from 22 April 2020)	*Partha Chakroborti, CFO
Remuneration received	₹277.08 Lakhs	₹161.21 Lakhs
Nature of employment, whether contractual or otherwise: Full time employment	Full time Employee	Full time Employee
Qualifications and experience of the employee	E.M.I.B – International Business and Marketing, PGDMM, B.A. ( Hons )	Alumnus of Ivy League "Wharton Business School" AMP and Chartered Accountant & Cost Accountant
Date of commencement of employment	13th May, 2019	1st April, 2019
Age	54	49
Last employment details	CEO and Executive Director – H&R Johnson	Director Finance and Operation - Hafele India Pvt. Ltd.
% of equity held by the employee in the Company	-	-
Whether any such employee is a relative of any Director or Manager of the Company, and if so, name of such Director or Manager	No	No

\* Shri Partha Chakroborti ceased to be a CFO of the Company with effect from 31 March 2021.



## DIRECTORS' REPORT (Contd.)

- **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are appended as Annexure D to the report and forms part of this Report.

- **PUBLIC DEPOSITS**

The Company has not accepted any deposits during the year under review.

- **LOANS, GUARANTEES AND INVESTMENTS**

During the financial year 2020-21, the Company has not given any loans and provided any security. Apart from the above, the Company has provided guarantees in respect of loans taken by the Company's dealers under channel financing facility from banks.

The details are provided in Note: 3A, 3B and 39 of the Notes to Financial statements for the year ended 31 March 2021.

- **INTERNAL AUDIT AND CONTROL:**

Pursuant to section 139 of the Companies Act, 2013, the Board of Directors has appointed M/s E & Y Consulting LLP., Chartered Accountants, as Internal Auditors of the Company. The Audit Committee periodically reviews and implements the recommendations of Internal Auditors.

- **INTERNAL FINANCIAL CONTROL:**

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken.

- **ENVIRONMENT, SAFETY AND HEALTH:**

Your company is a signatory to UN Global Compact, Caring for Climate and CEO Water Mandate. The commitment to EHS is of the highest level. Occupational Safety and Health is no longer a priority but a VALUE. Employee sensitization towards health and safety is through active participation and celebration of several events on a continuing basis. These include National Road Safety Week and National Safety week.

Your company has implemented ISO 45001:2018, the latest standard on Occupational Health and Safety. The 5S initiative has been taken a step further and designated at 6S to include SAFETY as the 6th S.

Environmental initiatives include observance of Earth Day, World Water Day, World Environment Day. 3 R has been replaced by 5 R (Reduce, Recycle, Reuse, Refuse, Respect). Conservation of resources is guided more by environmental considerations than by economic ones.

Your company is aware of the Sustainable Development Goals (SDG's) and is working upon all the goals that are applicable to a manufacturing organization.

- **INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE [PREVENTION, PROHIBITION AND REDRESSAL] ACT 2013**

The Company has in place a policy on prevention of sexual harassment policy in line with the requirement of the Sexual Harassment Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal committees have been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review no complaints were received by the Company relating to Sexual harassment.

- **SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant / material orders passed by the Regulators, Courts or Tribunals that would impact the "Going Concern" status of the Company and the Company's operations in the future.



## DIRECTORS' REPORT (Contd.)

- **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

The members at the extra-ordinary general meeting held on 10 November 2020 approved the implementation of RR Kabel Employee Stock Option 2020 ("RRKL ESOP 2020"). Pursuant to RRKL ESOP 2020, the Company has granted 1,29,590 options to three identified employees. Out of the ESOPs granted 64,794 have been cancelled as two of the employees are no longer associated with the Company.

- **ACKNOWLEDGEMENTS:**

Your Directors place on record their sincere appreciation for significant contribution made by employees of the Company at each level, through their dedication, hard work and commitment. Our employees at all levels, have been core to our existence and their hard work, cooperation and support is helping us as a company face all challenges. Our Company is always grateful for their efforts. The Directors regret 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. The Board places on record its appreciation for the continued co-operation and support extended to the Company by various Banks. The Board wishes to express its grateful appreciation for the assistance and co-operation received from Vendors, Customers Consultants, Banks, Financial Institutions, Central and State Government bodies, Dealers, and other Business Associates. The Board deeply acknowledges the trust and confidence placed by the consumers of the Company and, above all, the shareholders.

For and on behalf of the Board of Directors  
**Tribhuvanprasad Kabra**  
Chairman  
DIN: 00091375

Date: 2 September 2021  
Place: Vadodara

# ANNEXURE TO DIRECTORS' REPORT

## Annexure A

### Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
  - (a) Name(s) of the related party and nature of relationship:
  - (b) Nature of contracts/arrangements/transactions:
  - (c) Duration of the contracts / arrangements/transactions:
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
  - (e) Justification for entering into such contracts or arrangements or transactions:
  - (f) Date(s) of approval by the Board:
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:
2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
<i>All the related party transactions are entered at arm's length basis and in the ordinary course of business. There are no "material contracts or arrangements" with the related parties.</i>						

For and on behalf of the Board of Directors  
**Tribhuvanprasad Kabra**  
Chairman  
DIN: 00091375

Date: 2 September 2021  
Place: Vadodara

# ANNEXURE TO DIRECTORS' REPORT

## Annexure- B

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

For the Financial Year ended 31st March, 2021

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

R R KABEL LIMITED is committed to operate and grow its business in a socially responsible way with a vision to be an environmental friendly corporate citizen. Social service, ecological balance and environmental protection are in our DNA. R R KABEL LIMITED has taken up various Corporate Social Responsibility (CSR) initiatives earlier and will continue to do so in future. CSR activities at R R KABEL LIMITED reflect its commitment to make things happen at every project we undertake. Our passion in these activities make us more responsible year after year. As a responsible corporate citizen, we try to contribute for possible social, educational and environmental causes on a regular basis. We firmly believe that to succeed, an organisation must maintain highest standards of corporate behavior towards its investors, stakeholders, employees and societies in which it operates.

While we strive to undertake all or any suitable activity as specified in Schedule VII to the Act, currently, we focus to support and implement the following activities as our thrust areas Training to promote nationally recognized sports, Providing emergency medical care, preventive health care, sanitization and safe drinking water, Promoting education to the under privileged children, supporting socially backward people and helping the differently abled people, Ensuring environmental sustainability, ecological balance, protection of flora and fauna and conservation of natural resources, Rural Development Projects, promoting gender equality and empowering women.

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

S r . 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 Bhagwat Singh Babel	Independent Director	2	2
2.	Shri Mahhesh Kabra	Whole Time Director	2	1
3.	Smt. Kirtidevi Kabra	Whole Time Director	2	2
4.	Shri Puneet Bhatia	Director	2	2

Shri Himanshu Parmar acts as the Secretary to the Committee.

3. The Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company at [www.rrkabel.com](http://www.rrkabel.com).
4. The details of impact assessment of CSR projects carried out pursuant to provision of sub-rule 3 of rule 8 of Companies (Corporate Social Responsibility Rules), 2014, : 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): ₹16,544.77 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): ₹330.90 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): ₹330.90 Lakhs

## ANNEXURE TO DIRECTORS' REPORT

### 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
327.64 Lakhs	-	NA	NA	-	NA

\*An amount of ₹ 3.36 lakhs remaining unspent on 31 March 2021 was paid to Vadodara District Probation and Aftercares committed for the ongoing project in April, 2021. Hence, the Company was not required to transfer any funds to Unspent CSR Account as per Section 135(6).

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

1	2	3	4	5		6	7	8	9	10	11	
Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	One Teacher School	Clause (ii) Promoting Education	PAN India			1 Year	239.36	239.36	-	No	Friends of Tribals Society CSR Reg. - CSR0001898	
2	Training and skill development Center	Clause (ii) Promoting Education	No	Odisha	Bhubaneshwar	5 Yaer	50.00	50.00	-	No	Ekal Gramothan Foundation	
3	Development of socially weak & venerable children	Clause (ii) Promoting Education	Yes	Gujarat	Vadodara	5 Yaer	16.00	16.00	-	No	Vadodara District Probation And Aftercares CSR Reg. - CSR00003945	
4	Infrastructure Development of Government School	Clause (ii) Promoting Education	Yes	Gujarat	Silvassa	2 Years	9.30	9.30	-	Yes	-	
<b>Total</b>							<b>314.66</b>	<b>314.66</b>				

## ANNEXURE TO DIRECTORS' REPORT

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

1 Sr. No.	2 Name of the Project	3 Item from the list of activities in schedule VII to the Act	4 Local area (Yes/No)	5 Location of the project		6 Amount spent for the project (in ₹)	7 Mode of Implementation – Direct (Yes/No)	8 Mode of Implementation -Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Promoting Health Care Including Preventive Health Care	Clause- (i) Promoting Health Care Including reventive Health Care	Local	Maharashtra	Mumbai	5.93	Yes	-	-
2	Infrastructure Development of Government School	Clause- (ii)Promoting Education	Yes	Gujarat	Vadodara	5.00	Yes	-	-
3	Promoting Health Care Including Preventive Health Care	Clause- (i)Promoting Health Care Including Preventive Health Care	Local	Gujarat	Vadodara	1.00	Yes	-	-
4	Sujalam Suflam Jal Yojana	Clause(iv)Conservation and of Natural resources	Local	Gujarat	Waghodia	0.55	Yes	-	-
5	PPE kit Distribution	Clause-(i) Promoting Health Care Including Preventive Health Care	Local	Gujarat	Vadodara	0.50	Yes	-	-
<b>TOTAL</b>						<b>12.98</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: ₹327.64 lakhs (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sr.No.	Particulars	Amount (in ₹ In Lakhs)
I.	Two percent of average net profit of the company as per section 135(5)	330.90
II.	Total amount spent for the Financial Year	327.64
III.	Excess amount spent for the financial year [(ii)-(i)]	(3.26)
IV.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	5.1
V.	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

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

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	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	-	-	-	-	-
2	2018-19	NA	21.96	-	-	-	-
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
- (a) Date of creation or acquisition of the capital asset(s).
  - (b) Amount of CSR spent for creation or acquisition of capital asset.
  - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.(d)Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): The Company has taken on record ongoing projects which will be completed in next financial year.

**For R R Kabel Limited**

**Shreegopal Kabra**  
Managing Director  
DIN: 00140598

**Bhagwat Singh Babel**  
Chairman of the CSR Committee  
DIN: 01476935

Date: 2 September 2021

## ANNEXURE TO DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 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,  
R R Kabel Limited  
Mumbai

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 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 March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; 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.

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") were not applicable to the Company during the Audit Year as the Company is an unlisted company and also as there were no events during the Audit Year attracting the applicability of 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) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

During the Audit Year, the Company has complied with the provisions of the Act, Rules, Regulations, etc. mentioned above.

The Company has complied with the requirements as laid down in Secretarial Standards – 1 and Secretarial Standards – 2 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

## ANNEXURE TO DIRECTORS' REPORT

- (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 Year:

- (i) the scheme of amalgamation of Ram Ratna Electricals Limited with the Company, was approved and the final order of the National Company Law Tribunal, Mumbai Bench and National Company Law Tribunal, Ahmedabad Bench were pronounced on 19 August 2020 and 22 July 2020, respectively. The Company has allotted equity shares / preference shares to the shareholders of Ram Ratna Electrical Limited on 23 December 2020, in the share entitlement ratio provided in the scheme of amalgamation.
- (ii) the members at the extra-ordinary general meeting held on 10 November 2020 approved the implementation of RR Kabel Employee Stock Option 2020 ("RRKL ESOP 2020").

Apart from the aforesaid, 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.

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

**Anup Vaibhav C Khanna**  
Partner

FCS No.: 6786

COP No.: 12906

UDIN: F006786C000886621

Peer Review: 638/2019

Place: Navi Mumbai

Dated: 2 September 2021



# ANNEXURE TO DIRECTORS' REPORT

## Annexure to Secretarial Audit Report

To,  
The Members  
R R Kabel 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.

Place: Navi Mumbai  
Dated: 2 September 2021

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

**Anup Vaibhav C Khanna**  
Partner

FCS No.: 6786

COP No.: 12906

UDIN: F006786C000886621

Peer Review: 638/2019

# ANNEXURE TO DIRECTORS' REPORT

## Annexure D to Directors' Report

**ADDITIONAL INFORMATION AS REQUIRED IN TERMS OF THE PROVISIONS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2013 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2021.**

### **CONSERVATION OF ENERGY**

Your company is committed to optimize consumption of energy in the manufacturing and non-manufacturing activities. Its state-of-art machinery is energy efficient. The best practices include attitude building on energy conservation in the interest of the nation. We believe that power saved is available for others who equally need it.

### **PRODUCT APPROVALS**

During the year factory has worked with marketing for the upcoming potential requirements and have successfully been granted with following product approvals

#### **Waghodia**

1. Irrigation cables to UL standards for the USA and Canadian Markets
2. Approvals of RDSO for Signaling cable used in railway signals, points, track circuits, block instruments
3. Factory inspection and approvals for Halogen free cables to IS 17048
4. Additional colors of solar cables with TUV approval to EN 50618

#### **Silvassa**

1. Factory inspection and approvals for Halogen free cables to IS 17048

### **CUSTOMER APPROVALS**

With the kind of infrastructure set up and product range, the factory at Waghodia has been approved by power utility company CESC, BESCO for power cables Airport Authority of India for PVC insulated copper wires.

### **R&D**

Continuously working to expand our customer base with specific application cables, the company has been working to provide right solutions.

#### **Waghodia**

1. Pendant Cables for Cranes
2. Cables for Airfield Lighting
3. Power cables for Variable Frequency Drives
4. CCSX cable (AAAC Dog conductor with XLPE insulation) for Overhead transmission in Railways
5. NYIFY in door application cables used on walls, roofs, etc
6. Development of cable for Air field Lighting Equipment with screening & semicon

#### **Silvassa**

1. High Temperature Silicon Glass fibre braided cable SiHF for Industrial application
2. CANBUS cable used for exchange of digital information, motion control networks in various applications including automotive, transport, conveyor technology, lifts and escalators, sports cameras, etc.
3. PROFIBUS cable for harsh outdoor application with UV protection, cable for communication data in automation for correct interaction between numerous devices.
4. High Temperature Silicon Multicore Braided cable for Signal Transmission in Steel, Glass and Ceramic Industries
5. Composite Data Cable for automation solution
6. Composite sensor cable for Defence application

## ANNEXURE TO DIRECTORS' REPORT

7. Composite Braided sensor cable for distortion free Signals in Defence application
8. M12 D Screened cable developed for Ethernet and Profinet systems with data transfer speeds upto 100 Mbps. Such cables have applications in factory automation, measurements, controls, communication, food and beverages, transportation, agriculture, robotics and alternative energy.
9. Defence Equipment Wire for internal wiring of Instruments and Electronic Equipment in both Military and Industrial applications

### CONSERVATION OF ENERGY

Going green is the way forward. We have worked to reduce our dependence on fossil fuel, with below mentioned endeavours.

#### Waghodia

1. We have replaced 116 nos. conventional type tube lights of 228W (57w x 4) with 150w LED Lights.
2. Solar plant installed at rooftop and total produced units are 1507549 out of that we have exported the 132120 units to MGVCL during the weekly off.
3. We have replaced steam generator of having 18KW load with Nitrogen plant of having 4KW load in our all 05 Nos. MMH line for online continuous annealing application.
4. We have connected VFD for 7.5KW Fan Motor in our 05 Nos. cooling tower and getting at 50% energy saving
5. Installation of energy efficient A.C motor (1PH8) of Siemens make with AC Drive for all Multi Wire Drawing and Extruder Machines

#### Silvassa

1. Rooftop Solar Panel installation completed and functioning from Dec 2020, capacity 250 KW has generated 104532 KWH.

### WATER CONSERVATION

Our focus on usage of water for both industrial and hygiene has led us to initiate below actions for reduction and usage of water

#### Silvassa

1. Rainwater harvesting has been undertaken collecting 120 Lac Liters of water from terrace of buildings
2. 40 Aerators installed in taps across the plant which has resulted in significant reduction of water used

Your Company has incurred expenses on Research & Development at Silvassa during the financial year ended 31 March 2021, as follows:

(₹ in Lacs)

Particulars	2020-21	2019-20
Capital Expenditure *	41.87	22.78
Revenue Expenditure	209.43	223.45
<b>Total</b>	<b>251.29</b>	<b>246.23</b>

### FOREIGN EXCHANGE EARNING AND OUTGO

(₹ in Lacs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Earnings in Foreign currency	48,040.67	41622.77
Expenditure in foreign currency	61,927.54	81205.13

For and on behalf of the Board of Directors  
**Tribhuvanprasad Kabra**  
Chairman  
DIN: 00091375

Date: 2 September 2021  
Place: Vadodara

# INDEPENDENT AUDITORS' REPORT

To the Members of R R Kabel Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of R R Kabel Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information 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.

### Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## INDEPENDENT AUDITORS' REPORT (Contd.)

### 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 skepticism throughout the audit. We also:

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

## INDEPENDENT AUDITORS' REPORT

- 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 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements – Refer Note 28 to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Rupen Shah**  
*Partner*  
Membership No. 116240  
UDIN: 21116240AAAACF1779

Place: Ahmedabad  
Date: 02 September 2021

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

### Annexure A to the Independent Auditors' Report on the Standalone Financial Statements - 31 March 2021

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and location of all fixed assets.
- (b) The Company has a programme of physical verification of its fixed assets by which all fixed assets have been verified by the Management in a phased manner over a period of three years. Accordingly, a part of fixed assets was physically verified by the Management during the year and we are informed that no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, we report that, the title deeds of immovable properties of freehold land and building, as disclosed in Note 2 to the standalone financial statements, are held in the name of the Company except the following:-

(₹ in lakhs)

Particulars	Gross Block as on 31 March 2021	Net Block as on 31 March 2021	Remarks
Freehold land located in Howrah	111.53	111.53	Title deed yet to be executed in the name of company
Building located in Howrah	364.22	342.80	Title deed yet to be executed in the name of company
Freehold land located in Roorkee	147.31	147.31	The title deed is in the name of erstwhile company that was amalgamated with the Company pursuant to scheme of Amalgamation sanctioned by Hon'ble Bombay High Court.
Factory Building located in Roorkee	95.05	79.41	The title deed is in the name of erstwhile company that was amalgamated with the Company pursuant to scheme of Amalgamation sanctioned by Hon'ble Bombay High Court

Also, immovable properties of land and building whose title deeds have been pledged as security for loans are held in the name of the Company based on the loan documents and register of charges filed with Registrar of Companies.

- (ii) The inventory, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) In our opinion, and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained under Section 189 of the Act during the year. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act during the year. The Company has complied with the provisions of Section 186 of the Act, in respect of investments made. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder apply. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.



## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act for the year ended 31 March 2021 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Professional Tax, Employees' State Insurance, Income Tax, Duty of Customs, Goods and Services Tax, Cess and any other material statutory dues have generally been regularly deposited during the year by the Company with appropriate authorities though there has been a slight delay in a few cases. As explained to us, the Company did not have any dues on account of Wealth tax, Sales tax, Service tax, Duty of excise and Value added tax during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Professional Tax, Employees' State Insurance, Income Tax, Duty of Customs, Goods and Services Tax, Cess and any other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable. Further, in respect of Provident Fund, as explained in Note 28 to the standalone financial statements, the management has not accounted any additional liability with respect to Supreme Court's judgement over applicability of Provident Fund, considering uncertainty around the timing, manner and extent in which the judgment will be interpreted and applied by the regulatory authorities. Accordingly, we are unable to comment on such Provident Fund arrears, if any with respect to outstanding as at 31 March 2021 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise and Value Added Tax as at 31 March 2021, which have not been deposited with the appropriate authorities on account of any dispute other than those as stated below:

(₹ in lakhs)

Name of the Statute	Nature of Dues	Amount involved	Amount unpaid	Period to which the amount relates (AY)	Forum where matter is pending
The Finance Act, 1994	Service tax, Interest and Penalty	190.38	159.26	Various periods from 2010-11 to 2018-19	Commissioner Excise and Service Tax Appellate Tribunal (CESTAT)
		18.96	18.96	2012-13 to 2015-16	Superintendent of Central Excise & Customs
The Income Tax Act, 1961	Tax and Interest	231.05	217.61	2017-18 and 2018-19	Commissioner of Income Tax Appeals CIT(A)
Sales Tax Act	Sales Tax	998.57	998.57	2012-13, 2014-15, 2015-16	The Joint Commissioner Appeals remanded the case to Assessing Officer

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to the financial institution and banks during the year. The Company does not have any loans or borrowings from Government or any dues to debentures holders during the year.

(ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any money by way of Initial Public offer or further Public Offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised.

(x) 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 material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.



## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid / provided by the Company in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and on the basis of examination of the books and records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act where applicable. The details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and on the basis of examination of the books and records of the Company, the Company has not entered into any non-cash transactions, within the meaning of Section 192 of the Act, with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**Rupen Shah**

*Partner*

Membership No. 116240

UDIN: 21116240AAAACF1779

Place: Ahmedabad

Date: 02 September 2021

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

**Annexure-B to the Independent Auditors' Report on the Standalone Financial Statements of R R Kabel Limited for the year ended 31 March 2021**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph 1 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

We have audited the internal financial controls with reference to standalone financial statements of R R Kabel Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial controls with reference to Standalone Financial Statements**

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

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

prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements**

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

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**Rupen Shah**

*Partner*

Membership No. 116240

UDIN: 21116240AAAACF1779

Place: Ahmedabad

Date: 02 September 2021

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Note No.	(₹ in Lakhs)	
		As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	2A	38,598.78	37,927.23
Capital work-in-progress	2B	668.18	1,537.21
Intangible assets under development	2C	48.50	-
Other intangible assets	2C	527.54	708.37
Right of use assets	2D	814.81	417.04
<b>Financial assets</b>			
Investments	3A	3,983.16	3,177.66
Loans	4A	160.61	157.42
Other financial assets	5A	8.01	7.01
Income tax assets (net)	6A	523.53	176.18
Other non-current assets	7A	1,433.42	1,161.87
		<b>46,766.54</b>	<b>45,269.99</b>
<b>Current assets</b>			
Inventories	8	53,405.48	37,520.95
Financial assets			
Investments	3B	19,602.01	18,881.87
Trade receivables	9	42,036.23	41,895.88
Cash and bank balances	10	846.56	1,127.78
Loans	4B	164.18	140.39
Other financial assets	5B	248.07	4,417.91
Income tax assets (net)	6B	-	974.43
Other current assets	7B	8,365.05	4,292.26
		<b>124,667.58</b>	<b>109,251.47</b>
<b>Total Assets</b>		<b>171,434.12</b>	<b>154,521.46</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	11A	2,392.41	2,339.53
Instrument entirely equity in nature	11B	41,518.59	40,000.00
Other equity	12	60,674.77	48,050.59
		<b>104,585.77</b>	<b>90,390.12</b>
<b>Liabilities</b>			
Non-current liabilities			
Financial liabilities			
Borrowings	13A	7,128.14	6,828.15
Lease liabilities	14A	526.36	177.12
Provisions	16A	604.39	781.35
Deferred tax liabilities (net)	17	788.81	917.48
Other non-current liabilities	18A	1.76	1.76
		<b>9,049.46</b>	<b>8,705.86</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	13B	39,498.49	30,911.83
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	19	932.20	884.19
- total outstanding dues of creditors other than micro enterprises and small enterprises	19	10,418.09	17,202.01
Lease liabilities	14B	306.64	252.69
Other financial liabilities	15	4,892.77	4,425.75
Provisions	16B	546.46	128.87
Other current liabilities	18B	1,204.24	1,620.14
		<b>57,798.89</b>	<b>55,425.48</b>
<b>Total Equity and Liabilities</b>		<b>171,434.12</b>	<b>154,521.46</b>
Significant accounting policies	1		
See accompanying notes to the standalone financial statements	1-52		

As per our Report of even date

For and on behalf of the Board of Directors of

**R R Kabel Limited**

CIN: U28997MH1995PLC085294

**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

**Rupen Shah**

Partner

Membership No. 116240

Place : Ahmedabad

Date : September 2, 2021

**Tribhuvanprasad Kabra**

Chairman

DIN : 00091375

**Rajeev Pandiya**

Chief Financial Officer

Membership No. 089631

**Shreegopal Kabra**

Managing Director

DIN : 00140598

**Himanshu Parmar**

Company Secretary

Membership No.FCS 10118

Place : Mumbai

Date : September 2, 2021

# STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2021

(₹ in Lakhs)

Particulars	Note No.	2020-21	2019-20
<b>Revenue From Operations</b>	20		
Sale of products		266,533.22	243,045.33
Other operating revenues		5,061.00	4,197.74
Other income	21	2,199.51	2,701.81
<b>Total Revenue</b>		<b>273,793.73</b>	<b>249,944.88</b>
Cost of materials consumed	22A	217,319.92	182,395.11
Purchase of traded goods	22B	12,806.38	11,127.50
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(15,384.42)	(1309.42)
Employee benefits expense	24	14,834.47	13,576.56
Finance costs	25	2,705.63	3,524.64
Depreciation and amortization expense	26	4,475.09	3,880.38
Other expenses	27	19,003.27	20,974.80
<b>Total expenses</b>		<b>255,760.34</b>	<b>234,169.57</b>
<b>Profit before tax</b>		<b>18,033.39</b>	<b>15,775.31</b>
Tax expense:	17		
Current tax		4,891.18	3,275.34
(Excess)/Short provision of earlier years		(78.89)	103.82
Deferred tax charge		(208.70)	148.51
		<b>4,603.59</b>	<b>3,527.67</b>
<b>Profit for the year</b>		<b>13,429.80</b>	<b>12,247.64</b>
<b>Other Comprehensive Income/(Loss)</b>			
A) Items that will not be reclassified to Profit and Loss			
a) (i) Re-measurement of post employment benefits obligation		40.39	(117.67)
(ii) Income tax relating to items that will not be reclassified to Profit and Loss		(10.16)	28.47
b) (i) Fair value gain/(loss) on investment in equity instrument through OCI		805.49	(640.44)
(ii) Income tax relating to items that will not be reclassified to Profit and Loss		(69.86)	(33.74)
<b>Total Comprehensive Income for the year</b>		<b>14,195.66</b>	<b>11,484.26</b>
<b>Earnings per equity Share (nominal value of ₹ 10/- each):</b>	36		
Basic		48.37	44.11
Diluted		48.37	44.11
Significant accounting policies	1		
See accompanying notes to the standalone financial statements	1-52		

As per our Report of even date

For and on behalf of the Board of Directors of

**R R Kabel Limited**

CIN: U28997MH1995PLC085294

**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No: 101248W/W-100022

**Tribhuvanprasad Kabra**  
Chairman  
DIN : 00091375

**Shreegopal Kabra**  
Managing Director  
DIN : 00140598

**Rupen Shah**  
Partner  
Membership No. 116240

**Rajeev Pandiya**  
Chief Financial Officer  
Membership No. 089631

**Himanshu Parmar**  
Company Secretary  
Membership No.FCS 10118

Place : Ahmedabad  
Date : September 2, 2021

Place : Mumbai  
Date : September 2, 2021

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

	Particulars	2020-21	2019-20
<b>(A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
	<b>Profit Before Tax</b>	<b>18,033.39</b>	15,775.31
	<b>Adjustments for:</b>		
	Depreciation & amortization	<b>4,475.09</b>	3,880.38
	Grant related to property, plant & equipment	<b>(0.44)</b>	(92.38)
	Finance costs	<b>2,705.63</b>	3,524.64
	Interest income	<b>(328.86)</b>	(297.51)
	Dividend income	<b>(7.05)</b>	(398.28)
	Fair value gain on investment on mutual fund	<b>(400.15)</b>	(477.87)
	Allowances for doubtful debts & Bad Debts	<b>529.05</b>	1,256.27
	Warranty expenses	<b>216.84</b>	-
	Unrealised foreign exchange loss	<b>230.55</b>	409.62
	Gain on Sale of Property, Plant & Equipment	<b>(8.72)</b>	(25.94)
	<b>Operating profit before working capital changes</b>	<b>25,445.33</b>	23,554.24
	<b>Adjustments for:</b>		
	(Increase)/Decrease in Trade receivables	<b>(1,146.97)</b>	1,994.83
	Decrease in Financial assets	<b>100.15</b>	364.78
	(Increase)/Decrease in Other assets	<b>(4,243.38)</b>	1,801.07
	Increase in Inventories	<b>(15,884.53)</b>	(2,250.07)
	Decrease in Trade payables	<b>(6,676.03)</b>	(1,272.40)
	Increase in Financial liabilities	<b>(74.70)</b>	(77.07)
	(Decrease)/Increase in Other liabilities & provision	<b>(440.57)</b>	359.92
	<b>Cash generation from operations</b>	<b>(2,920.69)</b>	24,475.30
	Income Taxes paid (net of refund)	<b>(4,185.20)</b>	(3,346.27)
	<b>Net cash (used in)/generated from operating activities (A)</b>	<b>(7,105.89)</b>	21,129.03
<b>(B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchases of property, plant & equipment including changes in capital advance & capital creditors	<b>(4,741.84)</b>	(8,710.47)
	Proceeds from sale of property, plant & equipment	<b>96.40</b>	95.31
	Refund of Share application money - Joint Venture	<b>8.20</b>	-
	Investment in fixed deposits with banks	<b>3,986.67</b>	(1,411.05)
	Investment in Mutual Fund (net of redeemed)	<b>(319.99)</b>	(2,880.66)
	Dividend received on mutual fund investment	<b>-</b>	380.65
	Dividend received on quoted investment	<b>7.05</b>	17.63
	Interest received	<b>375.70</b>	280.68
	<b>Net cash (used in) Investing activities (B)</b>	<b>(587.80)</b>	(12,227.91)

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Particulars		2020-21	2019-20
<b>(C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from non current borrowing	3,500.00	6,043.62
	Repayment of non current borrowing	(1,513.22)	(1,429.10)
	Proceeds from/(Repayment of) short term borrowing (net)	8,630.70	(5,130.54)
	Finance costs paid	(2,874.58)	(3,404.76)
	Repayment of lease obligations	(330.42)	(189.96)
	Dividend paid (inclusive of dividend tax)	-	(4,246.83)
	<b>Net cash generated from/(used in) financing activities (C)</b>	<b>7,412.48</b>	<b>(8,357.57)</b>
<b>(D)</b>	<b>Net increase/(decrease) in cash and equivalents ( A+B+C )</b>	<b>(281.22)</b>	<b>543.56</b>
	<b>Add : Cash and cash equivalents as at the beginning of the year</b>	<b>1,120.79</b>	<b>577.23</b>
	<b>Cash and cash equivalents as at the end of the year (Note 10)</b>	<b>839.57</b>	<b>1,120.79</b>

Note :

- 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.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	5.07	8.06
Balance with banks	834.50	1,111.73
Term deposits	-	1.00
Cash and cash equivalents in Cash Flow Statement	839.57	1,120.79

- c) Reconciliation of liabilities arising from financing activities

(₹ in Lakhs)

Particulars	As at March 31, 2020	Cash Flow	Non Cash Changes			As at March 31, 2021
			Fair value changes	Forex difference	Current / Non - current classification	
Borrowings- Non Current	6,828.16	3,456.75	-	-	(3,156.76)	7,128.15
Borrowing Non Current (current maturities)	1,469.95	(1,469.96)	-	-	3,156.76	3,156.75
Borrowings- Current	28,859.35	10,639.15	-	-	-	39,498.50
Borrowings- Current- Buyer credit	2,052.49	(2,052.49)	-	-	-	-

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Particulars	As at March 31, 2019	Cash Flow	Non Cash Changes			As at March 31, 2020
			Fair value changes	Forex difference	Current / Non - current classification	
Borrowings- Non Current	2,252.49	6,045.62	-	-	(1,469.95)	6,828.16
Borrowing Non Current (current maturities)	1,431.09	(1,431.09)	-	-	1,469.95	1,469.95
Borrowings- Current	33,559.30	(4,677.90)	-	-	-	28,881.40
Borrowings- Current- Buyer credit	2,425.11	(452.63)	80.01	-	-	2,052.49

As per our Report of even date

For and on behalf of the Board of Directors of  
**R R Kabel Limited**

CIN: U28997MH1995PLC085294

**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No: 101248W/W-100022

**Tribhuvanprasad Kabra**  
Chairman  
DIN : 00091375

**Shreegopal Kabra**  
Managing Director  
DIN : 00140598

**Rupen Shah**  
Partner  
Membership No. 116240

**Rajeev Pandiya**  
Chief Financial Officer  
Membership No. 089631

**Himanshu Parmar**  
Company Secretary  
Membership No.FCS 10118

Place : Ahmedabad  
Date : September 2, 2021

Place : Mumbai  
Date : September 2, 2021



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2021**

	Equity Shares		Compulsory Convertible Preference Shares	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
<b>(A) SHARE CAPITAL</b>				
Opening balance as at April 1, 2019	23,395,276	2,339.53	3,702,572	40,000.00
Changes in share capital	-	-	-	-
Closing balance as at March 31, 2020	23,395,276	2,339.53	3,702,572	40,000.00
Share issued pursuant to scheme of amalgamation (refer note 50)	528,798	52.88	140,568	1,518.60
<b>Closing balance as at March 31, 2021</b>	<b>23,924,074</b>	<b>2,392.41</b>	<b>3,843,140</b>	<b>41,518.60</b>

	Capital Redemption Reserve (refer note a)	Capital Reserve (refer note b)	Retained Earnings	Equity Instruments through OCI (refer note c)	Share Suspense Account (refer note d)	Total
<b>(B) OTHER EQUITY</b>						
<b>Opening balance as at April 1, 2019</b>	<b>75.07</b>	<b>1,250.52</b>	<b>37,004.85</b>	<b>911.23</b>	<b>1,571.48</b>	<b>40,813.15</b>
Additions during the year	-	-	12,247.64	-	-	12,247.64
Profit for the year	-	-	(89.20)	(674.18)	-	(763.38)
Other comprehensive income/(loss)	-	-	<b>12,158.44</b>	<b>(674.18)</b>	-	<b>11,484.26</b>
<b>Reductions during the year</b>						
Dividends	-	-	(1,490.38)	-	-	(1,490.38)
Tax on dividend distribution	-	-	(306.35)	-	-	(306.35)
Interim dividends	-	-	(2,032.34)	-	-	(2,032.34)
Tax on dividend distribution	-	-	(417.75)	-	-	(417.75)
	-	-	<b>(4,246.82)</b>	-	-	<b>(4,246.82)</b>
<b>Closing balance as at March 31, 2020</b>	<b>75.07</b>	<b>1,250.52</b>	<b>44,916.47</b>	<b>237.05</b>	<b>1,571.48</b>	<b>48,050.59</b>
Additions during the year	-	-	13,429.80	-	-	13,429.80
Profit for the year	-	-	30.23	735.63	-	765.86
Other comprehensive income/(loss)	-	-	<b>13,460.03</b>	<b>735.63</b>	-	<b>14,195.66</b>
<b>Reductions during the year</b>						
Share issued pursuant to scheme of amalgamation (refer note 50)	-	-	-	-	(1,571.48)	(1,571.48)
	-	-	-	-	(1,571.48)	(1,571.48)
<b>Closing balance as at March 31, 2021</b>	<b>75.07</b>	<b>1,250.52</b>	<b>58,376.50</b>	<b>972.68</b>	<b>(1,571.48)</b>	<b>60,674.77</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2021

### Note :

#### (a) Capital Redemption Reserve

Capital redemption reserve of ₹ 75.07 Lakhs was created to the extent of share capital extinguished.

#### (b) Capital Reserve

Capital reserve of ₹ 1,250.52 Lakhs was created pursuant to scheme of amalgamation

#### (c) 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.

#### (d) Share Suspense account

Share Suspense account includes ₹ 52.88 Lakhs towards equity shares suspense account and ₹ 1,518.60 Lakhs towards compulsory convertible preference share suspense account created pursuant to scheme of amalgamation. During the year the Company has issued 5,28,798 fully paid up equity shares of ₹ 10 each and 1,40,568 Compulsory Convertible Preference Shares (CCPS) of ₹ 1,080.33 each pursuant to scheme of amalgamation (refer Note 50).

As per our Report of even date

For and on behalf of the Board of Directors of  
**R R Kabel Limited**

CIN: U28997MH1995PLC085294

**For B S R & Co. LLP**  
*Chartered Accountants*  
Firm Registration No: 101248W/W-100022

**Tribhuvanprasad Kabra**  
Chairman  
DIN : 00091375

**Shreegopal Kabra**  
Managing Director  
DIN : 00140598

**Rupen Shah**  
*Partner*  
Membership No. 116240

**Rajeev Pandiya**  
*Chief Financial Officer*  
Membership No. 089631

**Himanshu Parmar**  
*Company Secretary*  
Membership No.FCS 10118

Place : Ahmedabad  
Date : September 2, 2021

Place : Mumbai  
Date : September 2, 2021

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## STANDALONE CORPORATE INFORMATION

R R KABEL LIMITED ("the Company") is a Public Company is mainly into the manufacturing of PVC insulated wires and cables, power cables and special cables. The Company has four manufacturing sites in India. The first unit is situated in the UT of Dadra and Nagar Haveli, second unit is situated at Waghodia in the State of Gujarat, third unit of consumer electrical division at Roorkee in the State of Uttarakhand and fourth unit of lighting business at Bengaluru in the State of Karnataka. The company has strategically located its sales offices and depots PAN India.

The Scheme of Amalgamation of Ram Ratna Electricals Limited with R R Kabel Limited, was approved by the National Company Law Tribunal, Mumbai Bench vide their orders dated August 19, 2020. The Company had carried out the accounting prescribed in the Scheme and made the required disclosure for Amalgamations in the nature of merger, as required under Appendix C of Ind AS 103 Business Combinations, for Business Combinations of entities under "Common Control". RREL is engaged in the business of manufacturing, trading and otherwise dealing in consumer electrical, such as fans and lights, and consumer appliances such as water heaters, heat convectors, electric irons and switches and similar products.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### (A) BASIS OF PREPARATION OF STANDALONE FINANCIAL STATEMENTS

#### (i) Statement of compliance

The Company prepared its Standalone Financial Statements to comply with the accounting standards specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. These Standalone financial statements includes Balance Sheet as at 31 March 2021, the Statement of Profit and Loss including Other Comprehensive Income, Cash flows Statement and Statement of changes in equity for the year ended 31 March 2021, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements").

#### (ii) Basis of Measurement:

The standalone financial statements for the year ended 31 March 2021 have been prepared on an accrual basis and a historical cost convention except for the following financial assets and liabilities which have been measured at fair value at the end of each reporting period:

- (a) Derivative financial instruments
- (b) Certain financial assets and liabilities (Refer note 37 for accounting policy regarding financial instruments)
- (c) Net defined benefit plan

Historical cost is generally based on the 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.

Accounting policies and methods of computation followed in the standalone financial statements are same as compared with the annual standalone financial statements for the year ended 31 March 2020.

#### Current/ Non- Current Classification

Any asset or 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

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.

### (iii) Functional and Presentation Currency

Items included in the standalone 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 (₹).

## (B) USE OF ESTIMATES AND JUDGEMENTS

In the course of applying the policies outlined in all notes, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The Company uses the following critical accounting estimates in preparation of its standalone financial statements:

### (i) Useful lives of property, plant & equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in current and future periods.

### (ii) Impairment of investment in joint-venture

Determining whether the investment in joint venture is impaired requires an estimate in the value in use of investments. The Company reviews its carrying value of investment carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss. In considering the value in use, the Board of Directors have anticipated the future market conditions and other parameters that affect the operations of these entities.

### (iii) Provision

The Company estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

### (iv) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

### (v) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments (Refer note 37 for accounting policy on Fair value measurement of financial instruments).

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### (vi) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

### (vii) Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Group to use assumptions. These assumptions have been explained under employee benefits note.

### (viii) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods 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 an option to extend a lease, or not to exercise an option to terminate a lease, it considers 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 revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

## (C) OTHER SIGNIFICANT ACCOUNTING POLICIES

### (i) Revenue

Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Company considers below, if any:

**Variable Consideration:** This includes trade discounts, rebates and returns. It 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:** Such Amounts are 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.

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

### (ii) 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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

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.

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 standalone financial statements upon sale or retirement of the property, plant & equipment and the resultant gains or losses are recognised in the statement of profit and loss. Property, Plant & Equipment to be disposed of is reported at the lower of the carrying value or the fair value less cost of sale.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016 measured as per Previous GAAP as the deemed cost of the property, plant and equipment.

Exchange differences arising on translation of long-term foreign currency monetary items recognised in the Previous GAAP standalone financial statements in respect of which the Company has elected to recognise such exchange differences as a part of cost of assets 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.

### **(iii) 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.

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.

### **(iv) Depreciation on Property, Plant & Equipment and Amortisation of intangible Assets**

Depreciation on property, plant and equipment is provided 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

The estimated useful lives and residual values 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	30	Office & Other Equipments	5 to 10
Workers Quarters	60	Vehicles	8 to 10
Plant & Equipments	15	Computer / Laptop / Computer hardware	3
Furniture & Fixtures	10	Computer Servers	6
Electrical Installations	10	Computer Software	5

### (v) 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.

### (vi) Leases

#### The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), variable lease and low value leases. For these short-term, variable lease and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying value may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. 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 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, rental income is recognized on a straight-line basis over the term of the relevant lease.

### **Transition**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying value as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the Company's Annual Report for year ended 31 March 2019.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 417.04 lakhs and lease liability of ₹ 429.81 lakhs. The cumulative effect of applying the standard resulted in ₹ 9.56 lakhs being debited to retained earnings (net of deferred tax assets created of ₹ 3.21 lakhs). The effect of this adoption is insignificant on the profit for the period and earnings per share.

The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

### **Others**

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application, variable lease and low value asset.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- The effective interest rate for lease liabilities is 9.22% p.a, with maturity between 2021-2030.

### **(vii) Investments**

Investment in joint venture is 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 joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit & loss.

Investments in mutual funds are primarily held for the Company's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

Refer financial instruments accounting policy ix for methods of valuation.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### (viii) 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 comprises the cost of purchases, the cost of conversion and the cost of packing materials in case of Finished Goods.

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 on factory buildings and plant & machineries, power & fuel, factory management and administration expenses, repairs & maintenance and consumable stores & 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.

### (ix) 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, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to / deducted from the fair value on initial recognition.

#### 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 carried at amortised cost

A financial asset is are subsequently measured at amortised cost 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, using the Effective Interest Rate (EIR) method less impairment, if any, 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 it is held within a business model whose objective is to hold these assets in order to collect contractual cash flows or 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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

The Company in respect of equity instruments (other than equity instruments of 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 & 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 and fair value through other comprehensive income. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. 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 expires
- 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 retains 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 Instruments**

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 Liabilities**

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.

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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### **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 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 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 standalone 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 & as financial liabilities when fair value is negative.

### **e) Offsetting Financial Instruments**

Financial assets and liabilities are off-set 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.

### **(x) 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 standalone 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 standalone 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.

### **(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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

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.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events 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 standalone financial statements.

### (xii) 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 & 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 is included in the balance sheet as deferred income.

### (xiii) 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

The Company's net obligation in respect of an approved gratuity plan, which is defined benefit plan, is calculated using the projected unit credit method and the same is carried out by qualified actuary. The current service cost and interest on the net defined benefit liability / (asset) is recognized in the statement of profit and loss. Past service cost is immediately recognized in the statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognized in other comprehensive income in the period in which they arise.

##### ii) Defined contribution plan

A Defined Contribution Plan is plan under which the Company makes contribution to Employee's Provident Fund and Employees State Insurance Contribution Fund administrated by the Central Government. The Company's contribution is charged to the Statement of Profit & Loss.

#### c) Other Long-Term Employee Benefits – Compensated absence and earned leave

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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### (xiv) 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, if any. All other borrowing costs are expensed in the period in which they occur.

### (xv) 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 & 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 under the Income Tax Act, 1961 ("the IT Act").

The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted by the end of reporting period.

#### Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases 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.

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 all 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 that have been enacted by the end of the reporting period. 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 this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### (xvi) 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 and accordingly information of two reportable segments (Wires & Cables and Consumer Electricals) have been disclosed.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### **(xvii) Employee Share Based Payment**

Equity- settled share- based payments to employees are measured at the fair value of the employee stock options at the grant. The fair value determined at the grant date of the equity- settled share - based payments is amortised over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Standalone Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share Option Outstanding.

The Company measures the cost of equity- settled transactions with employees using Black- Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share- based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share- based payment transactions are disclosed in Note 49.

### **(xviii) Statement of Cash Flow**

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effect 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.

### **(xix) 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 standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### **(xx) Earnings per Share**

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 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.

### **(xxi) Research and Development**

Research and Development expenditure of a revenue nature is expensed out under the respective heads of account in the year in which it is incurred.

Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Property, plant & equipment and Intangible Assets.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### (xxii) Other Income

Interest income from a financial asset is recognized 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 basis, by reference to the principal outstanding and at 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.

Export entitlements are recognized as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Dividend income is recognized when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

### (xxiii) Recent pronouncements

On 24<sup>th</sup> March, 2021 the Ministry of Corporate Affairs (MCA) through a notification, amended Division I, II and III of Schedule III of the Companies Act 2013 and are applicable from 1st April 2021. The amendments primarily relate to:

- a) Change in existing presentation requirements of certain items in Balance Sheet, for e.g., lease liabilities, security deposits, current maturities of long-term borrowings, effect of prior period errors on equity share capital.
- b) Additional disclosure requirements in specified formats, for e.g. ageing of trade receivables, trade payables, capital work-in-progress, intangible assets under development, shareholding of promoters etc.
- c) Disclosure if fund have used other than for the specific purpose of which ist was borrowed from banks and financial institutions.
- d) Additional regulatory information, for e.g. compliance with layers of companies, title deeds of immovable properties, financial ratios, loan and advances to key managerial personnel etc.
- e) Disclosure related to Corporate Social Responsible (CSR), undisclosed income and crypto or virtual currency.

The amendments are extensive and the company is evaluating the same.



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

Note : 2

A) PROPERTY, PLANT & EQUIPMENT  
TANGIBLE ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	For the year 2020-21	Deductions	As at March 31, 2021
Land - Free Hold	3,888.75	-	-	3,888.75	-	-	-	3,888.75
Buildings	1,514.01	-	-	1,514.01	75.24	24.05	-	1,414.72
Factory Buildings	11,122.05	1,163.01	-	12,285.06	1,312.61	473.25	-	10,499.20
Worker's Quarters	526.79	-	-	526.79	37.22	9.30	-	480.27
Plant & Machinery	26,889.62	3,055.28	103.23	29,841.67	7,898.51	2,857.90	67.63	19,152.89
Electric Installations	1,847.40	42.56	-	1,889.96	435.04	206.84	-	1,248.08
Furniture & Fixtures	853.66	48.57	-	902.23	251.79	97.31	-	553.13
Office & Other Equipments	794.42	102.71	0.54	896.59	414.27	135.57	0.37	347.12
Vehicles	1,538.16	336.61	141.01	1,733.76	622.95	185.30	89.11	1,014.62
<b>Total</b>	<b>48,974.86</b>	<b>4,748.74</b>	<b>244.78</b>	<b>53,478.82</b>	<b>11,047.63</b>	<b>3,989.52</b>	<b>157.11</b>	<b>38,598.78</b>
<b>B) Capital Work - in - Progress</b>	<b>1,537.21</b>	<b>1,293.86</b>	<b>2,162.89</b>	<b>668.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>668.18</b>

TANGIBLE ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	For the year 2019-20	Deductions	As at March 31, 2020
Land - Free Hold	3,256.58	632.17	-	3,888.75	-	-	-	3,888.75
Buildings	1,514.01	-	-	1,514.01	51.12	24.12	-	1,438.77
Factory Buildings	9,079.65	2,042.40	-	11,122.05	888.55	424.06	-	9,809.44
Worker's Quarters	526.79	-	-	526.79	27.90	9.32	-	489.57
Plant & Machinery	19,273.51	7,726.90	110.79	26,889.62	5,369.72	2,605.75	76.96	18,991.11
Electric Installations	1,079.54	769.29	1.43	1,847.40	281.27	153.77	-	1,412.36
Furniture & Fixtures	680.20	174.21	0.75	853.66	171.15	80.75	0.11	601.87
Office & Other Equipments	606.24	189.84	1.66	794.42	280.59	134.50	0.82	380.15
Vehicles	1,459.48	154.40	75.72	1,538.16	474.11	191.91	43.07	915.21
<b>Total</b>	<b>37,476.00</b>	<b>11,689.21</b>	<b>190.35</b>	<b>48,974.86</b>	<b>7,544.41</b>	<b>3,624.18</b>	<b>120.96</b>	<b>37,927.23</b>
<b>B) Capital Work - in - Progress</b>	<b>4,261.98</b>	<b>2,953.45</b>	<b>5,678.22</b>	<b>1,537.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,537.21</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)**

- 2.1 : Additions to Property, Plant & Equipment includes Items aggregating to ₹ 41.87 Lakhs (P.Y. ₹ 22.78 Lakhs) pertaining to Research and Development activities of the Company.
- 2.2 : The Title deeds of properties aggregating to carrying amount of ₹ 681.05 Lakhs (P.Y. ₹ 684.26 Lakhs) are under process of registration in the company's name.
- 2.3 : The details of property, plant & equipment pledged against borrowings are presented in Note 13.3, 13.4, 13.5.
- 2.4 : The amount of contractual commitments for the acquisition of property, plant & equipment is disclosed in Note 28 B (i)
- 2.5 : Addition during the FY 19-20 includes addition of plant & machineries ₹ 214.19 Lakhs, offices & other equipments ₹ 17.74 Lakhs and furnitures & fixtures ₹ 39.86 Lakhs through business combination (Refer note 50).

**C) INTANGIBLE ASSETS**

Particulars	Gross Block			Accumulated Amortisation			Net Block As at March 31, 2021
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	For the year 2020-21	
Software	387.34	-	-	387.34	208.97	74.89	283.86
Brand of Arraystrom	530.00	-	-	530.00	-	105.94	105.94
<b>Total</b>	<b>917.34</b>	<b>-</b>	<b>-</b>	<b>917.34</b>	<b>208.97</b>	<b>180.83</b>	<b>389.80</b>
ii) Under development	-	48.50	-	48.50	-	-	-
							48.50

Particulars	Gross Block			Accumulated Amortisation			Net Block As at March 31, 2020
	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	For the year 2019-20	
Software	358.82	28.52	-	387.34	133.47	75.50	208.97
Brand of Arraystrom	-	530.00	-	530.00	-	-	-
<b>Total</b>	<b>358.82</b>	<b>558.52</b>	<b>-</b>	<b>917.34</b>	<b>133.47</b>	<b>75.50</b>	<b>208.97</b>

**D) RIGHT OF USE ASSETS**

Particulars	Gross Block			Accumulated Amortisation			Net Block As at March 31, 2020
	As at April 1, 2020	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	For the year 2019-20	
Right of use Asset (Refer note 40)	597.73	702.51	-	1,300.24	180.69	304.74	485.43
<b>Total</b>	<b>597.73</b>	<b>702.51</b>	<b>-</b>	<b>1,300.24</b>	<b>180.69</b>	<b>304.74</b>	<b>485.43</b>

Particulars	Gross Block			Accumulated Amortisation			Net Block As at March 31, 2020
	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	For the year 2019-20	
Right of use Asset (Refer note 40)	-	597.73	-	597.73	-	180.69	180.69
<b>Total</b>	<b>-</b>	<b>597.73</b>	<b>-</b>	<b>597.73</b>	<b>-</b>	<b>180.69</b>	<b>180.69</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Note 3A: INVESTMENTS	Nos.	Face Value	Non-Current	
			As at March 31, 2021	As at March 31, 2020
Investments in equity instruments				
i) Quoted equity shares (fully paid up)				
Other entity (measured at fair value and designated as fair value through other comprehensive income)				
Ram Ratna Wires Limited	1,410,768 (P.Y.14,10,768)	₹ 5	1,130.03	629.20
Comfort Intech Limited	2,500 (P.Y.2,500)	₹ 10	0.18	0.06
ii) Unquoted equity shares (fully paid up)				
a) Joint venture (measured at cost, Note 1 (c) (vii))				
RR-Imperial Electricals Limited - Bangladesh (35%)	22,190,854 (P.Y. 2,21,90,854)	Taka 10	1,637.31	1,637.31
b) Other entity (measured at fair value and designated as fair value through other comprehensive income)				
MEW Electricals Limited	50,000 (P.Y.50,000)	₹ 100	1,215.64	911.09
			3,983.16	3,177.66
Aggregate market value of quoted investments			1,130.21	629.26
Aggregate amount of unquoted investments at cost			1,637.31	1,637.31
Aggregate of unquoted investments at fair value			1,215.64	911.09

(₹ in Lakhs)

Note 3B: INVESTMENTS	Current	
	As at March 31, 2021	As at March 31, 2020
Investments in mutual fund instruments* (Fair Value through Profit & Loss)		
i) UTI Liquid Cash Fund Regular Plan - Growth	2,175.97	10,788.33
ii) Axis Treasury Advantage Fund- Regular Growth	4,072.49	-
iii) HDFC Ultra Short Term Fund- Regular Growth	3,558.38	-
iv) IDFC Low Duration Fund-Growth Regular Plan	3,547.94	-
v) UTI Treasury Advantage Fund Regular Growth Plan	4,070.29	-
vi) Axis Liquid Fund Growth	2,176.94	8,093.54
Aggregate amount of mutual fund investments	19,602.01	18,881.87

(₹ in Lakhs)

Note 4A: LOANS	Non-Current	
	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good :		
Security deposits (Note 4.1)	150.98	132.37
Loans to employees	9.63	25.05
	160.61	157.42

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Note 4B: LOANS	Current	
	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good :</b>		
Security deposits (Note 4.1)	99.36	74.88
Loans to employees	64.82	65.51
	<b>164.18</b>	<b>140.39</b>

(₹ in Lakhs)

Note 4.1 Security deposit includes:	As at March 31, 2021	As at March 31, 2020
Deposits given to directors, relatives of directors & firms in which director is a partner	80.50	73.00
Deposits given to a private limited company in which some of the directors are director or the member	3.68	3.68

(₹ in Lakhs)

Note 5A: OTHER FINANCIAL ASSETS	Non-Current	
	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good:</b>		
Term deposits held as margin money or security against borrowing, guarantees or other commitments	8.01	7.01
	<b>8.01</b>	<b>7.01</b>

(₹ in Lakhs)

Note 5B: OTHER FINANCIAL ASSETS	Current	
	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good:</b>		
Share application money - RR-Imperial Electricals Limited - Bangladesh (joint venture)	-	8.20
Term deposits held as margin money or security against borrowing, guarantees or other commitments	182.06	4,169.73
Interest accrued on term deposits held as margin money or security against borrowing, guarantees or other commitments	11.10	57.94
Derivative assets	46.28	166.03
Others (insurance claim and recoverable expenses)	8.63	16.01
	<b>248.07</b>	<b>4,417.91</b>

(₹ in Lakhs)

Note 6A: NON CURRENT TAX ASSETS (Net)	As at March 31, 2021	As at March 31, 2020
Income tax (net of provisions)	523.53	176.18
	<b>523.53</b>	<b>176.18</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

<b>Note 6B: CURRENT TAX ASSETS (Net)</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Income tax (net of provisions)	-	974.43
	-	974.43

(₹ in Lakhs)

<b>Note 7A: OTHER ASSETS</b>	<b>Non-Current</b>	
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Unsecured, considered good:</b>		
Capital advances	1,036.19	935.22
<b>Balances with government authorities :</b>		
- Value added tax	165.97	178.89
- Service tax and excise duty paid under protest	58.78	36.52
Prepaid expenses	13.77	11.24
Gratuity (Note 35)	158.71	-
	<b>1,433.42</b>	<b>1,161.87</b>

(₹ in Lakhs)

<b>Note 7B: OTHER ASSETS</b>	<b>Current</b>	
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Unsecured, considered good:</b>		
Balances with government authorities:		
- Excise duty	102.98	42.02
- Value added tax	-	136.67
- Goods and services tax	2,942.56	1,382.56
- Export incentives & duty scripts	577.44	785.29
Prepaid expenses	714.39	297.98
Advances to suppliers	4,017.62	1,631.89
Advance to employees	10.06	15.85
	<b>8,365.05</b>	<b>4,292.26</b>

The Company had filed a writ petition in Honorable Gujarat High Court to ascertain eligibility of credit for taxes paid on certain expenditures incurred in the normal course of business. Based on the management's internal assessment and on the basis of legal view obtained, management expects a favorable outcome from this writ petition and accordingly does not expect any impact on the financial statements or possible / probable outflow of resources on account of this writ petition.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

<b>Note 8: INVENTORIES</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Raw materials (In transit ₹ 1,606.76 Lakhs; P.Y. ₹ 2,540.82 Lakhs)	8,041.61	7,702.07
Work-in-progress	9,882.93	9,491.83
Finished goods	31,765.11	16,069.64
Stock in trade	2,660.15	3,463.89
Others:		
Packing materials	401.98	309.61
Scrap	183.47	81.89
Consumable stores and spares	460.96	391.72
Fuel	9.27	10.30
	<b>53,405.48</b>	<b>37,520.95</b>

8.1 The cost of inventories written down during the year ₹ 519.19 Lakhs(P.Y. ₹ 580.85 Lakhs)

8.2 The inventories are hypothecated as a security as disclosed in Note 13.4, 13.5, 13.6.

(₹ in Lakhs)

<b>Note 9: TRADE RECEIVABLES</b>	<b>Current</b>	
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Secured, considered good	2,532.44	8,055.14
Unsecured, considered good	40,234.95	36,223.52
Unsecured, Significant increase in credit risk	2,653.03	469.85
Unsecured, credit impaired	216.79	219.30
	<b>45,637.21</b>	<b>44,967.81</b>
Less: allowance for credit impaired	216.79	219.30
Less: allowance on expected credit loss	3,384.19	2,852.63
	<b>42,036.23</b>	<b>41,895.88</b>

The Company's exposure to credit risk, currency risk and market risk related to trade receivables are disclosed in note 37 (C).

Note : Trade receivables includes debts due from group companies ₹ 2,947.41 Lakhs (P.Y. ₹ 2,254.48 Lakhs)

(₹ in Lakhs)

<b>Note 9.1 Dues from directors or firms or private companies</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Due from private companies in which director is director or member	12.63	13.57
Due from firm in which director is partner	1,747.78	689.80

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)**

(₹ in Lakhs)

<b>Note 10: CASH AND BANK BALANCES</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>(A) Cash and cash equivalents</b>		
Balances with banks	<b>834.50</b>	1,111.73
Cash on hand	<b>5.07</b>	8.06
Term deposits (with original maturity of 3 months or less)	-	1.00
<b>(B) Balance other than Cash and cash equivalents</b>		
Earmarked balance with Bank for unclaimed dividend	<b>6.99</b>	6.99
	<b>846.56</b>	1,127.78

(₹ in Lakhs)

<b>Note 11A: EQUITY SHARE CAPITAL</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Authorised Capital</b>		
57,000,000 (P.Y. 27,000,000) Equity Shares of ₹ 10 each	<b>5,700.00</b>	2,700.00
<b>Issued, Subscribed and Paid Up Capital</b>		
2,39,24,074 (P.Y. 2,33,95,276) Equity shares of ₹ 10 each fully paid up	<b>2,392.41</b>	2,339.53
	<b>2,392.41</b>	2,339.53

(₹ in Lakhs)

<b>NOTE 11B: INSTRUMENT ENTIRELY EQUITY IN NATURE</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Authorised Capital</b>		
3,843,140 (P.Y. 3,702,572) Compulsory Convertible Preference Shares of ₹ 1,080.33 each	<b>41,518.59</b>	40,000.00
<b>Issued, Subscribed and Paid Up Capital</b>		
3,843,140 (P.Y. 3,702,572) Compulsory Convertible Preference Share of ₹ 1,080.33 each fully paid up	<b>41,518.59</b>	40,000.00
	<b>41,518.59</b>	40,000.00

<b>11.1 Reconciliation of Equity Shares outstanding at the beginning &amp; at the end of the year</b>	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
	<b>No. of shares</b>	<b>(₹ in Lakhs)</b>	<b>No. of shares</b>	<b>(₹ in Lakhs)</b>
<b>Fully Paid up Equity Shares</b>				
As at the beginning of the year	<b>23,395,276</b>	<b>2,339.53</b>	23,395,276	2,339.53
Add:- Issued during the year (note 11.10)	<b>528,798</b>	<b>52.88</b>	-	-
As at the end of the year	<b>23,924,074</b>	<b>2,392.41</b>	23,395,276	2,339.53

<b>11.2 Reconciliation of Compulsory Convertible Preference Share outstanding at the beginning &amp; at the end of the year</b>	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
	<b>No. of shares</b>	<b>(₹ in Lakhs)</b>	<b>No. of shares</b>	<b>(₹ in Lakhs)</b>
<b>Fully Paid up Preference Shares</b>				
As at the beginning of the year	<b>3,702,572</b>	<b>40,000.00</b>	3,702,572	40,000.00
Add:- Issued during the year (note 11.10)	<b>140,568</b>	<b>1,518.60</b>	-	-
As at the end of the year	<b>3,843,140</b>	<b>41,518.60</b>	3,702,572	40,000.00

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

11.3 Details of shareholders holding more than 5% Equity Shares *	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
Smt. Uma Devi Kabra	3,275,468	13.69%	3,259,250	13.93%
Shri Mahendrakumar Kabra	2,429,278	10.15%	2,326,162	9.94%
Rameshwarlal Kabra (Karta of Rameshwarlal Kabra HUF)	2,267,728	9.48%	2,267,728	9.69%
TPG Asia VII SF Pte Limited	1,990,128	8.32%	1,990,128	8.51%
Shri Hemant Kabra	1,699,859	7.11%	1,575,248	6.73%
Smt. Kirtidevi Kabra	1,248,166	5.22%	1,248,166	5.34%
Ram Ratna Research and Holdings Private Limited	1,269,616	5.31%	1,182,500	5.05%

11.4 Details of shareholders holding more than 5% Compulsory Convertible Preference Share *	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
TPG Asia VII SF Pte Limited	3,843,140	100.00%	3,702,572	100.00%

\* As per the records of the company, including its register of members

### 11.5 Terms/ rights attached to Equity shares:

The Company has only one class of equity shares having face value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the Shareholders in the ensuring Annual General Meeting, except in the 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.

### 11.6 Terms/ rights attached to Preference shares:

The Company has only one class of Compulsory Convertible Preference shares (CCPS) having nominal value of ₹ 1,080.33/- per share. These CCPS shall rank pari-passu in all respects (including with respect to dividend and voting rights) with the then-existing Equity Shares of the Company. Post conversion to equity, these CCPS shall have the same right as of the equity shareholders.

11.7 The Board of Directors of the Company, at its meeting held on September 06, 2018 had approved a proposal to buy back of upto 7,50,724 equity shares for an aggregate amount of ₹ 8,110.30 Lakhs (excluding tax on distributed income) being 3.11% of the total paid up equity share capital at ₹ 1,080.33 per equity share, which was approved by the shareholders by means of a special resolution in Extra Ordinary General Meeting held on September 11, 2018. A Letter of Offer was made to all eligible shareholders. The Company bought back 7,50,724 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares bought on October 31, 2018. The excess of cost of buy-back of ₹ 9,971.47 Lakhs (including ₹ 1,861.17 Lakhs towards tax on distributed income) over par value of shares was offset from Securities Premium ₹ 1,300.81 Lakhs, General Reserve ₹ 3,000 Lakhs and retained earnings ₹ 5,595.58 Lakhs. The company has transferred an amount equivalent to face value of ₹ 75.07 Lakhs from retained earnings to Capital Redemption Reserve in accordance with Act.

11.8 No Shares have been allotted by way of Bonus during period of five years immediately preceding Balance Sheet date .

11.9 The Board of Directors of the Company, at its meeting held on September 06, 2018 had approved the proposal to issue 37,02,572 Compulsory Convertible Preference Shares (CCPS) to TPG Asia VII SF Pte Ltd (the Investor). These CCPS are issued pursuant to Shareholder's Agreement and Securities Subscription and Share Purchase Agreement among the Company, the Promoters and the Investor. These CCPS shall be convertible into Equity Shares on the specified conversion dates at a specified conversion ratio in accordance with and upon the terms and conditions as set out in the Securities Subscription and Share Purchase Agreement.

11.10 The Company has issued 5,28,798 fully paid up equity shares of ₹ 10 each and 1,40,568 Compulsory Convertible Preference Shares (CCPS) of ₹ 1080.33 to the shares holders of Ram Ratna Electrical Private Limited pursuant to scheme of amalgamation (refer note 50).

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)**

(₹ in Lakhs)

<b>Note 12: OTHER EQUITY</b>		<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>a) Capital Redemption Reserve</b>			
	Balance at the beginning of year	75.07	75.07
	Changes during year	-	-
	Balance at end of the year	75.07	75.07
<b>b) Capital Reserve</b>			
	Balance at the beginning of year	1,250.52	1,250.52
	Changes during year	-	-
	Balance at end of the year	1,250.52	1,250.52
<b>c) Retained Earnings</b>			
	Balance at the beginning of year	44,916.47	37,004.85
	Profit for the year	13,429.80	12,247.64
	Final dividend on equity shares and CCPS (refer Note 31)	-	(1,490.38)
	Interim dividend on equity shares and CCPS (refer Note 31)	-	(2,032.34)
	Tax on dividend	-	(724.10)
	Re-measurement of post employment benefits obligation	30.23	(89.20)
	Balance at end of the year	58,376.50	44,916.47
<b>d) Other Comprehensive Income</b>			
	Fair value gain on investment in equity instruments through other comprehensive income		
	Balance at the beginning of year	237.05	911.23
	Increase /(Reduction) on account of change in fair value of investments	735.63	(674.18)
	Balance at end of the year	972.68	237.05
<b>e) Share suspense account</b>			
	Balance at the beginning of year	1,571.48	1,571.48
	Shares issued pursuant to scheme of amalgamation(refer note 50)	(1,571.48)	-
	Balance at end of the year	-	1,571.48
		<b>60,674.77</b>	<b>48,050.59</b>

(₹ in Lakhs)

<b>Note 13A: BORROWINGS</b>	<b>Non-Current</b>		
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
<b>Secured</b>			
<b>Term Loans from Bank</b>			
	Rupee Loans (Refer Note 13.3)	4,875.00	3,036.71
<b>Term loan from financial institution</b>			
	Rupee loans (Refer Note 13.1 & 13.3)	2,241.75	3,741.74
	Vehicle loans (Refer note 13.2 & 13.4)	11.39	49.70
		<b>7,128.14</b>	<b>6,828.15</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)**

(₹ in Lakhs)

Note 13B: BORROWINGS	Current	
	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
<b>Working capital loans</b>		
<b>From banks</b>		
Foreign currency loans (Refer Note 13.5)	-	2,000.00
Rupee loans		
Short term (Refer Note 13.5)	34,421.44	17,269.31
Repayable on demand (Refer Note 13.5)	1,771.58	406.20
<b>Unsecured</b>		
<b>Working capital loans</b>		
<b>From banks</b>		
Foreign currency loans (Refer Note 13.5)	-	52.49
Rupee loans - short term (Refer Note 13.5)	3,305.47	6,003.19
Loans from directors (Refer Note 13.7)	-	4,701.47
Inter corporate loans (Refer Note 13.7)	-	479.17
	<b>39,498.49</b>	<b>30,911.83</b>

**Notes to 13A & 13B**

(₹ in Lakhs)

Note 13.1 : Term Loans (Rupee Loans)	Number of Quarterly Installments	Rate of Interest for year ended 31 March 2020 & 31 March 2021	As at March 31, 2021	As at March 31, 2020
Term Loan I-CITICorp Financial Institution	16	8.15%	870.62	1,368.12
Term Loan II-CITICorp Financial Institution	16	8.15%	451.50	709.50
Term Loan III-CITICorp Financial Institution	16	8.95%	2,419.63	2,978.00
Term Loan IV-HDFC Bank	12	11.97%	-	107.96
Term Loan V-HDFC Bank	16	8.15%	3,000.00	3,000.00
Term Loan VI-HDFC Bank	16	7.30%	3,500.00	-
			<b>10,241.75</b>	<b>8,163.58</b>
Less : Current maturities of long term borrowing under "Other Financial Liabilities" (Note 15)			<b>3,125.00</b>	<b>1,385.13</b>
			<b>7,116.75</b>	<b>6,778.45</b>

(₹ in Lakhs)

Note 13.2 : Vehicle Loans	Number of Monthly Installments	Rate of Interest for year ended 31 March 2020 & 31 March 2021	As at March 31, 2021	As at March 31, 2020
Vehicles Loans	24-52	8.07% - 9.70%	43.15	134.54
Less : Current maturities of long term borrowing under "Other Financial Liabilities" (Note 15)			31.76	84.84
			<b>11.39</b>	<b>49.70</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### Note 13.3 :

- (a) Term Loans of Citicorp Finance India Limited Bank ₹ 3,741.75 Lakhs (P.Y. ₹ 5,055.61 Lakhs) are secured by way of first pari-passu charge with the Security Trustee over various immovable properties at Waghodia & Nawa Ajwa in the District of Vadodara, State Gujarat as per register mortgage deed.
- (b) Term loans are further secured by all the present and future movable fixed assets (excluding vehicles) of the Company .
- (c) These loans are also secured by second pari-passu charge with the Security Trustee over the present & future current assets of the Company.
- (d) Further personal guarantees for term loan given by Mr Tribhuvan Prasad Kabra, Mr Mahendra Kumar Kabra, Mr Shreegopal Kabra, Mr Mahhesh Kabra, Mr Sumeet Kabra.
- (e) Term Loan of HDFC Bank ₹ 6,500.00 Lakhs (P.Y. 3,000.00) are proposed to be secured by way of first charge with the Security Trustee over various immovable properties at Waghodia & Nawa Ajwa in the District of Vadodara, State Gujarat as per register mortgage deed. Term loans are further secured by present and future movable fixed assets (excluding vehicles) of the Company. These loans are also secured by second charge with the Security Trustee over the present & future current assets of the Company. Further personal guarantees for term loan given by Mr Tribhuvan Prasad Kabra, Mr Mahendra Kumar Kabra, Mr Shreegopal Kabra, Mr Mahhesh Kabra, Mr Sumeet Kabra.

**Note 13.4 :** Vehicle loans are secured by way of hypothecation of specific vehicle.

### Note 13.5 :

- (a) All secured working capital facilities consisting of Foreign Currency Loan of ₹ 00.00 Lakhs (P.Y. ₹ 2,000.00 Lakhs), Working Capital Loans of ₹ 34,421.44 Lakhs (P.Y. ₹ 17,269.31 Lakhs) and Rupee Loan - Repayable of demand of ₹ 1,771.58 Lakhs (P.Y. ₹ 406.20 Lakhs) are secured by way of second pari-passu charge with the Security Trustee over various immovable properties at Waghodia & Nawa Ajwa in the District of Vadodara, State Gujarat as per register mortgage deed.
- (b) These loans are further secured by second pari-passu charge over the present and future movable fixed assets (excluding vehicles) of the Company.
- (c) These loans are also secured by first pari-passu charge with the Security Trustee over the present & future current assets of the Company.
- (d) Further personal guarantees for working capital loan given by Mr Tribhuvan Prasad Kabra, Mr Mahendra Kumar Kabra, Mr Shreegopal Kabra, Mr Mahhesh Kabra, Mr Sumeet Kabra.
- (e) Working Capital demand loans carry interest rate from 7.70% to 9.10% (P.Y. 8.30% to 9.75%) with different tenure.

**Note 13.6 :** There is no default in terms of repayment of principal and interest amount.

**Note 13.7 :** Other unsecured loans carry interest rate from 9% to 10% (P.Y. 10% to 11%) with different tenure.

(₹ in Lakhs)

Note 14A: LEASE LIABILITIES	Non-Current	
	As at March 31, 2021	As at March 31, 2020
Lease liabilities (Refer Note 40)	526.36	177.12
	526.36	177.12

(₹ in Lakhs)

Note 14B: LEASE LIABILITIES	Current	
	As at March 31, 2021	As at March 31, 2020
Lease liabilities (Refer Note 40)	306.64	252.69
	306.64	252.69

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Note 15: OTHER FINANCIAL LIABILITIES	Current	
	As at March 31, 2021	As at March 31, 2020
<b>Current maturities of long term borrowings</b>		
Rupee loans (Note 13.1)	3,125.00	1,385.13
Vehicle loans (Note 13.2)	31.76	84.84
<b>Other payables :</b>		
Retention money relating to capital expenditure	166.71	297.23
Interest accrued and due on borrowings	69.84	269.72
Interest accrued but not due on borrowings	40.28	50.45
Accrued salary & benefits	692.10	719.87
Commission to directors	192.25	176.90
Derivative liabilities	39.87	305.01
Creditors for capital expenditure	199.84	871.77
Security deposits (Note 15.1)	232.77	204.63
Unclaimed dividends	6.99	6.99
Other payables (Note 15.2)	95.36	53.21
	<b>4,892.77</b>	<b>4,425.75</b>

Note 15.1: Security deposits includes deposits from customers and employees against vehicles.

15.2 Other payables includes payable against reimbursement of expenses to employees.

(₹ in Lakhs)

Note 16A: PROVISIONS	Non-Current	
	As at March 31, 2021	As at March 31, 2020
<b>Provision for employee benefits</b>		
Compensated absences (Note 35C)	604.39	570.43
Gratuity (Note 35)	-	210.92
	<b>604.39</b>	<b>781.35</b>

(₹ in Lakhs)

Note 16B: PROVISIONS	Current	
	As at March 31, 2021	As at March 31, 2020
<b>Provision for employee benefits</b>		
Compensated absences (Note 35C)	329.62	124.94
Gratuity (Note 35)	-	3.93
<b>Others</b>		
Provision for warranty (Note 16B.1)	216.84	-
	<b>546.46</b>	<b>128.87</b>

### Note 16B.1

The provision of warranty as required to be disclosed in compliance with Ind AS 37, Provisions, Contingent liabilities and Contingent Assets's as under :

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	-	-
Created during the year	216.84	-
Written back/reversal during the year	-	-
Closing Balance	216.84	-

Note : Warranty costs are provided based on a estimates of the cost required to be incurred for repairs, replacement, material cost, servicing, and past experience in respect of warranty costs.

	As at March 31, 2021	As at March 31, 2020
<b>Note 17: INCOME TAXES</b>		(₹ in Lakhs)
<b>A. The major components of income tax expenses for the year are as under :-</b>		
(i) Income Tax Expenses recognised in the Statement of Profit & Loss		
<b>Current Tax :-</b>		
In respect of current year	4,891.18	3,275.34
(Excess) / Short in respect of preceding years	(78.89)	103.82
<b>Deferred Tax :-</b>		
In respect of current year	(208.70)	148.51
Income tax expenses recognised in statement of profit & loss	4,603.59	3,527.67
(ii) Income tax expenses recognised in the OCI		
Deferred Tax :-		
Deferred tax expenses on fair value of equity instruments through OCI	69.86	33.74
Deferred tax benefit on re-measurement of post employment benefits obligation	10.16	(28.47)
	80.02	5.27
<b>B. Reconciliation of estimated income tax expenses and the accounting profit for the year is as under:</b>		
Profit before tax	18,033.39	15,775.31
Expected income tax expense at statutory income tax rate	4,538.64	3,970.33
Tax adjustment of earlier years	(78.89)	103.82
Tax effect on non deductible expenses	66.59	59.66
Effect of income that is exempted from tax	-	(100.25)
Tax impact on transition to new tax regime(Note 17.2)	-	(385.64)
Others	12.64	(120.25)
<b>Current tax expense as per Statement of Profit and Loss for the period</b>	<b>4,603.59</b>	<b>3,527.67</b>
Effective rate of tax	25.53%	22.36%
Statutory rate of tax	25.17%	25.17%

### Note 17.1 :

The tax rate used for the 31 March 2021 and 31 March 2020 reconciles above with the corporate tax rate of 25.17%, payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

### Note 17.2 :

The Company during FY 19-20 elected to exercise the option of reduced Corporate income-tax rate from 34.94% to 25.17% as permitted under section 115BAA of the Income-tax Act, 1961 as per the amendment notified in the official Gazette dated 12 December 2019. Accordingly, the Company had recognised Provision for Income Tax for the year ended 31 March 2020 and re-measured its Deferred Tax Assets or Liabilities basis the reduced tax rate prescribed in the said section. The impact of the said change in Corporate tax rate pertaining to earlier years is recognised in the statement of Profit and Loss amounting ₹ 385.64 in Lakhs in FY 2019-20.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)**

(₹ in Lakhs)

<b>C: The major components of deferred tax liabilities/ (assets) arising on account of timing differences are as follows:</b>	<b>As at March 31, 2020</b>	<b>Recognized in Profit and Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>As at March 31, 2021</b>
<b>Deferred tax liabilities</b>				
Difference between written down value as per books of account and Income Tax Act, 1961.	1,691.74	1.42	-	<b>1,693.16</b>
Difference in carrying value and tax base of investments in equity measured at FVTOCI	186.16	-	69.86	<b>256.02</b>
Difference in carrying value and tax base of investments in Mutual Fund	55.66	71.89	-	<b>127.56</b>
Deferred tax assets		-	-	
Provision for expenses allowed for tax purpose on payment basis (net)	(125.78)	5.00	-	<b>(120.78)</b>
Allowance for expected credit loss on Debtors	(773.14)	(133.15)	-	<b>(906.29)</b>
Provision for Advance given to supplier	-	(143.03)	-	<b>(143.03)</b>
Provision for warranty	-	(54.57)	-	<b>(54.57)</b>
Mark to Market Exchange Gain & Loss	(35.00)	36.59	-	<b>1.59</b>
Lease Accounting -Ind AS 116	(3.21)	(1.36)	-	<b>(4.57)</b>
Merger expenses of RREL	(3.86)	(9.03)	-	<b>(12.89)</b>
Disallowance under sec 40(a)(ia)	(0.08)	0.08	-	-
Preliminary Expenditure	(17.46)	17.46	-	-
Re-measurement of post employment benefits obligation	(57.55)	-	10.16	<b>(47.39)</b>
<b>Net Deferred tax liabilities</b>	<b>917.48</b>	<b>(208.70)</b>	<b>80.02</b>	<b>788.81</b>

(₹ in Lakhs)

<b>The major components of deferred tax liabilities/ (assets) arising on account of timing differences are as follows:</b>	<b>As at April 1, 2019</b>	<b>Recognized in Profit and Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>As at March 31, 2020</b>
<b>Deferred tax liabilities</b>				
Difference between written down value as per books of account and Income Tax Act, 1961.	2,269.79	(578.05)	-	<b>1,691.74</b>
Difference in carrying value and tax base of investments in equity measured at FVTOCI	152.42	-	33.74	<b>186.16</b>
Difference in carrying value and tax base of investments in Mutual Fund	-	55.66	-	<b>55.66</b>
<b>Deferred tax assets</b>				
Provision for expenses allowed for tax purpose on payment basis (net)	(214.71)	88.93	-	<b>(125.78)</b>
Allowance for expected credit loss on Debtors	(712.03)	(61.11)	-	<b>(773.14)</b>
Mark to Market Exchange Gain & Loss	235.40	(270.40)	-	<b>(35.00)</b>
Carried Forward Business loss and Depreciation	(888.77)	888.77	-	-
Lease Accounting -Ind AS 116	-	(3.21)	-	<b>(3.21)</b>
Merger expenses of RREL	-	(3.86)	-	<b>(3.86)</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

The major components of deferred tax liabilities/ (assets) arising on account of timing differences are as follows:	As at April 1, 2019	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2020
Disallowance under sec 40(a)(ia)	-	(0.08)	-	(0.08)
Deferred Revenue Expenditure written off	(42.41)	42.41	-	-
Preliminary Expenditure	-	(17.46)	-	(17.46)
Indexation benefit of Land held for sale	(6.90)	6.90	-	-
Re-measurement of post employment benefits obligation	(29.08)	-	(28.47)	(57.55)
<b>Net Deferred tax liabilities</b>	<b>763.71</b>	<b>148.50</b>	<b>5.27</b>	<b>917.48</b>

(₹ in Lakhs)

Note 18A: OTHER LIABILITIES	Non-Current	
	As at March 31, 2021	As at March 31, 2020
Deferred income	1.76	1.76
	1.76	1.76

(₹ in Lakhs)

Note 18B: OTHER LIABILITIES	Current	
	As at March 31, 2021	As at March 31, 2020
Advances from customers	437.34	1,016.23
Deferred income (Note 18.1)	372.58	283.74
Statutory dues	-	-
VAT & WCT	-	2.05
Provident fund and professional tax	92.52	78.99
TDS / TCS payable	257.46	199.39
Goods and services tax	44.34	39.74
	<b>1,204.24</b>	<b>1,620.14</b>

Note: 18.1 Deferred income mainly represents grants relating to property, plant and equipment and includes ₹ 372.58 Lakhs (P.Y. March 31, 2020 ₹ 283.30 Lakhs) related 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 recognised are released to the statement of profit and loss based on fulfillment of related export obligations.

(₹ in Lakhs)

Note 19: TRADE PAYABLES	Current	
	As at March 31, 2021	As at March 31, 2020
Trade Payables		
- total outstanding dues of micro enterprises and small enterprises (Note 30)	932.20	884.19
- total outstanding dues of creditors other than micro enterprises and small enterprises	10,418.09	17,202.01
	<b>11,350.29</b>	<b>18,086.20</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

<b>Note 20: REVENUE FROM OPERATIONS</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
<b>Revenue from contract with customers (Note 44)</b>		
Sales of Products		
Finished goods	251,307.17	229,707.07
Traded goods	15,226.05	13,338.26
<b>Other operating revenues :</b>		
Sale of scrap	4,421.33	3,350.64
Processing charges	21.65	26.75
Export incentive	618.02	820.35
	<b>271,594.22</b>	<b>247,243.07</b>

(₹ in Lakhs)

<b>Note 21: OTHER INCOME</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
<b>Interest Income:</b>		
Bank deposits	214.40	281.36
Others (Note 21.1)	114.46	16.15
<b>Dividend Income:</b>		
Dividends from quoted equity investments	7.05	17.63
Dividends from mutual fund investments	-	380.65
<b>Fair value Gain on Investment on mutual fund</b>	<b>400.15</b>	<b>477.87</b>
<b>Other Non Operating Income:</b>		
Rent income	29.10	29.99
Guarantee commission	58.78	58.99
Foreign exchange gain (net)	1,035.37	1,301.33
Grant related to property, plant & equipment	0.44	92.38
Gain on sale of property plant & equipment (Net)	8.72	25.94
Gain on sale of mutual fund investments	320.74	-
Other income	9.96	9.57
Bad debts recovered	0.34	9.95
	<b>2,199.51</b>	<b>2,701.81</b>

Note 21.1: Interest others include interest from customers

(₹ in Lakhs)

<b>Note 22A: COST OF MATERIALS CONSUMED</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
Inventories at the beginning of the Year	8,011.68	7,188.27
Add :Purchases	217,751.82	183,218.53
	<b>225,763.50</b>	<b>190,406.80</b>
Less :Inventories at the end of the Year	8,443.59	8,011.68
	<b>217,319.91</b>	<b>182,395.12</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

<b>Note 22B: PURCHASES OF TRADED GOODS</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
Electrical appliances	<b>12,806.38</b>	11,127.50
	<b>12,806.38</b>	11,127.50

(₹ in Lakhs)

<b>Note 23: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
<b>Inventories at the end of the year:</b>		
Finished goods	<b>31,765.11</b>	16,069.64
Work-in-progress	<b>9,882.93</b>	9,491.82
Stock-in-trade	<b>2,660.15</b>	3,463.89
Scrap	<b>183.47</b>	81.89
	<b>44,491.66</b>	29,107.24
<b>Less:- Inventories at the beginning of the year</b>		
Finished goods	<b>16,069.64</b>	16,296.56
Work-in-progress	<b>9,491.82</b>	8,190.58
Stock-in-trade	<b>3,463.89</b>	3,215.79
Scrap	<b>81.89</b>	94.89
	<b>29,107.24</b>	27,797.82
	<b>(15,384.42)</b>	(1,309.42)

(₹ in Lakhs)

<b>Note 24: EMPLOYEE BENEFITS EXPENSE</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
Salaries, wages and incentives	<b>12,371.24</b>	11,237.09
Remuneration to directors*	<b>780.31</b>	878.95
Contributions to:		
Provident fund & ESIC (Note 35B)	<b>493.82</b>	430.76
Gratuity fund (Note 35A)	<b>209.02</b>	154.02
Compensated absences	<b>410.82</b>	360.70
Staff welfare expenses	<b>569.26</b>	515.04
	<b>14,834.47</b>	13,576.56

\* Including commission given to directors ₹ 192.25 Lakhs (P.Y. ₹ 176.89 Lakhs)

(₹ in Lakhs)

<b>Note 25: FINANCE COSTS</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
<b>Interest on financial liabilities carried at amortised cost</b>		
Interest on borrowings	<b>2,609.27</b>	3,330.48
Other borrowing costs	<b>88.35</b>	99.58
Net exchange difference regarded as adjustment to borrowing cost	<b>6.78</b>	93.06
Interest on income tax	<b>1.23</b>	1.52
	<b>2,705.63</b>	3,524.64



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

<b>Note 26: DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
Depreciation of property, plant and equipment ( Note 2A)	<b>3,989.52</b>	3,624.19
Amortisation of intangible assets ( Note 2C)	<b>180.83</b>	75.50
Depreciation of right-of-use assets ( Note 2D)	<b>304.74</b>	180.69
	<b>4,475.09</b>	3,880.38

(₹ in Lakhs)

<b>Note 27: Other Expenses</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
Rent expenses (Note 40)	<b>95.21</b>	189.24
Rates and taxes	<b>218.20</b>	83.35
Repairs and Maintenance of :		
Buildings	<b>82.52</b>	130.04
Plant and machinery	<b>1,061.88</b>	1,055.85
Others	<b>166.68</b>	202.28
Commission on sales	<b>1,054.24</b>	1,045.81
Advertisement expenses	<b>2,124.22</b>	3,417.59
Business promotion expenses	<b>471.87</b>	1,404.00
Travelling expenses	<b>416.23</b>	735.76
Payment to Auditors (Note 29)	<b>57.24</b>	52.23
Legal and professional fees	<b>1,106.44</b>	747.70
Insurance charges	<b>236.33</b>	132.42
Allowance for expected credit loss on trade receivable	<b>529.05</b>	881.7
Bad debts	<b>-</b>	374.6
Bank charges	<b>205.32</b>	214.79
Consumption of consumable stores and spares	<b>180.33</b>	396.51
Corporate social responsibility expenses (Note 32)	<b>327.64</b>	322.25
Donation	<b>176.49</b>	81.49
Freight & distribution charges	<b>4,897.15</b>	4,324.75
Power and fuel	<b>3,066.23</b>	2,990.70
Research & development expenses (Note 41)	<b>209.44</b>	223.45
Warranty expenses	<b>216.84</b>	-
Miscellaneous expenses	<b>2,103.72</b>	1,968.32
	<b>19,003.27</b>	20,974.80

(₹ in Lakhs)

<b>Note 28 : Contingent Liabilities and Commitments</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>A. Contingent Liabilities</b>		
i) Claims against the Company not acknowledged as debts (Note 28.1)		
Excise and Service tax demands	<b>209.34</b>	207.50
Income Tax Demands	<b>231.05</b>	32.60
Sales tax / Vat demands -C Forms	<b>998.57</b>	166.52
Channel financing guarantees(Note 28.2)	<b>5,460.00</b>	4,500.00
Labour Law demand	<b>12.38</b>	15.13
<b>B. Commitments</b>		
(i) Estimated amount of contracts remaining to be executed and not provided for:		
- On Capital Account (net of advance)	<b>2,660.93</b>	2,117.57

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

28.1: Future cash outflows in respect of the above, if any, is determinable only on receipt of judgement/decisions pending with the relevant authorities. The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

28.2: The Company has arranged Channel Finance facility for its customers from banks against which sum of ₹ 10,855.37 Lakhs (P.Y. ₹ 11,127.94 Lakhs) has been utilised as on the date of balance sheet. Accordingly, the contingency on company on account of customers defaulting in repayment to the respective banks is ₹ 5,460 lakhs (P.Y. ₹ 4,500 Lakhs) (to the extent of recourse available with bank).

28.3: The Honourable Supreme Court of India vide its order dated 28<sup>th</sup> February, 2019 held that 'Basic Wages' for the contribution towards Provident Fund (PF) should only exclude [in addition to specific exclusions under Section 2(b)(ii) of the Employees Provident Fund Act, 1952]:

- amounts that are payable to the employee for undertaking work beyond the normal work which he/she is otherwise required to put in and
- allowances which are either variable or linked to any incentive for production resulting in greater output by an employee and that the allowances are not paid across the board to all employees in a particular category or were being paid especially to those who avail the opportunity.

For the period prior to 28<sup>th</sup> February, 2019 with reference to the above mentioned judgment, the Company's Management is of the view that there is considerable uncertainty around the timing, manner and extent in which the judgment will be interpreted and applied by the regulatory authorities. Management is of the view that any incremental outflow in this regard can only be determined once the position being taken by the regulatory authorities in this regard is known and the Management is able to evaluate all possible courses of action available.

Accordingly, no provision has been currently recognized in the Standalone Financial Statements in this regard.

For the period subsequent to 28<sup>th</sup> February, 2019 upto 31<sup>st</sup> January, 2021 the impact of the above judgement is not significant and hence no provision has been recognised in the Financial Statement in this regard. Company has implemented the impact of the above change in definition of basic wages w.e.f. 1<sup>st</sup> Feb 2021.

(₹ in Lakhs)

<b>Note 29 : Payment to Auditors</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Payment to Auditors of the Company :</b>		
a) As auditors	<b>55.00</b>	46.10
b) For certifications services	<b>0.76</b>	4.28
c) For expenses reimbursement	<b>1.48</b>	1.85
	<b>57.24</b>	52.23

(₹ in Lakhs)

<b>Note 30 : Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>	<b>2020-21</b>	<b>2019-20</b>
(a) Principal amount and the interest due thereon remaining unpaid to any suppliers at the end of the each accounting year :		
Principal	<b>932.20</b>	884.19
Interest	<b>18.00</b>	4.49
(b) (i) The delayed payment of principal amount paid beyond the appointed day the year.	<b>3,873.58</b>	792.96
(ii) Interest actually paid under Section 16 of the MSMED Act, 2006	<b>0.15</b>	1.69
(c) The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond appointed date during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	<b>22.34</b>	4.49
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

<b>Note 31 : Dividend</b>	<b>2020-21</b>	<b>2019-20</b>
Final Dividend paid ₹ 0.00 (P.Y. ₹ 5.50) per equity share of ₹ 10.00 each	-	1,286.74
Final Dividend paid ₹ 0.00 (P.Y. ₹ 5.50) per Compulsory Convertible Preference Share of ₹ 1,080.33 each	-	203.64
Dividend distribution tax on final dividend	-	306.35
Interim Dividend paid ₹ 0.00 (P.Y. ₹ 7.50) per equity share of ₹ 10.00 each	-	1,754.65
Interim Dividend paid ₹ 0.00 (P.Y. ₹ 7.50) per Compulsory Convertible Preference Share of ₹ 1,080.33 each	-	277.69
Dividend distribution tax on interim dividend	-	417.75

31.1 Dividend proposed of ₹ 10 (P.Y. ₹ Nil each) by board of directors on September 2, 2021 per equity share before the financial statements approved for issue but not recognized as a Liability in financial statement.

31.2 Dividend proposed of ₹ 10 (P.Y. ₹ Nil each) by board of directors on September 2, 2021 per Compulsory Convertible Preference Share before the financial statements approved for issue but not recognized as a Liability in financial statement.

### Note 32 : Expenditure on Corporate Social Responsibility initiatives

(₹ in Lakhs)

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
a) Gross amount required to be spent by the Company	<b>330.90</b>	317.15
b) Amount approved by the board to be spent during the year	<b>330.90</b>	317.15
c) Amount spent during the year on :		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	<b>327.64</b>	322.25
	<b>327.64</b>	322.25
d) Contribution to section 8-companies, which are related parties, included in c) above, in relation to CSR expenditure	-	-

The shortfall pertains to ongoing CSR projects of the company, which will be completed in next financial year.

### Details of ongoing projects :

<b>Particulars</b>	<b>2020-21</b>
Opening Balances	
- with company	-
- In separate CSR unspent account	-
Amount Required to be spent during the year	<b>94.00</b>
Amount spent during the year	
- from company	<b>59.30</b>
- from separate CSR unspent account	-
<b>Closing Balances</b>	
- from company	<b>34.70</b>
- from separate CSR unspent account	-

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

**Note 33: Related Party Disclosures as required under Ind AS- 24 are given below :**

### **Relationships**

#### **a) Key Management Personnel:**

Shri Tribhuvanprasad Kabra	- Chairman
Shri Shreegopal Kabra	- Managing Director
Shri Mahendrakumar Kabra	- Joint Managing Director
Shri Ashok Loya	- Whole Time Director
Shri Mahhesh Kabra	- Whole Time Director
Shri Sumeet Kabra	- Whole Time Director
Smt. Kirtidevi Kabra	- Whole Time Director
Shri Sanjay Taparia	- Whole Time Director
Shri Rajesh Babu Jain	- Whole Time Director
Shri Partha Chakraborti (upto 31.03.2021)	- Chief Financial Officer
Shri Rajeev Pandiya(w. e. f. 01.04.2021)	- Chief Financial Officer
Shri Himanshu Parmar	- Company Secretary
Non Executive Directors:	
Shri Ramamirtham Kannan	
Shri Bhagwat Singh Babel	
Shri Mukund Chitale	
Shri Punit Bhatia	
Shri Mitesh Daga	

#### **b) Relatives of Key Management Personnel:**

Shri Rameshwarlal Kabra	- Father of Shri Tribhuvanprasad Kabra, Shri Mahendrakumar Kabra and Shri Shreegopal Kabra
Smt. Ratnidevi Kabra	- Mother of Shri Tribhuvanprasad Kabra, Shri Mahendrakumar Kabra and Shri Shreegopal Kabra
Late shri. Satyanarayan Loya	- Father of Shri Ashok Loya
Smt. Saraswati S. Loya	- Mother of Shri Ashok Loya
Shri Hemant Kabra	- Son of Shri Mahendrakumar Kabra
Late Smt. Umadevi Kabra	- Wife of Shri Tribhuvanprasad Kabra
Smt. Vvidhi Kabra	- Wife of Shri Mahhesh Kabra
Shri Anant Loya	- Brother of Shri Ashok Loya
Ms. Neha Loya	- Daughter of Shri Ashok Loya
Smt. Mamta Loya	- Wife of Shri Ashok Loya
Shri Nikunj Loya	- Son of Shri Ashok Loya
Shaurya Taparia	- Son of Shri Sanjay Taparia
Smt. Vandana Jain	- Wife of Shri Rajesh Babu Jain
Smt. Sarita Jhavar	- Daughter of Shri Tribhuvan prasad Kabra
Shri Rajesh Kabra	- Son of Shri Shreegopal Kabra
Shri Gaurishankar Loya	- Brother of Shri Ashok Loya
Saumya Sumeet Kabra	- Daughter of Shri Sumeet Kabra
Samaya Sumeet Kabra	- Daughter of Shri Sumeet Kabra

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### c) Entities over which Key Management Personnel and their relatives are able to exercise significant influence:

MEW Electricals Limited	Ram Ratna Research & Holdings Private Limited
Ram Ratna International	Indian Electrical & Electronics Manufacturers Association
Kabel Buildcon Solutions Private Limited	Global Copper Private Limited
Ram Ratna Infrastructure Private Limited	Rameshwarlal Kabra (HUF)
Ram Ratna Wires Limited	Tribhuvan Prashad Kabra (HUF)
Pratik Wire & Cable Machine Private Limited	Mahendra R. Kabra (HUF)
Jagbid Finvest Private Limited	Shreegopal Kabra (HUF)
Gallery Retail LLP	Mahhesh T. Kabra (HUF)
RR Electrical Middel East FZC	

### d) Joint venture:

RR-Imperial Electricals Limited (Bangladesh)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

Transactions with the related parties in the ordinary course of business:

Particulars	Referred in (a) above		Referred in (b) above		Referred in (c) above		Referred in (d) above		Total		
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	
	(₹ in Lakhs)										
<b>Purchase of Goods</b>											
MEW Electricals Limited	-	-	-	122.39	96.82	122.39	-	-	-	96.82	122.39
Ram Ratna International	-	-	-	0.88	18.79	0.88	-	-	-	18.79	0.88
Indian Electrical & Electronics Manufacturers Association (IEEMA)	-	-	-	69.44	3.29	69.44	-	-	-	3.29	69.44
Others	-	-	-	3.55	5.97	3.55	-	-	-	5.97	3.55
<b>Sale of Goods</b>											
Ram Ratna International	-	-	-	8,148.62	9,771.95	8,148.62	-	-	-	9,771.95	8,148.62
Global Copper Private Limited	-	-	-	1,039.08	127.42	1,039.08	-	-	-	127.42	1,039.08
RR-Imperial Electricals Limited	-	-	-	-	-	-	625.03	722.79	-	625.03	722.79
Others	-	-	-	750.67	2,314.70	750.67	-	-	-	2,314.70	750.67
<b>Purchase of Capital Goods</b>											
Pratik Wire & Cable Machine Private Limited	-	-	-	59.86	72.87	59.86	-	-	-	72.87	59.86
<b>Sale of Capital Assets</b>											
Ram Ratna Wires Limited	-	-	-	26.11	-	-	-	-	-	-	26.11
Ashok Loya	-	7.21	-	-	-	-	-	-	-	-	7.21

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

Particulars	Referred in (a) above		Referred in (b) above		Referred in (c) above		Referred in (d) above		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	(₹ in Lakhs)									
<b>Income :</b>										
<b>Rent</b>										
Ram Ratna Interational	-	-	-	-	0.42	0.42	-	-	0.42	0.42
<b>Expenses:</b>										
<b>Interest</b>										
Sumeet Kabra	41.91	78.07	-	-	-	-	-	-	41.91	78.07
Mahendrakumar Kabra	35.17	52.46	-	-	-	-	-	-	35.17	52.46
Kritidevi Kabra	10.83	24.27	-	-	-	-	-	-	10.83	24.27
Ratnidevi Kabra	-	-	33.61	44.74	-	-	-	-	33.61	44.74
Rajesh Kabra	-	-	11.81	26.51	-	-	-	-	11.81	26.51
Hemant Kabra	-	-	48.38	85.47	-	-	-	-	48.38	85.47
Shreegopal Kabra (HUF)	-	-	-	-	6.17	14.04	-	-	6.17	14.04
Rameshwarlal Kabra (HUF)	-	-	-	-	16.61	20.43	-	-	16.61	20.43
Ram Ratna Research & Holdings Private Limited	-	-	-	-	7.78	32.47	-	-	7.78	32.47
Others	16.78	28.79	18.09	32.16	11.81	18.82	-	-	46.69	79.78
<b>Business support service</b>										
Ram Ratna International	-	-	-	-	667.39	529.80	-	-	667.39	529.80
<b>Rent and Other Services</b>										
Mahesh Kabra	0.37	0.48	-	-	-	-	-	-	0.37	0.48
Mahendrakumar Kabra	0.74	0.96	-	-	-	-	-	-	0.74	0.96
Ratnidevi Kabra	-	-	39.83	42.48	-	-	-	-	39.83	42.48
Umadevi Kabra	-	-	19.08	19.33	-	-	-	-	19.08	19.33
Kabel Buildcon Solutions Private Limited	-	-	-	-	13.68	12.39	-	-	13.68	12.39
Shreegopal Kabra (HUF)	-	-	-	-	40.00	42.48	-	-	40.00	42.48
MEW Electricals Limited	-	-	-	-	6.58	4.72	-	-	6.58	4.72
Others	-	-	4.29	3.84	0.15	-	-	-	4.44	3.84

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

Particulars	Referred in (a) above		Referred in (b) above		Referred in (c) above		Referred in (d) above		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Directors :</b>										
<b>Sitting Fees</b>										
Bhagwat Singh Babel	4.70	4.10	-	-	-	-	-	-	4.70	4.10
Ramamirtham Kannan	4.10	4.30	-	-	-	-	-	-	4.10	4.30
Mahendrakumar Kabra	2.00	2.00	-	-	-	-	-	-	2.00	2.00
Mukund Chitale	2.70	4.30	-	-	-	-	-	-	2.70	4.30
<b>Commission</b>										
Tribhuvanprasad Kabra	96.13	88.45	-	-	-	-	-	-	96.13	88.45
Shreegopal Kabra	96.13	88.45	-	-	-	-	-	-	96.13	88.45
<b>Managerial Remuneration (Note 33.1)</b>	<b>584.81</b>	<b>696.34</b>	-	-	-	-	-	-	<b>584.81</b>	<b>696.34</b>
Ashok Loya	47.50	60.00	-	-	-	-	-	-	47.50	60.00
Kritidevi Kabra	57.00	72.00	-	-	-	-	-	-	57.00	72.00
Sanjay Taparia	60.00	60.00	-	-	-	-	-	-	60.00	60.00
Shreegopal Kabra	114.00	144.00	-	-	-	-	-	-	114.00	144.00
Sumeet Kabra	57.00	72.00	-	-	-	-	-	-	57.00	72.00
Tribhuvanprasad Kabra	114.00	144.00	-	-	-	-	-	-	114.00	144.00
Mahhesh Kabra	57.00	72.00	-	-	-	-	-	-	57.00	72.00
Rajesh Babu Jain	78.31	72.34	-	-	-	-	-	-	78.31	72.34
Partha Chakraborti	161.21	123.44	-	-	-	-	-	-	161.21	123.44
Himanshu Parmar	15.60	14.84	-	-	-	-	-	-	15.60	14.84
Vidhi Kabra	-	-	-	8.24	-	-	-	-	-	8.24
<b>Reimbursement paid</b>										
Tribhuvanprasad Kabra	2.54	7.27	-	-	-	-	-	-	2.54	7.27
Mahendrakumar Kabra	1.49	0.41	-	-	-	-	-	-	1.49	0.41
Shreegopal Kabra	5.14	53.39	-	-	-	-	-	-	5.14	53.39
Mahhesh Kabra	1.82	4.10	-	-	-	-	-	-	1.82	4.10
Kritidevi Kabra	0.54	26.45	-	-	-	-	-	-	0.54	26.45
<b>Others</b>	<b>1.02</b>	<b>15.56</b>	-	-	-	-	-	-	<b>1.02</b>	<b>15.56</b>



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

Particulars	Referred in (a) above		Referred in (b) above		Referred in (c) above		Referred in (d) above		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Dividend :</b>										
<b>Dividend Paid</b>										
Mahendrakumar Kabra	-	302.40	-	-	-	-	-	-	-	302.40
Shreegopal Kabra	-	96.36	-	-	-	-	-	-	-	96.36
Kritidevi Kabra	-	162.26	-	-	-	-	-	-	-	162.26
Hemant Kabra	-	-	-	204.78	-	-	-	-	-	204.78
Umadevi Kabra	-	-	-	423.70	-	-	-	-	-	423.70
Ram Ratna Research and Holding Private Limited	-	-	-	-	-	153.73	-	-	-	153.73
Rameshwarlal Kabra (HUF)	-	-	-	-	-	294.96	-	-	-	294.96
Shreegopal Kabra (HUF)	-	-	-	-	-	127.44	-	-	-	127.44
Others	-	272.16	-	241.21	-	264.70	-	-	-	778.07
<b>Dividend Received</b>										
Ram Ratna Wires Limited	-	-	-	-	7.05	17.63	-	-	-	7.05
<b>Loans Accepted</b>										
Mahesh Kabra	35.00	5.25	-	-	-	-	-	-	-	35.00
Mahendrakumar Kabra	135.00	302.75	-	-	-	-	-	-	-	135.00
Sumeet Kabra	21.05	405.00	-	-	-	-	-	-	-	21.05
Ratidevi Kabra	-	-	-	308.75	-	-	-	-	-	308.75
Umadevi Kabra	-	-	75.00	5.50	-	-	-	-	-	75.00
Hemant Kabra	-	-	63.42	402.50	-	-	-	-	-	63.42
Ram Ratna Research and Holding Private Limited	-	-	-	-	75.00	400.00	-	-	-	75.00
Saumya Sumeet Kabra	-	-	30.00	-	-	-	-	-	-	30.00
Ashok Loya	25.00	-	-	-	-	-	-	-	-	25.00
Rameshwarlal Kabra (HUF)	-	-	-	-	135.00	41.50	-	-	-	135.00
Others	20.00	12.75	15.99	6.50	67.00	13.00	-	-	-	102.99
										32.25

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

Particulars	Referred in (a) above		Referred in (b) above		Referred in (c) above		Referred in (d) above		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Loans Repaid</b>										
Mahendrakumar Kabra	792.90	55.00	-	-	-	-	-	-	792.90	55.00
Sumeet Kabra	954.30	-	-	-	-	-	-	-	954.30	-
Kirtidevi Kabra	244.95	-	-	-	-	-	-	-	244.95	-
Hemant Kabra	-	-	1,098.56	-	-	-	-	-	1,098.56	-
Rajesh Kabra	-	-	270.37	-	-	-	-	-	270.37	-
Ratnadevi Kabra	-	-	744.95	-	-	-	-	-	744.95	-
Ram Ratna Research and Holding Private Limited	-	-	-	-	156.02	348.50	-	-	156.02	348.50
Shreegopal Kabra (HUF)	-	-	-	-	141.70	-	-	-	141.70	-
Rameshwarlal Kabra (HUF)	-	-	-	-	379.10	-	-	-	379.10	-
Others	381.90	-	447.55	-	265.80	-	-	-	1,095.25	-
<b>Outstanding balances</b>										
<b>Rental Deposits Receivable</b>										
Umadevi Kabra	-	-	40.00	40.00	-	-	-	-	40.00	40.00
Ratnadevi Kabra	-	-	15.00	15.00	-	-	-	-	15.00	15.00
Hemant Kabra	-	-	10.50	10.50	-	-	-	-	10.50	10.50
Shreegopal Kabra (HUF)	-	-	-	-	15.00	7.50	-	-	15.00	7.50
Kabel Buildcon Solutions Private Limited	-	-	-	-	3.68	3.68	-	-	3.68	3.68
<b>Trade Payable</b>										
Ram Ratna International	-	-	-	-	(198.62)	(115.06)	-	-	(198.62)	(115.06)
Others	-	-	-	-	(0.78)	5.78	-	-	(0.78)	5.78
Trade Receivable	-	-	-	-	-	-	-	-	-	-
Ashok Loya	-	7.21	-	-	-	-	-	-	-	7.21
Ram Ratna International	-	-	-	-	1,747.78	761.77	-	-	1,747.78	761.77
RR-Imperial Electricals Limited	-	-	-	-	-	-	1,067.11	1,550.18	1,067.11	1,550.18
Others	-	-	-	-	19.90	61.13	-	-	19.90	61.13

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Particulars	Referred in (a) above		Referred in (b) above		Referred in (c) above		Referred in (d) above		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Personal gaurantee given</b>										
For Secured borrowings										
Tribhuvanprasad Kabra	50592.59	35,794	-	-	-	-	-	-	50,593	35,794
Mahendrakumar Kabra										
Shreegopal Kabra										
Mahhesh Kabra										
Sumeet Kabra										
Hemant Kabra	-	-	-	1,567	-	-	-	-	-	1,567
Rajesh Kabra										
<b>For Un-secured borrowings</b>										
Tribhuvanprasad Kabra	3,305.47	11,236	-	-	-	-	-	-	3,305	11,236
Mahendrakumar Kabra										
Shreegopal Kabra										
Mahhesh Kabra										
Sumeet Kabra										
Hemant Kabra	-	-	-	3,845	-	-	-	-	-	3,845
Rajesh Kabra										
<b>Interest Payable</b>										
Sumeet Kabra	-	41.89	-	-	-	-	-	-	-	41.89
Mahendrakumar Kabra	-	28.70	-	-	-	-	-	-	-	28.70
Kirtidevi Kabra	-	10.92	-	-	-	-	-	-	-	10.92
Hemant Kabra	-	-	-	46.60	-	-	-	-	-	46.60
Rajesh Kabra	-	-	-	11.93	-	-	-	-	-	11.93

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

Particulars	Referred in (a) above		Referred in (b) above		Referred in (c) above		Referred in (d) above		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	₹ in Lakhs)									
Ram Ratna Research & Holding Private Limited	-	-	-	9.66	-	-	-	-	-	9.66
Shreegopal Kabra (HUF)	-	-	-	6.32	-	-	-	-	-	6.32
Rameshwarlal Kabra (HUF)	-	-	-	9.25	-	-	-	-	-	9.25
Ratnadevi Kabra	-	20.58	-	-	-	-	-	-	-	20.58
Others	-	12.97	-	14.48	-	-	-	-	-	35.93
<b>Loans payable</b>										
Mahendrakumar Kabra	-	657.90	-	-	-	-	-	-	-	657.90
Kirtidevi Kabra	-	244.95	-	-	-	-	-	-	-	244.95
Sumeet Kabra	-	933.25	-	-	-	-	-	-	-	933.25
Ratnadevi Kabra	-	-	-	744.95	-	-	-	-	-	744.95
Rajesh Kabra	-	-	-	264.38	-	-	-	-	-	264.38
Hemant Kabra	-	-	-	1,035.14	-	-	-	-	-	1,035.14
Ram Ratna Research & Holding Private Limited	-	-	-	-	-	-	81.02	-	-	81.02
Shreegopal Kabra (HUF)	-	-	-	-	-	-	141.70	-	-	141.70
Tribhuvan Prasad Kabra (HUF)	-	-	-	-	-	-	66.00	-	-	66.00
Mahendra R. Kabra (HUF)	-	-	-	-	-	-	72.30	-	-	72.30
Rameshwarlal Kabra (HUF)	-	-	-	-	-	-	244.10	-	-	244.10
Others	-	301.90	-	332.55	-	-	60.50	-	-	694.95

33.1: Includes provision of ₹ 3.31 Lakhs (P.Y. ₹ 2.26 Lakhs) post employment benefits and ₹ 8.74 Lakhs (P.Y. ₹ 8.47 Lakhs) for leave encashment.

33.2: All outstanding balances are unsecured and are repayable/receivable in cash and all the transactions with these related parties are priced on arm's length basis.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### Note 34: 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	GBP	Euro	INR	USD	GBP	Euro	INR
Booked against Buyers Credit	-	-	-	-	9.55	-	-	655.62
Booked against Import Creditors	3.50	-	-	256.51	28.69	-	1.00	2,051.20
Booked against firm commitments or highly probable forecasted transactions								
- Against Import creditors	-	-	-	-	8.76	-	-	602.30
- Against Export debtors*	125.82	91.00	6.20	19,187.05	119.77	75.92	8.94	16,450.17

\* The Company follows a practice of booking forward contracts against firm commitments or highly probable forecast transactions. Certain of the export debtors as mentioned above will be settled against the forward contracts taken on firm commitments or highly probable transactions.

- b) The details of foreign currency exposure that is not hedged by derivatives instrument or otherwise are as under:

(Amount in Lakhs)

Payables	As at 31.03.2021				As at 31.03.2020			
	USD	GBP	Euro	INR	USD	GBP	Euro	INR
Buyers' Credit	-	-	-	-	17.80	-	-	1,341.84
External Commercial Borrowings	-	-	-	-	-	-	-	-
Import Creditors	28.32	-	1.90	2,245.08	12.57	-	1.35	1,059.56

(Amount in Lakhs)

Receivables	As at 31.03.2021				As at 31.03.2020			
	USD	GBP	Euro	INR	USD	GBP	Euro	INR
Bills Discounting	-	-	-	-	-	-	-	-
Export Debtors	78.58	0.60	2.55	5,972.17	74.57	0.18	3.15	5,898.58

### Note 35 : 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 summaries the components of net benefit expense recognised in the statement of profit & loss and the funded status and amounts recognised in the balance sheet :

(₹ in Lakhs)

Particulars	Gratuity	
	2020-21	2019-20
i) Change in Defined Benefit Obligation		
Obligation at the beginning of the year	1,196.24	885.66
Current Service Cost	195.12	156.68
Interest Cost	72.57	63.79
Past Service Cost	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Particulars		Gratuity	
		2020-21	2019-20
	Benefits Paid	(44.24)	(23.77)
	Remeasurement (gains)/ losses	(34.29)	113.88
	<b>Defined Benefit Obligation at the end of the year</b>	<b>1,385.40</b>	<b>1,196.24</b>
ii)	<b>Change in Plan Assets</b>		
	Fair value of plan assets at the beginning of the year	981.38	919.27
	Return on plan assets	58.67	66.45
	Employer Contributions	542.20	15.00
	Benefits Paid	(44.24)	(15.56)
	Remeasurement gains/ (losses)	6.10	(3.78)
	<b>Fair Value of Plan Assets at the end of the year</b>	<b>1,544.11</b>	<b>981.38</b>
iii)	<b>Amount recognized in the Balance Sheet</b>		
	Present value of funded defined benefit obligation	1,385.40	1,196.24
	Fair value of plan assets at the end of the year	1,544.11	981.38
	<b>Amount Recognized in the Balance Sheet</b>	<b>(158.71)</b>	<b>214.86</b>
iv)	<b>Expenses recognized in the Statement of Profit &amp; Loss and Other Comprehensive Income</b>		
	Employee Benefits Expense		
	Current Service Cost	195.12	156.68
	Past Service Cost	-	-
	Interest Cost	72.57	63.79
	Expected Return on plan assets	(58.67)	(66.45)
		<b>209.02</b>	<b>154.02</b>
	<b>Other Comprehensive Income</b>		
	Remeasurement gains/ (losses)	(6.10)	3.78
	Actuarial (gain)/loss arising from changes in financial assumption	17.51	124.35
	Actuarial (gain)/loss arising from changes in demographic assumption	(6.80)	(2.53)
	Actuarial (gain)/loss arising on account of experience changes	(44.99)	(7.93)
		<b>(40.38)</b>	<b>117.67</b>
v)	<b>Investment details</b>		
	LIC- Administrator of the plan fund	1,544.11	981.38
vi)	<b>Principal assumption used in determining defined benefit obligation</b>		
	Discount rate (per annum)	6.25%	6.40%
	Salary escalation rate (per annum)	7.00%	7.00%
	Attrition rate	4% - 9%	4% - 12%
	Mortality rate	<b>Indian Assured Lives Mortality (2012-14) Ult table</b>	<b>Indian Assured Lives Mortality (2012-14) Ult table</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Particulars	Gratuity	
	2020-21	2019-20
<b>vii) Sensitivity Analysis</b>		
<b>Increase in 50bps on DBO</b>		
Change in discounting rate	<b>1,328.47</b>	1,142.62
Change in Salary Escalation	<b>1,444.36</b>	1,252.20
<b>Decrease in 50bps on DBO</b>		
Change in discounting rate	<b>1,446.62</b>	1,254.16
Change in Salary Escalation	<b>1,329.60</b>	1,143.48
<b>viii) Maturity profile of defined benefit obligation (undiscounted value)</b>		
Within the next 12 months (next annual reporting period)	<b>167.95</b>	133.17
Between 2 and 5 years	<b>455.30</b>	357.23
Between 5 and 9 years	<b>477.11</b>	401.14
Between 10 and Above	<b>1,553.04</b>	1,453.87

- i) The average duration of the defined benefit plan obligation at the end of the reporting period is 8.64 years (P.Y. 9.08 years)
- ii) 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.
- iii) 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.
- iv) 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.
- v) The company's Gratuity Fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under State and Central Government Securities, Money market instruments such as NCD / Bonds etc and in equity as mentioned below:

Assets	% of Investment pattern as on 31.03.2021	% of Investment pattern as on 31.03.2020
Central Govt Securities	<b>20.63</b>	19.09
State Govt Securities	<b>46.91</b>	50.97
C.B.L.O., Bank balance etc.	<b>4.02</b>	-
Other approved securities	<b>0.01</b>	0.01
NCD / Bonds	<b>18.75</b>	23.85
Equity	<b>9.68</b>	6.08
<b>Total</b>	<b>100.00</b>	100.00

- vi) Expected contribution of plan in next year is ₹ 00.00 Lakhs (P.Y. ₹ 197.93).
- vii) The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset)

### B) Defined Contribution Plan - Provident fund and Employees state insurance

The Company makes its contribution along with the share of employees' contribution deducted from salary on monthly basis to Employees' Provident Fund and Employees state insurance corporation administered by the Central and state Government respectively. 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*	460.97	400.93
Contribution to Employees state insurance	39.79	34.97

\*Includes contribution of ₹ 6.99 (P.Y. ₹ 5.18) for Research and Development Employees.

### C) Other Employee benefits - Compensated absences

The employees are entitled for the compensation in respect of unveiled leave as per the policy of the Company. The liability towards compensated absences is recognized based on actuarial valuation carried out using Projected Unit Credit method.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Amount recognized in the Balance Sheet</b>		
i) Current Liability	329.62	124.94
ii) Non- Current Liability	604.39	570.43

Actuarial Assumptions	As at March 31, 2021	As at March 31, 2020
Discount Rate	6.25%	6.40%
Salary growth rate	7.00%	7.00%
Attrition rate		
18-20 year	4.00%	4.00%
21-30 year	12.00%	12.00%
31-40 year	8.00%	7.00%
41-50 year	7.00%	7.00%
51-57 year	9.00%	5.00%

Note 36 : Calculations of Earnings Per Share	2020-21	2019-20
Profit for the year (₹ in Lakhs)	13,429.80	12,247.64
<b>Movement of Equity shares:</b>		
Number of equity share at the beginning of the year*	27,767,214	27,767,214
Number of equity share at the end of the year*	27,767,214	27,767,214
Weighted average number of equity shares outstanding during the year (for basic and diluted)*	27,767,214	27,767,214
Face value of equity share (in ₹)	10.00	10.00
<b>Earnings Per Share</b>		
Basic Earnings Per Share (in ₹)	48.37	44.11
Diluted Earnings Per Share (in ₹)	48.37	44.11

\*It includes 38,43,140 compulsory convertible preference shares .



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### Note 37 :

#### Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

#### A) Category-wise classification of financial instruments:

(₹ in Lakhs)

Assets	Refer Note	Non-Current		Current	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>					
Investments in quoted equity shares (Note 37.1)	3A	1,130.21	629.26	-	-
Investments in unquoted equity shares (Note 37.1)	3A	1,215.64	911.09	-	-
<b>Financial assets measured at fair value through profit &amp; loss (FVTPL)</b>					
Investments in mutual funds	3B	-	-	19,602.01	18,881.87
<b>Financial assets measured at amortised cost</b>					
Security deposits	4A & 4B	150.98	132.37	99.36	74.88
Loan to employees	4A & 4B	9.63	25.05	64.82	65.51
Share application money	5A	-	-	-	-
Term Deposits held as margin money or security against borrowing, guarantees or other commitments	5A	8.01	7.01	-	-
Term Deposits held as margin money or security against borrowing, guarantees or other commitments	5B	-	-	182.06	4,169.73
Interest accrued on term deposits held as margin money or security against borrowing, guarantees or other commitments	5B	-	-	11.10	57.94
Forward contract receivable	5B	-	-	46.28	166.03
Others (Insurance claim and recoverable expenses)	5B	-	-	8.63	16.01
Trade receivables	9	-	-	42,036.23	41,895.88
Cash and bank balances	10	-	-	846.56	1,127.78

(₹ in Lakhs)

Liabilities	Refer Note	Non-Current		Current	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Financial Liabilities measured at fair value through profit or loss (FVTPL)</b>					
Forward contract payable	15	-	-	39.87	305.01
<b>Financial Liabilities measured at amortised cost</b>					
Borrowings	13A & 13B	7,128.14	6,828.15	39,498.49	30,911.83
Obligation under Lease	14A & 14B	526.36	177.12	306.64	252.69

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Liabilities	Refer Note	Non-Current		Current	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Security deposits and others	15	-	-	232.77	204.63
Current maturities of long term borrowings	15	-	-	3,156.76	1,469.97
Unclaimed dividend	15	-	-	6.99	6.99
Retention money relating to capital expenditure	15	-	-	166.71	297.23
Interest accrued and due	14B	-	-	69.84	269.72
Interest accrued but not due	15	-	-	40.28	50.45
Accrued salary & benefits	15	-	-	692.10	719.87
Director's Commission	15	-	-	192.25	176.89
Creditors for capital expenditure	15	-	-	199.84	871.77
Other payables	15	-	-	95.36	53.21
Trade payables	19	-	-	11,350.29	18,086.20

Note 37.1 Investment are not held for trading. Upon the application of Ind AS 109 - Financial Instruments, the Company 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 Company.

Note 37.2 Investment in joint venture amounting to ₹ 1,637.31 Lakhs (31.03.2020 ₹ 1,637.31 Lakhs) are measured at cost in accordance with Ind AS 27 requirements. since the same is scoped out of Ind AS -109 for the purpose of measurement, the same have not been disclosed in tables above.

### 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 Company's financial assets and liabilities:

(₹ in Lakhs)

Financial Assets / Financial Liabilities as at March 31, 2021	Fair value	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through other comprehensive income</b>				
Investments in quoted equity shares (Note 3A)	1,130.21	1,130.21	-	-
Investments in unquoted equity shares (Note 3A)	1,215.64	-	-	1,215.64
<b>Financial assets measured at fair value through profit or loss (FVTPL)</b>				
Investments in mutual funds (Note 3B)	19,602.01	19,602.01	-	-
Forward contract receivable (Note 5B)	46.28	-	46.28	-
<b>Financial liabilities measured at fair value through profit or loss (FVTPL)</b>				
Forward contract payable (Note 15)	39.87	-	39.87	-

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Financial Assets/ Financial Liabilities as at March 31, 2020	Fair value	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through other comprehensive income</b>				
Investments in quoted equity shares (Note 3A)	629.26	629.26	-	-
Investments in unquoted equity shares (Note 3A)	911.09	-	-	911.09
<b>Financial assets measured at fair value through profit or loss (FVTPL)</b>				
Investments in mutual funds (Note 3B)	18,881.87	18,881.87		
Forward contract receivable (Note 5B)	166.03		166.03	-
<b>Financial liabilities measured at fair value through profit or loss (FVTPL)</b>				
Forward contract payable (Note 15)	305.01	-	305.01	-

The carrying amounts of financial assets and financial 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 (c) Credit Risk comprising of trade receivable risk and financial instrument risk and . 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 of the Company . 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, Liquidity Risk and Credit 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

The exposure of the Company's financial liabilities to interest rate risk based on liabilities as at reporting date is as follows:

(₹ in Lakhs)

Particulars	Impact on profit before tax	
	2020-21	2019-20
Increase in interest rate by 100 basis points	497.40	390.75
Decrease in interest rate by 100 basis points	(497.40)	(390.75)

(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.

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%	413.43	415.00
Decrease in exchange rates by 5%	(413.43)	(415.00)

### 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 March 31, 2021 the carrying value of such equity instruments recognised at fair value through OCI amounts to ₹ 2,345.85 Lakhs (P.Y. 31.03.2020 ₹ 1,540.35 Lakhs). The price risk arises due to uncertainties about the future market values of these investments and the same is classified in the balance sheet as fair value through profit or loss.

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%	117.29	77.02
Decrease by 5%	(117.29)	(77.02)

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### 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)

At March 31, 2021	Less than 1 year	Between 1 to 5 years	Total	Carrying Value
Borrowings (Note 13A and 13B)	39,498.49	7,128.14	46,626.63	46,626.63
Derivative financial liabilities (Note 15)	39.87	-	39.87	39.87
Other financial liabilities (Note 15)	4,852.90	-	4,852.90	4,852.90
Trade payables (Note 19)	11,350.29	-	11,350.29	11,350.29

(₹ in Lakhs)

At March 31, 2020	Less than 1 year	Between 1 to 5 years	Total	Carrying Value
Borrowings (Note 13A and 13B)	30,911.83	6,828.15	37,739.98	37,739.98
Derivative financial liabilities (Note 15)	305.01	-	305.01	305.01
Other financial liabilities (Note 15)	4,120.74	-	4,120.74	4,120.74
Trade payables (Note 19)	18,086.20	-	18,086.20	18,086.20

### 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 to 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 minimize the credit risk. The credit risk for the financial guarantees issued by the Company to banks 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 and financial guarantees, as a practical expedient, the Company computes credit loss allowance based on expected credit loss method. The movement in expected credit loss allowance is as under:

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Balance at the beginning of the year	3,071.93	2,190.28
Add/(Less): Allowance for expected credit loss	529.05	881.65
Balance at the end of the year	3,600.98	3,071.93

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### Note 38 : Segment Information

The Company has presented data relating to its segments based on its financial statements. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments", disclosures related to segments are presented.

#### Identification of segments

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available.

The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment based on an analysis of various performance indicators by business segments and geographic segments.

#### Segment revenue and expenses:

It has been identified to a segment on the basis of relationship to operating activities of the segment. The company generally accounts for intersegment sales and transfers at cost plus appropriate margins. Intersegment revenue and profit is eliminated at company level .

Finance income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting as the underlying instruments are managed on a company.

#### Segment assets and liabilities:

Segment assets and segment liabilities represent assets and liabilities of respective segments, however the assets and liabilities not identifiable or allocable on reasonable basis being related to enterprise as a whole have been grouped as unallocable. The accounting policies of the reportable segments are same as that of company's accounting policies described. The company is organised into business units based on its products and services and has two reportable segments as follows.

**Wire and Cable:** Manufacture and sale of wires and cables.

**Consumer electrical goods:** Fans, LED lighting, switches, switchgears, water heaters and domestic appliances.

A) The following summary describes the operations in each of the Company's reportable segments:

Following summary describes the operations in each of the company's reportable segments: (₹ In Lakhs)

Particulars	31 <sup>st</sup> March 2021				31 <sup>st</sup> March 2020			
	Wires & Cables	Consumer Electricals	Elimination	Total	Wires & Cables	Consumer Electricals	Elimination	Total
<b>Income</b>								
External Revenue	253,174.69	19,562.23	-	272,736.92	229,999.01	18,772.21	-	248,771.22
Inter segment revenue	-	19.23	(19.23)	-	33.82	17.16	(50.97)	-
Total Income	253,174.69	19,581.46	(19.23)	272,736.92	230,032.83	18,789.37	(50.97)	248,771.22
<b>Segment Results</b>								
External	22,688.64	(3,006.42)	-	19,682.22	19,907.09	(1,780.80)	-	18,126.29
<b>Segment/Operating results</b>	22,688.64	(3,006.42)	-	19,682.22	19,907.09	(1,780.80)	-	18,126.29
<b>Un-allocated items:</b>								
Finance income				1,056.80				1,173.66
Finance costs				2,705.63				3,524.64
<b>Profit before tax</b>				18,033.39				15,775.31
Provision for taxation				4,603.59				3,527.67
<b>Profit for the year</b>				13,429.80				12,247.64
Depreciation & amortisation expenses	4,147.22	284.35	-	4,431.56	3,742.21	138.17	-	3,880.38

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### (B) Revenue by Geography

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Within India	212,917.68	196,612.59
Outside India	58,676.54	50,630.48
Total Revenue	271,594.22	247,243.07

### (C) Segment assets

Particulars	31 <sup>st</sup> March 2021				31 <sup>st</sup> March 2020			
	Wires & Cables	Consumer Electricals	Elimination	Total	Wires & Cables	Consumer Electricals	Elimination	Total
Segment assets	131,888.41	14,009.58	-	145,897.99	112,667.07	12,804.56	(10.82)	125,460.81
<b>Unallocated assets:</b>								
Non -Current Investment	-	-	-	3,983.16	-	-	-	3,177.66
Current investments	-	-	-	19,602.01	-	-	-	18,881.87
Cash and cash equivalents and bank balance	-	-	-	846.56	-	-	-	1,127.78
Loans	-	-	-	324.79	-	-	-	297.81
Other Financial asset	-	-	-	256.08	-	-	-	4,424.93
Income tax assets (net)	-	-	-	523.53	-	-	-	1,150.60
<b>Total</b>	<b>131,888.41</b>	<b>14,009.58</b>	<b>-</b>	<b>171,434.12</b>	<b>112,667.07</b>	<b>12,804.56</b>	<b>(10.82)</b>	<b>154,521.46</b>

### (D) Segment liabilities

Particulars	31 <sup>st</sup> March 2021				31 <sup>st</sup> March 2020			
	Wires & Cables	Consumer Electricals	Elimination	Total	Wires & Cables	Consumer Electricals	Elimination	Total
Segment liabilities	10,694.51	4,748.66	-	15,443.17	17,462.37	6,122.55	(10.82)	23,574.10
<b>Unallocated liabilities:</b>								
Borrowings (Non-Current and Current, including Current Maturity)	-	-	-	49,783.38	-	-	-	39,209.95
Lease liabilities	-	-	-	833.00	-	-	-	429.81
Deferred tax liabilities (net)	-	-	-	788.81	-	-	-	917.48
<b>Total</b>	<b>10,694.51</b>	<b>4,748.66</b>	<b>-</b>	<b>66,848.35</b>	<b>17,462.37</b>	<b>6,122.55</b>	<b>(10.82)</b>	<b>64,131.34</b>

E) All non current assets of the Company are located in India.

F) There is no transaction with single external customer which amounts to 10% or more of the Company's revenue.

### Note 39 : Details of Loans, Guarantee and Investments U/s 186 of the Companies Act, 2013

(₹ in Lakhs)

Party Name	Nature of Transaction	As at 31.03.2021	As at 31.03.2020
Ram Ratna Wires Limited	Investment	1,130.03	629.20
Comfort Intech Limited	Investment	0.18	0.06
MEW electricals Ltd	Investment	1,215.64	911.09
RR-Imperial Electricals Limited - Bangladesh	Investment	1,637.31	1,637.31

There are no new investments made during the Current year. Above represents carrying amount of existing investments as at respective balance sheet date.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### Note 40: Right of use assets :-

#### i) The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the co assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the co has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), variable lease and low value leases. For these short-term, variable lease and low value leases, the co recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the co 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 and lease payments have been classified as financing cash flows.

#### ii) 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, rental income is recognized on a straight line basis over the term of the relevant lease.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

#### iii) Others

- (a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- (b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application, variable lease and low value asset.
- (c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- (d) Applied the practical expedient in the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- (e) The effective interest rate for lease liabilities is 9.22% p.a., with maturity between 2021-2026.

The changes in the carrying value of right of use for the year ended 31 March 2021 are shown in Note no 2(D)



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

The following is the break-up of current and non-current lease liabilities for the year ended 31 March 2021 (₹ in Lakhs)

Particulars	2020-21	2019-20
Non-current lease liabilities	526.36	177.12
Current lease liabilities	306.64	252.69
<b>Total</b>	<b>833.00</b>	<b>429.81</b>

The following is the movement in lease liabilities for the year ended 31 March 2021 (₹ in Lakhs)

Particulars	2020-21	2019-20
As at the beginning of the year	429.81	597.73
Additions	702.51	-
Finance cost accrued during the year	31.10	22.05
Payment of lease liabilities	(330.42)	(189.96)
<b>As at the end of the year</b>	<b>833.00</b>	<b>429.81</b>

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.

Particulars	2020-21	2019-20
20-21	-	177.12
21-22	306.64	156.68
22-23	191.80	48.42
23-24	167.32	28.96
24-25	114.20	18.63
25-26	53.04	-

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following are the amounts recognised in profit or loss: (₹ in Lakhs)

Particulars	2020-21	2019-20
Depreciation expense of right-of-use assets	304.74	180.69
Interest expense on lease liabilities	31.10	22.05
Expense relating to short-term leases (included in other expenses)	95.21	189.24
	<b>431.05</b>	<b>391.98</b>

Lease contracts entered by the company majorly pertains for Marketing offices and warehouse taken on lease to conduct its business in the ordinary course. The company does not have any lease restrictions and commitment towards variable rent as per the contract.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### Note 41 : Research & Development

The Company is continuously engaged in Research & Development of new product & process improvement of existing products, in which the Company operates. Detail of expenses incurred on Research & Development activities during the year, are as under:

(₹ in Lakhs)

Particulars	2020-21		2019-20	
Capital Expenditure *		41.86		22.78
Revenue Expenditure				
- Cost of Raw Material	214.53		191.94	
- Salary & Wages	156.90		137.68	
- Other Expenses	9.69		15.96	
- Sales of Scrap	(171.68)	209.44	(122)	223.45
<b>Total</b>		<b>251.30</b>		<b>246.23</b>

\* Capital Expenditure included in Plant & Machinery reported in Note : 2A

### Note 42: Capital Management

For the purpose of the company's capital management, capital includes issued capital (Equity & Preference) and all other equity reserves attributable to the equity shareholders of the company.

The primary objective of the Company's Capital Management is to maximize the Shareholder Value and to safeguard the company's ability to meet its Liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern. The Company monitors using a gearing ratio which is net debts divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, less cash and short term deposit. The company's policy is to keep the ratio below 1.5.

No changes were made in the objectives, policies or processes for managing capital during the year ended as at 31st March, 2021 and as at 31st March, 2020.

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Net debt (total debt less cash and cash equivalents) (A)	48,943.82	38,089.16
Total capital (B)	104,585.77	90,390.12
Total capital and net debt C=(A+B)	153,529.59	128,479.28
Gearing ratio (A/C)	0.32	0.30

### Note 43: Events occurring after the Balance sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of September 2, 2021, there are no subsequent events to be recognized or reported that are not already disclosed.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### Note 44: Disclosure under Ind AS 115 “Revenue from Contracts with Customers”

#### (A) Reconciliation of amount of revenue recognized in the statement of profit & loss with the contracted price:

(₹ in Lakhs)

Particulars	As on 31.03.2021	As on 31.03.2020
Revenue as per contracted price	272,986.82	253,726.92
<b>Adjustment</b>		
Less : Sales Return	1,802.32	1,810.68
Less : Rebate & Discounts	4,651.28	8,870.91
<b>Other operating revenue</b>	<b>5,061.00</b>	4,197.74
<b>Revenue from contract with customers</b>	<b>271,594.22</b>	247,243.07

The management determines that the segment information reported under Note 38 Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

#### (B) Contract Balances (Net of allowances expected credit loss)

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(₹ in Lakhs)

Particulars	As on 31.03.2021	As on 31.03.2020
Receivables, which are included in ‘trade and other receivables’	42,036.23	41,895.88
Contact Liabilities, Advances from customers	437.34	1,016.23
	<b>41,598.89</b>	40,879.65

#### (C) Significant Payment Terms

Generally, the company provides credit period in the range of 30 to 75 days for customers.

### Note 45 : Disclosure under rule 16A of Companies (Acceptance of Deposits) Rule 2014:

(₹ in Lakhs)

Particulars	As on 31.03.2021	As on 31.03.2020
Money received from Director during the year	236.05	725.75
Balance outstanding at the end of the year	-	2,354.27

**Note 46:** The Company’s international and domestic transactions with associated enterprises are at arm’s length, as per the independent accountant’s report for the year ended 31 March 2020. The Management believes that the Company’s international and domestic transactions with associated enterprises post 31 March 2020 continue to be at arm’s length and that transfer pricing legislations will not have any impact on the financial statements, particularly on the amount of tax expenses for the year and the amount of provision for taxation at the year end.

**Note 47:** Financial statements are approved by Board of Director’s in their meeting held on September 2, 2021.

**Note 48:** Estimation of uncertainties relating to the global health pandemic from COVID-19

The outbreak of Corona virus (COVID-19) pandemic is causing disturbance and slowdown of economic activity throughout the world and is impacting operations of the businesses, by way of interruption in production, supply chain disruption, unavailability of personnel, closure of production facilities etc.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising property, plant and equipments, trade receivables, inventories, investments, and other current and non-current assets as at the balance sheet date and has concluded that there are no material adjustments required in the Standalone Financial Statements. Based on the forecasted cash flows, management believes that they will be able to discharge all their liabilities/obligations due in next one year. In evaluating the possible impact due to COVID-19, the company has used internal and external sources of information available till date.

Considering the nature of COVID-19, the company will continue to closely monitor any material changes to future economic conditions.

### Note 49: Employee Stock Option Plan

On November 10, 2020, pursuant to the approval by the shareholders in the EGM, the Board was authorized to create and grant from time to time, in one or more tranches, not exceeding 3,50,000 employee stock options to or for the benefit of such person(s) who are in employment of the Company, present and future, within the meaning of RRKL ESOP 2020 plan and eligible to receive such options under the Act, as may be decided under the RRKL ESOP 2020 plan, exercisable into not more than 3,50,000 equity shares of face value of Rs. 10/- each fully paid-up, where one employee stock option would convert into one fully paid-up equity share of face value of Rs. 10/- each upon exercise, on such terms and in such manner as the Board / Committee may decide in accordance with the provisions of the applicable laws and the provisions of RRKL ESOP 2020 plan.

50% of the Options granted to a Participating Employee will be subject to time-based conditions ("Time Based Options") and the balance 50% of the Options granted to a Participating Employee will be subject to performance-based conditions ("Performance Based Options"). There shall be a minimum period of one year between the grant of Options and the vesting of such Options. Plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (the nomination and remuneration committee). The performance parameters will be based on budgeted target EBITDA. These instruments will generally vest between a minimum of one to a maximum of five years from the grant date.

**(A) The Company has granted 1,29,590 employee stock options during the FY 2019-20 to its eligible employee including under RRKL ESOP 2020 plan, details are as under:**

#### Equity-settled share-based payment transaction

Particulars	Tranch I	Tranch II	Tranch III	Tranch IV	Tranch V
Time based options					
% of total options which are eligible to vest	20%	20%	20%	20%	20%
No. of Options	6,479	6,479	6,479	6,479	6,482
Grant Date	December 24, 2020	December 24, 2020	December 24, 2020	December 24, 2020	December 24, 2020
Vesting date	December 24, 2021	December 24, 2021	May 13, 2022	May 13, 2023	May 13, 2024
Exercise price (₹ per share)	1,080.30	1,080.30	1,080.30	1,080.30	1,080.30
Fair Value per Stock Option (₹ per share)	176.90	176.90	176.90	196.60	215.10
Performance based options					
% of total options which are eligible to vest	20%	20%	20%	20%	20%
No. of Options	6,479	6,479	6,479	6,479	6,482
Vesting date	December 24, 2021	December 24, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Exercise price (₹ per share)	1,080.30	1,080.30	1,080.30	1,080.30	1,080.30
Fair Value per Stock Option (₹ per share)	174.40	174.40	176.90	196.60	215.10
EBITDA Target (in ₹ lakhs)	To be vested without considering the EBITDA	26,100	Annual EBITDA target to be approved by the Board and notified to the Participating Employee as soon as reasonably practical after the annual budget is finalized		

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### (B) Fair Valuation

1,29,590 share options were granted during the year (with vesting plan of 20% each year).

Weighted average fair value of the options granted during the year:

- (a) For time based options: ₹ 188.5 per unit granted
- (b) For performance based options: ₹ 187.45 per unit granted

The fair value of option has been done by an independent firm of Professional Valuers on the date of grant using the Black-Scholes Merton Model.

- (C) The Key assumptions in the Black-Scholes Merton Model for calculating fair value as on the date of grant December 24, 2020 :

Risk Free Rate	5.53%
Discount for lack of marketability	24.00%
Implied EV/EBITDA multiple and calibration factor	1.0x

### (D) Movement of Options Granted :

	As at
	March 31, 2021
	No. of shares
Outstanding at the beginning of the year	-
Granted during the year	129,590
Vested during the year	-
Exercised during the year	-
Options expired (due to resignation & retirement)	64,794
Outstanding at the end of the year	64,796
Options exercisable at the end of the year	-

Note : The above share options carry an exercise price of Rs. 1,080.30 per share option.

### (E) Break up of employee stock option expense

(₹ in Lakhs)

Particulars	As at March 31, 2021
Term based options	11.46
Performance based options	11.30
Total	22.76

### Note 50: Amalgamation of Ram Ratna Electricals Limited with the company

- (a) The Scheme of Amalgamation of Ram Ratna Electricals Limited (RREL) (referred to as 'transferor company') with R R Kabel Limited ('the Scheme'), was approved by the National Company Law Tribunal, Mumbai Bench vide their orders dated August 19, 2020. The Company had carried out the accounting prescribed in the Scheme and made the required disclosure for Amalgamations in the nature of merger, as required under Appendix C of Ind AS 103 Business Combinations, for Business Combinations of entities under "Common Control" and accordingly given effect in the financial statements for the year ended 31 March 2020. RREL is engaged in the business of manufacturing, trading and otherwise dealing in consumer electricals, such as fans and lights, and consumer appliances such as water heaters, heat convectors, electric irons and switches and similar products.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(b) In accordance with the Scheme, the Company had taken over all the assets aggregating to ₹ 11,432.04 lakhs, liabilities aggregating to ₹ 11,211.41 lakhs and other equity amounting to ₹ (1,101.37) lakhs at their respective book values against capital issuance of ₹ 71.48 lakhs to the shareholders of RREL as on the appointed date, the resultant surplus of ₹ 1250.52 lakhs has been credited to capital reserve.

In terms of the Scheme, the Company has allotted 5,28,798 equity shares of ₹ 10 each and 1,40,568 Compulsory convertible preference shares of ₹ 1,080.33 each to existing shareholders of RREL based on share entitlement ratio as per the Scheme.

### Note 51 : Specified Bank Note :

The details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been provided in these financial statements since the requirement does not pertain to financial year ended 31 March 2021.

**Note 52 :** The previous year's figures have been regrouped / reclassified to match with current year's groupings.

As per our Report of even date

**For and on behalf of the Board of Directors of  
R R Kabel Limited**

CIN: U28997MH1995PLC085294

**For B S R & Co. LLP**  
*Chartered Accountants*  
Firm Registration No: 101248W/W-100022

**Tribhuvanprasad Kabra**  
Chairman  
DIN : 00091375

**Shreegopal Kabra**  
Managing Director  
DIN : 00140598

**Rupen Shah**  
*Partner*  
Membership No. 116240

**Rajeev Pandiya**  
*Chief Financial Officer*  
Membership No. 089631

**Himanshu Parmar**  
*Company Secretary*  
Membership No.FCS 10118

Place : Ahmedabad  
Date : September 2, 2021

Place : Mumbai  
Date : September 2, 2021

# INDEPENDENT AUDITORS' REPORT

## To the Members of R R Kabel Limited

### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of R R Kabel Limited (hereinafter referred to as the 'Holding Company') and its joint venture, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding company and its joint venture as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### 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 SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Holding company and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, 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 based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Holding company and its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of Holding company and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of Holding company and its joint venture are responsible for overseeing the financial reporting process of each company.

#### 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



## INDEPENDENT AUDITORS' REPORT (Contd.)

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 Holding company and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Holding company and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information 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. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

### **Other Matters**

- (a) The consolidated financial statements include the Holding company's share of net profit (including other comprehensive income) of ₹ 109.82 lakhs for the year ended 31 March 2021, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of 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 aforesaid joint venture is based solely on the audit reports of the other auditors.

The above joint venture is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Holding company's management has converted the financial statements of such joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the



## INDEPENDENT AUDITORS' REPORT

balances and affairs of such joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements 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.

### Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of the joint venture audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company is disqualified as on 31 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 with reference to financial statements of the Holding Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates and joint venture and joint operations, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Holding company and its joint venture. Refer Note 28 to the consolidated financial statements.
  - ii. The Holding company and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.
  - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2021.
  - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.
- C. With respect to the matter to be included in the Auditor's report under Section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**Rupen Shah**

*Partner*

Membership No. 116240

UDIN: 21116240AAAACG8270

Place: Ahmedabad

Date: 02 September 2021

## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

**Annexure A to the Independent Auditors' report on the consolidated financial statements of R R Kabel Limited for the year ended 31 March 2021**

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

In conjunction with our audit of the consolidated financial statements of R R Kabel Limited (hereinafter referred to as "the Holding Company") and its joint venture, as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company incorporated in India as of that date.

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

### **Management's Responsibility for Internal Financial Controls**

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. 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 the Holding company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

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

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### **Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**Rupen Shah**

*Partner*

Membership No. 116240

UDIN: 21116240AAAACG8270

Place: Ahmedabad

Date: 02 September 2021

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	2A	38,598.78	37,927.23
Capital work-in-progress	2B	668.18	1,537.21
Intangible assets under development	2C	48.50	-
Other intangible assets	2C	527.54	708.37
Right of use assets	2D	814.81	417.04
<b>Financial assets</b>			
Investments	3A	4,060.14	3,195.20
Loans	4A	160.61	157.42
Other financial assets	5A	8.01	7.01
Income tax assets (net)	6A	523.53	176.18
Other non-current assets	7A	1,433.42	1,161.87
		<b>46,843.52</b>	<b>45,287.53</b>
<b>Current assets</b>			
Inventories	8	53,405.48	37,520.95
Financial assets			
Investments	3B	19,602.01	18,881.87
Trade receivables	9	42,036.23	41,895.88
Cash and bank balances	10	846.56	1,127.78
Loans	4B	164.18	140.39
Other financial assets	5B	248.07	4,414.50
Income tax assets (net)	6B	-	974.43
Other current assets	7B	8,365.05	4,292.26
		<b>124,667.58</b>	<b>109,248.06</b>
<b>Total Assets</b>		<b>171,511.10</b>	<b>154,535.59</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11A	2,392.41	2,339.53
Instrument entirely equity in nature	11B	41,518.59	40,000.00
Other equity	12	60,751.75	48,064.72
		<b>104,662.75</b>	<b>90,404.25</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	13A	7,128.14	6,828.15
Lease liabilities	14A	526.36	177.12
Provisions	16A	604.39	781.35
Deferred tax liabilities (net)	17	788.81	917.48
Other non-current liabilities	18A	1.76	1.76
		<b>9,049.46</b>	<b>8,705.86</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	13B	39,498.49	30,911.83
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	19	932.20	884.19
- total outstanding dues of creditors other than micro enterprises and small enterprises	19	10,418.09	17,202.01
Lease liabilities	14B	306.64	252.69
Other financial liabilities	15	4,892.77	4,425.75
Provisions	16B	546.46	128.87
Other current liabilities	18B	1,204.24	1,620.14
		<b>57,798.89</b>	<b>55,425.48</b>
<b>Total Equity and Liabilities</b>		<b>171,511.10</b>	<b>154,535.59</b>
Significant accounting policies	1		
See accompanying Notes to the Consolidated Financial Statements	1-55		

As per our Report of even date

For and on behalf of the Board of Directors of

**R R Kabel Limited**

CIN: U28997MH1995PLC085294

**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

**Rupen Shah**

Partner

Membership No. 116240

Place : Ahmedabad

Date : September 2, 2021

**Tribhuvanprasad Kabra**

Chairman

DIN : 00091375

**Rajeev Pandiya**

Chief Financial Officer

Membership No. 089631

**Shreegopal Kabra**

Managing Director

DIN : 00140598

**Himanshu Parmar**

Company Secretary

Membership No.FCS 10118

Place : Mumbai

Date : September 2, 2021

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2021

(₹ in Lakhs)

Particulars	Note No.	2020-21	2019-20
<b>Revenue From Operations</b>	20		
Sale of Products		266,533.22	243,045.33
Other Operating Revenues		5,061.00	4,197.74
Other Income	21	2,199.51	2,701.81
<b>Total Revenue</b>		<b>273,793.73</b>	249,944.88
Cost of materials consumed	22A	217,319.92	182,395.11
Purchase of traded goods	22B	12,806.38	11,127.50
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(15,384.42)	(1,309.42)
Employee benefits expense	24	14,834.47	13,576.55
Finance costs	25	2,705.63	3,524.64
Depreciation and amortization expense	26	4,475.09	3,880.38
Other expenses	27	19,003.27	20,974.81
<b>Total expenses</b>		<b>255,760.34</b>	234,169.57
Profit before share in Profit/(loss) of joint venture and tax		18,033.39	15,775.31
Add : Share of Profit /(loss) of joint venture (net of taxes)		109.82	(7.73)
<b>Profit before tax</b>		<b>18,143.21</b>	15,767.58
Tax expense:	17		
Current tax		4,891.18	3,275.34
(Excess)/Short provision of earlier years		(78.89)	103.82
Deferred tax charge		(208.70)	148.51
		<b>4,603.59</b>	3,527.67
<b>Profit for the year</b>		<b>13,539.62</b>	12,239.91
<b>Other Comprehensive Income/(Loss)</b>			
A) Items that will not be reclassified to Profit and Loss			
a) (i) Re-measurement of post employment benefits obligation		40.39	(117.67)
(ii) Income tax relating to items that will not be reclassified to Profit and Loss		(10.16)	28.47
b) (i) Fair value gain/(loss) on investment in equity instrument through OCI		805.49	(640.44)
(ii) Income tax relating to items that will not be reclassified to Profit and Loss		(69.86)	(33.74)
B) Items that will be reclassified to Profit or Loss			
a) Exchange difference arising on translation of foreign operation		(46.97)	133.91
<b>Total Other Comprehensive Income/(Loss) (net of Tax)</b>		<b>718.89</b>	(629.47)
<b>Total Comprehensive Income for the year</b>		<b>14,258.51</b>	11,610.44
<b>Earnings per equity Share (nominal value of ₹ 10/- each):</b>	29		
Basic		48.76	44.08
Diluted		48.76	44.08
Significant accounting policies	1		
See accompanying Notes to the Consolidated Financial Statements	1-55		

As per our Report of even date

For and on behalf of the Board of Directors of

**R R Kabel Limited**

CIN: U28997MH1995PLC085294

**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No: 101248W/W-100022

**Tribhuvanprasad Kabra**  
Chairman  
DIN : 00091375

**Shreegopal Kabra**  
Managing Director  
DIN : 00140598

**Rupen Shah**  
Partner  
Membership No. 116240

**Rajeev Pandiya**  
Chief Financial Officer  
Membership No. 089631

**Himanshu Parmar**  
Company Secretary  
Membership No.FCS 10118

Place : Ahmedabad  
Date : September 2, 2021

Place : Mumbai  
Date : September 2, 2021

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

	Particulars	2020-21	2019-20
<b>(A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
	<b>Profit Before Tax</b>	<b>18,143.21</b>	15,767.58
	<b>Adjustments for:</b>		
	Depreciation & amortization	<b>4,475.09</b>	3,880.38
	Grant related to property, plant & equipment	<b>(0.44)</b>	(92.38)
	Share of (profit)/Loss from Jointly Controlled Entity	<b>(109.82)</b>	7.73
	Finance costs	<b>2,705.63</b>	3,524.64
	Interest income	<b>(328.86)</b>	(297.51)
	Dividend income	<b>(7.05)</b>	(398.28)
	Fair value gain on investment on mutual fund	<b>(400.15)</b>	(477.87)
	Allowances for doubtful debts & Bad Debts	<b>529.05</b>	1,256.27
	Warranty expenses	<b>216.84</b>	-
	Unrealised foreign exchange loss	<b>230.55</b>	409.63
	Gain on Sale of Property, Plant & Equipment	<b>(8.72)</b>	(25.94)
	<b>Operating profit before working capital changes</b>	<b>25,445.33</b>	23,554.25
	<b>Adjustments for:</b>		
	(Increase)/Decrease in Trade receivables	<b>(1,146.97)</b>	1,994.83
	Decrease in Financial assets	<b>100.15</b>	364.78
	(Increase)/Decrease in Other assets	<b>(4,243.38)</b>	1,801.08
	Increase in Inventories	<b>(15,884.53)</b>	(2,250.07)
	Decrease in Trade payables	<b>(6,676.03)</b>	(1,272.40)
	Increase in Financial liabilities	<b>(74.70)</b>	(77.07)
	(Decrease)/Increase in Other liabilities & provision	<b>(440.57)</b>	359.91
	<b>Cash generation from operations</b>	<b>(2,920.70)</b>	24,475.31
	Income Taxes paid (net of refund)	<b>(4,185.20)</b>	(3,346.27)
	<b>Net cash (used in)/generated from operating activities (A)</b>	<b>(7,105.90)</b>	21,129.04
<b>(B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchases of property, plant & equipment including changes in capital advance & capital creditors	<b>(4,741.84)</b>	(8,710.47)
	Proceeds from sale of property, plant & equipment	<b>96.40</b>	95.31
	Refund of Share application money - Joint Venture	<b>8.20</b>	-
	Investment in fixed deposits with banks	<b>3,986.67</b>	(1,411.05)
	Investment in Mutual Fund (net of redeemed)	<b>(319.99)</b>	(2,880.66)
	Dividend received on mutual fund investment	<b>-</b>	380.65
	Dividend received on quoted investment	<b>7.05</b>	17.63
	Interest received	<b>375.70</b>	280.68
	<b>Net cash (used in) Investing activities (B)</b>	<b>(587.81)</b>	(12,227.91)

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

	Particulars	2020-21	2019-20
<b>(C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from non current borrowing	<b>3,500.00</b>	6,043.62
	Repayment of non current borrowing	<b>(1,513.22)</b>	(1,429.10)
	Proceeds from/(Repayment of) short term borrowing (net)	<b>8,630.70</b>	(5,130.54)
	Finance costs paid	<b>(2,874.58)</b>	(3,404.76)
	Repayment of lease obligations	<b>(330.42)</b>	(189.96)
	Dividend paid (inclusive of dividend tax)	-	(4,246.83)
	<b>Net cash generated from/(used in) financing activities (C)</b>	<b>7,412.48</b>	(8,357.57)
<b>(D)</b>	<b>Net increase/(decrease) in cash and equivalents (A+B+C)</b>	<b>(281.22)</b>	543.56
	<b>Add : Cash and cash equivalents as at the beginning of the year</b>	<b>1,120.79</b>	577.23
	<b>Cash and cash equivalents as at the end of the year (Note 10)</b>	<b>839.57</b>	1,120.79

Note :

- 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.

(₹ in Lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
b)	Cash on hand	<b>5.07</b>	8.06
	Balance with banks	<b>834.50</b>	1,111.73
	Term deposits	-	1.00
	<b>Cash and cash equivalents in Cash Flow Statement</b>	<b>839.57</b>	1,120.79

- c) Reconciliation of liabilities arising from financing activities

(₹ in Lakhs)

Particulars	As at March 31, 2020	Cash Flow	Non Cash Changes			As at March 31, 2021
			Fair value changes	Forex difference	Current / Non - current classification	
Borrowings- Non Current	6,828.15	3,456.75	-	-	(3,156.76)	<b>7,128.14</b>
Borrowing Non Current (current maturities)	1,469.97	(1,469.97)	-	-	3,156.76	<b>3,156.76</b>
Borrowings- Current	28,859.34	10,639.15	-	-	-	<b>39,498.49</b>
Borrowings- Current- Buyer credit	2,052.49	(2,052.49)	-	-	-	-

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakhs)

Particulars	As at March 31, 2019	Cash Flow	Non Cash Changes			As at March 31, 2020
			Fair value changes	Forex difference	Current / Non - current classification	
Borrowings- Non Current	2,252.49	6,045.62	-	-	(1,469.95)	6,828.15
Borrowing Non Current (current maturities)	1,431.09	(1,431.09)	-	-	1,469.95	1,469.95
Borrowings- Current	33,559.30	(4,677.90)	-	-	-	28,881.39
Borrowings- Current- Buyer credit	2,425.11	(452.63)	80.01	-	-	2,052.49

As per our Report of even date

**For and on behalf of the Board of Directors of  
R R Kabel Limited**

CIN: U28997MH1995PLC085294

**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No: 101248W/W-100022

**Tribhuvanprasad Kabra**  
Chairman  
DIN : 00091375

**Shreegopal Kabra**  
Managing Director  
DIN : 00140598

**Rupen Shah**  
Partner  
Membership No. 116240

**Rajeev Pandiya**  
Chief Financial Officer  
Membership No. 089631

**Himanshu Parmar**  
Company Secretary  
Membership No.FCS 10118

Place : Ahmedabad  
Date : September 2, 2021

Place : Mumbai  
Date : September 2, 2021



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2021

(A) SHARE CAPITAL	Equity Shares		Compulsory Convertible Preference Shares	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Opening balance as at April 1, 2019	23,395,276	2,339.53	3,702,572	40,000.00
Changes in share capital	-	-	-	-
Closing balance as at March 31, 2020	23,395,276	2,339.53	3,702,572	40,000.00
Share issued in pursuant to scheme of amalgamation (refer note 50)	528,798	52.88	140,568	1,518.59
<b>Closing balance as at March 31, 2021</b>	<b>23,924,074</b>	<b>2,392.41</b>	<b>3,843,140</b>	<b>41,518.59</b>

(B) OTHER EQUITY	(₹ in Lakhs)						
	Capital Redemption Reserve (refer note a)	Capital Reserve (refer note b)	Retained Earnings	Equity Instruments through OCI (refer note c)	Share Suspense Account (refer note d)	Foreign Currency Translation Reserve (refer note e)	Total
<b>Opening balance as at April 1, 2019</b>	<b>75.07</b>	<b>1,250.52</b>	<b>36,692.75</b>	<b>911.23</b>	<b>1,571.48</b>	<b>200.06</b>	<b>40,701.11</b>
<u>Additions during the year</u>	-	-	12,239.91	-	-	-	12,239.91
Profit for the year	-	-	(89.20)	(674.18)	-	-	(763.38)
Other comprehensive income/(loss)	-	-	-	-	-	133.91	133.91
Exchange difference arising on translation of foreign operation	-	-	-	-	-	-	-
<b>Reductions during the year</b>	<b>-</b>	<b>-</b>	<b>12,150.71</b>	<b>(674.18)</b>	<b>-</b>	<b>133.91</b>	<b>11,610.44</b>
Dividends	-	-	(1,490.38)	-	-	-	(1,490.38)
Tax on dividend distribution	-	-	(306.35)	-	-	-	(306.35)
Interim dividends	-	-	(2,032.34)	-	-	-	(2,032.34)
Tax on dividend distribution	-	-	(417.75)	-	-	-	(417.75)
<b>Closing balance as at March 31, 2020</b>	<b>75.07</b>	<b>1,250.52</b>	<b>44,596.64</b>	<b>237.05</b>	<b>1,571.48</b>	<b>333.97</b>	<b>48,064.72</b>
<u>Additions during the year</u>	-	-	13,539.62	-	-	-	13,539.62
Profit for the year	-	-	30.23	735.63	-	-	765.86
Other comprehensive income/(loss)	-	-	-	-	-	(46.97)	(46.97)
Exchange difference arising on translation of foreign operation	-	-	-	-	-	-	-
<b>Reductions during the year</b>	<b>-</b>	<b>-</b>	<b>13,569.85</b>	<b>735.63</b>	<b>-</b>	<b>(46.97)</b>	<b>14,258.51</b>
Share issued in pursuant to scheme of amalgamation (refer note 50)	-	-	-	-	(1,571.48)	-	(1,571.48)
<b>Closing balance as at March 31, 2021</b>	<b>75.07</b>	<b>1,250.52</b>	<b>58,166.49</b>	<b>972.68</b>	<b>(1,571.48)</b>	<b>287.00</b>	<b>60,751.75</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2021

### Note :

#### (a) Capital Redemption Reserve

Capital redemption reserve of ₹ 75.07 Lakhs was created to the extent of share capital extinguished.

#### (b) Capital Reserve

Capital reserve of ₹ 1,250.52 Lakhs was created pursuant to scheme of amalgamation.

#### (c) 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.

#### (d) Share Suspense account

Share Suspense account includes ₹ 52.88 Lakhs towards equity shares suspense account and ₹ 1,518.60 Lakhs towards compulsory convertible preference share suspense account created pursuant to scheme of amalgamation. During the year the Group has issued 5,28,798 fully paid up equity shares of ₹ 10 each and 1,40,568 Compulsory Convertible Preference Shares (CCPS) of ₹ 1,080.33 each pursuant to scheme of amalgamation (refer Note 50).

#### (e) Foreign Currency Translation Reserve

Foreign currency translation reserve comprises of exchange differences arising from translation of financial statements of foreign Joint venture.

As per our Report of even date

For and on behalf of the Board of Directors of

**R R Kabel Limited**

CIN: U28997MH1995PLC085294

**For B S R & Co. LLP**

*Chartered Accountants*

Firm Registration No: 101248W/W-100022

**Rupen Shah**

*Partner*

Membership No. 116240

Place : Ahmedabad

Date : September 2, 2021

**Tribhuvanprasad Kabra**

*Chairman*

DIN : 00091375

**Rajeev Pandiya**

*Chief Financial Officer*

Membership No. 089631

**Shreegopal Kabra**

*Managing Director*

DIN : 00140598

**Himanshu Parmar**

*Company Secretary*

Membership No.FCS 10118

Place : Mumbai

Date : September 2, 2021

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## CONSOLIDATED CORPORATE INFORMATION

The consolidated financial statements comprise consolidated financial statements of R R Kabel Limited (the Group) and its Joint venture RR-Imperial Electricals Limited for the year ended March 31, 2021.

The group is mainly into the manufacturing of PVC insulated wires and cables, power cables and special cables. The Group has four manufacturing sites in India. The first unit is situated in the UT of Dadra and Nagar Haveli, second unit is situated at Waghodia in the State of Gujarat, third unit of consumer electrical division at Roorkee in the state of Uttarakhand and fourth unit of lighting business at Bengaluru in the state of Karnataka. The group has strategically located its sales offices and depots PAN India.

The Scheme of Amalgamation of Ram Ratna Electricals Limited with R R Kabel Limited, was approved by the National Company Law Tribunal, Mumbai Bench vide their orders dated August 19, 2020. The group had carried out the accounting prescribed in the Scheme and made the required disclosure for Amalgamations in the nature of merger, as required under Appendix C of Ind AS 103 Business Combinations, for Business Combinations of entities under "Common Control". RREL is engaged in the business of manufacturing, trading and otherwise dealing in consumer electrical, such as fans and lights, and consumer appliances such as water heaters, heat convectors, electric irons and switches and similar products.

The Joint venture is engaged in the business of manufacturing of enamelled winding wires, strips, PVC Insulated wires and cables.

The consolidated financial statements as at March 31, 2021 present the consolidated financial position of the Group & Joint venture. The consolidated financial statements were approved by the Board of Directors and authorized for issue on September 2, 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

### (A) BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

#### (i) Statement of compliance

The Group has prepared its Consolidated Financial Statements to comply with the accounting standards specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. These Consolidated financial statements includes Balance Sheet as at 31 March 2021, the Statement of Profit and Loss including Other Comprehensive Income, Cash flows Statement and Statement of changes in equity for the year ended 31 March 2021, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements").

#### (ii) Basis of Measurement:

The consolidated financial statements for the year ended 31 March 2021 have been prepared on an accrual basis and a historical cost convention except for the following financial assets and liabilities which have been measured at fair value at the end of each reporting period:

- (a) Derivative financial instruments
- (b) Certain financial assets and liabilities (Refer note 37 for accounting policy regarding financial instruments)
- (c) Net defined benefit plan

Historical cost is generally based on the 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.

Accounting policies and methods of computation followed in the consolidated financial statements are same as compared with the annual consolidated financial statements for the year ended 31 March 2020.

#### Current/ Non- Current Classification

Any asset or 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;

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

- 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.

### (iii) Functional and Presentation Currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group and the Joint venture operates ('the functional currency'). The functional and presentation currency of the Group and the Joint venture is Indian Rupees (₹).

## (B) USE OF ESTIMATES AND JUDGEMENTS

In the course of applying the policies outlined in all notes, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The Group uses the following critical accounting estimates in preparation of its consolidated financial statements:

### (i) Useful lives of property, plant & equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in current and future periods.

### (ii) Impairment of investments in joint- ventures

Determining whether the investment in joint ventures is impaired requires an estimate in the value in use of investments. The Group reviews its carrying value of investment carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss. In considering the value in use, the Board of Directors have anticipated the future market conditions and other parameters that affect the operations of these entities.

### (iii) Provision

The Group estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

### (iv) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized. Contingent assets are neither recognized nor disclosed in the consolidated financial statements.

### (v) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments (Refer note 37 for accounting policy on Fair value measurement of financial instruments).

### (vi) Provision for income tax and deferred tax assets

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

### (vii) Employee benefits

The accounting of employee benefit plans in the nature of defined benefit requires the group to use assumptions. These assumptions have been explained under employee benefits note.

### (viii) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods 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 an option to extend a lease, or not to exercise an option to terminate a lease, it considers 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 revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### (ix) Key Accounting Estimates, Judgements and Assumptions

The preparation of Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and the aging disclosures and 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. 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 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. Changes in accounting estimates are recognised prospectively.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, valuation of inventories, recoverability of deferred tax assets, commitments and contingencies.

### (x) Basis of consolidation of Joint Venture

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 joint venture 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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

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.

### (C) OTHER SIGNIFICANT ACCOUNTING POLICIES

#### (i) Revenue

Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Group considers below, if any:

**Variable Consideration:** This includes trade discounts, rebates and returns. It 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:** Such Amounts are 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 Group.

**Trade Receivable:** A receivable represents the Group's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

#### (ii) 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 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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

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.

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 consolidated financial statements upon sale or retirement of the property, plant & equipment and the resultant gains or losses are recognised in the statement of profit and loss. Property, Plant & Equipment to be disposed of is reported at the lower of the carrying value or the fair value less cost of sale.

On transition to Ind AS, the has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per Previous GAAP as the deemed cost of the property, plant and equipment.

Exchange differences arising on translation of long-term foreign currency monetary items recognised in the Previous GAAP consolidated financial statements in respect of which the Group has elected to recognise such exchange differences as a part of cost of assets 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.

### (iii) 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.

### (iv) Depreciation on Property, Plant & Equipment and Amortisation of intangible Assets

Depreciation on property, plant and equipment is provided 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 and residual values 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	30	Office & Other Equipment	5 to 10
Workers Quarters	60	Vehicles	8 to 10
Plant & Equipment	15	Computer / Laptop / Computer hardware	3
Furniture & Fixtures	10	Computer Servers	6
Electrical Installations	10	Computer Software	5



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### (v) 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.

### (vi) Leases

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the assesses whether:(i) the contract involves the use of an identified asset (ii) the has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the has the right to direct the use of the asset.

At the date of commencement of the lease, the recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), variable lease and low value leases. For these short-term, variable lease and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying value may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. 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 and lease payments have been classified as financing cash flows.

The Group as a 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, rental income is recognized on a straight-line basis over the term of the relevant lease.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### Transition

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying value as if the standard had been applied since the commencement date of the lease, but discounted at the 's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the 's Annual Report for year ended 31 March 2019.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 417.04 lakhs and lease liability of ₹ 429.81 lakhs. The cumulative effect of applying the standard resulted in ₹ 9.56 lakhs being debited to retained earnings (net of deferred tax assets created of ₹ 3.21 lakhs). The effect of this adoption is insignificant on the profit for the period and earnings per share.

The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

### Others

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application, variable lease and low value asset.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- The effective interest rate for lease liabilities is 9.22% p.a, with maturity between 2021-2030.

### (vii) Investments

Investments in mutual funds are primarily held for the group's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

Refer financial instruments accounting policy ix for methods of valuation.

### (viii) 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 comprises the cost of purchases, the cost of conversion and the cost of packing materials in case of Finished Goods.

The cost of purchase comprises of the purchase price including duties and taxes (other than those subsequently recoverable by the Group 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 on factory buildings and plant & machineries, power & fuel, factory management and administration expenses, repairs & maintenance and consumable stores & 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### (ix) 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, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to / deducted from the fair value on initial recognition.

#### 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 carried at amortised cost

A financial asset is subsequently measured at amortised cost 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, using the Effective Interest Rate (EIR) method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the consolidated statement of profit and loss.

##### Financial assets measured at fair value

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is to hold these assets in order to collect contractual cash flows or 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 and the Joint venture in respect of equity instruments (other than equity instruments of 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 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 consolidated statement of profit & loss.

##### Impairment of financial assets

The Group and the Joint venture 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 at an amount equal to lifetime ECL. 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 expires
- The Group and the Jointly Controlled Entity has transferred the contractual rights to receive cash flows from the financial asset or

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

- 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 and the Joint venture has transferred an asset, the Group and the Joint venture 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 retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the group and the Joint venture has not retained control of the financial asset. Where the Group and the Joint venture retain 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 and the Joint venture are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### **Equity Instruments**

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

#### **Financial Liabilities**

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 losses 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.

### **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 and the Joint venture 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 consolidated 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 consolidated statement of profit and loss. Derivatives are carried as financial assets when fair value is positive & as financial liabilities when fair value is negative.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### 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 and the Jointly Controlled Entity or the counterparty.

### (x) **Fair Value Measurement**

The Group and Joint venture 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 consolidated 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 consolidated financial statements at fair value on a recurring basis, the Group and the Jointly Controlled Entity 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.

### (xi) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Group and Joint venture 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.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the and the Jointly Controlled Entity or a present obligation that arises from past events 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.

### (xii) **Government Grant**

Government grants are recognised when there is reasonable assurance that the grant will be received and the Group and the Joint venture 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 is included in the balance sheet as deferred income.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### (xiii) 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 and Joint venture 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

The Group's net obligation in respect of an approved gratuity plan, which is defined benefit plan, is calculated using the projected unit credit method and the same is carried out by qualified actuary. The current service cost and interest on the net defined benefit liability/(asset) is recognized in the statement of profit and loss. Past service cost is immediately recognized in the statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognized in other comprehensive income in the period in which they arise.

##### (ii) Defined contribution plan

A Defined Contribution Plan is plan under which the Group makes contribution to Employee's Provident Fund and Employees State Insurance Contribution Fund administrated by the Central Government. The Group's contribution is charged to the Statement of Profit & Loss.

#### c) Other Long-Term Employee Benefits – Compensated absence and earned leave

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.

### (xiv) 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, if any. All other borrowing costs are expensed in the period in which they occur.

### (xv) 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 & 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 under the Income Tax Act, 1961 ("the IT Act").

The 's and the Joint venture's liability for current tax is calculated using tax rates and tax laws that have been enacted by the end of reporting period.

#### Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

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. 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 all 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 that have been enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group 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 this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### **(xvi) 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 and accordingly information of two reportable segments (Wires & Cables and Consumer Electricals) have been disclosed.

### **(xvii) Employee Share Based Payment**

Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant. The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Standalone Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Share Option Outstanding.

The Company measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 49.

### **(xviii) Statement of Cash Flow**

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effect of transactions of 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.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

For the purposes of cash flow statement cash and cash equivalents consist of cash and short-term deposits, as defined above.

### **(xix) 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 consolidated financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### **(xx) Earnings per Share**

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 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.

### **(xxi) Research and Development**

Research and Development expenditure of a revenue nature is expensed out under the respective heads of account in the year in which it is incurred. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Property, plant & equipment and Intangible Assets.

### **(xxii) Other Income**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at 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.

Export entitlements are recognized as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Dividend income is recognized when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of dividend can be measured reliably.

### **(xxiii) Recent pronouncements**

On 24th March, 2021 the Ministry of Corporate Affairs (MCA) through a notification, amended Division I, II and III of Schedule III of the Companies Act 2013 and are applicable from 1st April 2021. The amendments primarily relate to:

- a) Change in existing presentation requirements of certain items in Balance Sheet, for e.g., lease liabilities, security deposits, current maturities of long-term borrowings, effect of prior period errors on equity share capital.
- b) Additional disclosure requirements in specified formats, for e.g., ageing of trade receivables, trade payables, capital work-in-progress, intangible assets under development, shareholding of promoters etc.
- c) Disclosure if fund have used other than for the specific purpose of which it was borrowed from banks and financial institutions.
- d) Additional regulatory information, for e.g., compliance with layers of companies, title deeds of immovable properties, financial ratios, loan and advances to key managerial personnel etc.
- e) Disclosure related to Corporate Social Responsible (CSR), undisclosed income and crypto or virtual currency.

The amendments are extensive and the company is evaluating the same.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

Note : 2

A) PROPERTY, PLANT & EQUIPMENT  
TANGIBLE ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	For the year 2020-21	Deductions	As at March 31, 2021	As at March 31, 2021
Land - Free Hold	3,888.75	-	-	3,888.75	-	-	-	-	3,888.75
Buildings	1,514.01	-	-	1,514.01	75.24	24.05	-	99.29	1,414.72
Factory Buildings	11,122.05	1,163.01	-	12,285.06	1,312.61	473.25	-	1,785.86	10,499.20
Worker's Quarters	526.79	-	-	526.79	37.22	9.30	-	46.52	480.27
Plant & Machinery	26,889.62	3,055.28	103.23	29,841.67	7,898.51	2,857.90	67.63	10,688.78	19,152.89
Electric Installations	1,847.40	42.56	-	1,889.96	435.04	206.84	-	641.88	1,248.08
Furniture & Fixtures	853.66	48.57	-	902.23	251.79	97.31	-	349.10	553.13
Office & Other Equipments	794.42	102.71	0.54	896.59	414.27	135.57	0.37	549.47	347.12
Vehicles	1,538.16	336.61	141.01	1,733.76	622.95	185.30	89.11	719.14	1,014.62
<b>Total</b>	<b>48,974.86</b>	<b>4,748.74</b>	<b>244.78</b>	<b>53,478.82</b>	<b>11,047.63</b>	<b>3,989.52</b>	<b>157.11</b>	<b>14,880.04</b>	<b>38,598.78</b>
<b>B) Capital Work - in - Progress</b>	<b>1,537.21</b>	<b>1,293.86</b>	<b>2,162.89</b>	<b>668.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>668.18</b>

TANGIBLE ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	For the year 2019-20	Deductions	As at March 31, 2020	As at March 31, 2020
Land - Free Hold	3,256.58	632.17	-	3,888.75	-	-	-	-	3,888.75
Buildings	1,514.01	-	-	1,514.01	51.12	24.12	-	75.24	1,438.77
Factory Buildings	9,079.65	2,042.40	-	11,122.05	888.55	424.06	-	1,312.61	9,809.44
Worker's Quarters	526.79	-	-	526.79	27.89	9.33	-	37.22	489.57
Plant & Machinery	19,273.51	7,726.90	110.79	26,889.62	5,369.72	2,605.75	76.96	7,898.51	18,991.11
Electric Installation	1,079.54	769.29	1.43	1,847.40	281.26	153.78	-	435.04	1,412.36
Furniture & Fixtures	680.20	174.21	0.75	853.66	171.15	80.75	0.11	251.79	601.87
Office & Other Equipments	606.24	189.84	1.66	794.42	280.59	134.50	0.82	414.27	380.15
Vehicles	1,459.48	154.40	75.72	1,538.16	474.11	191.91	43.07	622.95	915.21
<b>Total</b>	<b>37,476.00</b>	<b>11,689.21</b>	<b>190.35</b>	<b>48,974.86</b>	<b>7,544.39</b>	<b>3,624.20</b>	<b>120.96</b>	<b>11,047.63</b>	<b>37,927.23</b>
<b>B) Capital Work - in - Progress</b>	<b>4,261.98</b>	<b>2,953.45</b>	<b>5,678.22</b>	<b>1,537.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,537.21</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

2.1 : Additions to Property, Plant & Equipment includes Items aggregating to ₹ 41.87 Lakhs (P.Y. ₹ 22.78 Lakhs) pertaining to Research and Development activities of the Company.

2.2 : The Title deeds of properties aggregating to carrying amount of ₹ 681.05 Lakhs (P.Y. ₹ 684.26 Lakhs) are under process of registration in the company's name.

2.3 : The details of property, plant & equipment pledged against borrowings are presented in Note 13.3, 13.4, 13.5.

2.4 : The amount of contractual commitments for the acquisition of property, plant & equipment is disclosed in Note 28 B (i)

### C) INTANGIBLE ASSETS

Particulars	Gross Block			Accumulated Amortisation			Net Block	
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	For the year 2020-21	Deductions	As at March 31, 2021
Software	387.34	-	-	387.34	208.97	74.89	-	283.86
Brand of Arraystrom	530.00	-	-	530.00	-	105.94	-	105.94
<b>Total</b>	<b>917.34</b>	<b>-</b>	<b>-</b>	<b>917.34</b>	<b>208.97</b>	<b>180.83</b>	<b>-</b>	<b>527.54</b>
ii) Under development	-	48.50	-	48.50	-	-	-	48.50

Particulars	Gross Block			Accumulated Amortisation			Net Block	
	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	For the year 2019-20	Deductions	As at March 31, 2020
Software	358.82	28.52	-	387.34	133.47	75.50	-	178.37
Brand of Arraystrom	-	530.00	-	530.00	-	-	-	530.00
<b>Total</b>	<b>358.82</b>	<b>558.52</b>	<b>-</b>	<b>917.34</b>	<b>133.47</b>	<b>75.50</b>	<b>-</b>	<b>708.37</b>

### D) RIGHT OF USE ASSETS

Particulars	Gross Block			Accumulated Amortisation			Net Block	
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	For the year 2020-21	Deductions	As at March 31, 2021
Right of use Asset (Refer note 40)	597.73	702.51	-	1,300.24	180.69	304.74	-	814.81
<b>Total</b>	<b>597.73</b>	<b>702.51</b>	<b>-</b>	<b>1,300.24</b>	<b>180.69</b>	<b>304.74</b>	<b>-</b>	<b>814.81</b>

Particulars	Gross Block			Accumulated Amortisation			Net Block	
	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	For the year 2019-20	Deductions	As at March 31, 2020
Right of use Asset (Refer note 40)	-	597.73	-	597.73	-	180.69	-	417.04
<b>Total</b>	<b>-</b>	<b>597.73</b>	<b>-</b>	<b>597.73</b>	<b>-</b>	<b>180.69</b>	<b>-</b>	<b>417.04</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)**

(₹ in Lakhs)

Note 3A: INVESTMENTS	Nos.	Face Value	Non-Current	
			As at March 31, 2021	As at March 31, 2020
Investments in equity instruments				
i) Quoted equity shares (fully paid up)				
Other entity (measured at fair value and designated as fair value through other comprehensive income)				
Ram Ratna Wires Limited	1,410,768 (P.Y.14,10,768)	₹ 5	1,130.03	629.20
Comfort Intech Limited	2,500 (P.Y.2,500)	₹ 10	0.18	0.06
ii) Unquoted Equity Shares (Fully Paid up)				
a) Joint venture (measured at cost, Note 1 (c) (vii))				
RR-Imperial Electricals Limited - Bangladesh (35%)	22,190,854 (P.Y. 2,21,90,854)	Taka 10	1,714.29	1,654.85
b) Other entity (measured at fair value and designated as fair value through other comprehensive income)				
MEW Electricals Limited	50,000 (P.Y.50,000)	₹ 100	1,215.64	911.09
			4,060.14	3,195.20
Aggregate market value of quoted investments			1,130.21	629.26
Aggregate amount of unquoted investments at cost			1,714.29	1,654.85
Aggregate of unquoted investments at fair value			1,215.64	911.09

(₹ in Lakhs)

Note 3B: INVESTMENTS	Current	
	As at March 31, 2021	As at March 31, 2020
Investments in mutual fund instruments* (fair value through profit & loss)		
i) UTI Liquid Cash Fund Regular Plan - Growth	2,175.97	10,788.33
ii) Axis Treasury Advantage Fund- Regular Growth	4,072.49	-
iii) HDFC Ultra Short Term Fund- Regular Growth	3,558.38	-
iv) IDFC Low Duration Fund-Growth Regular Plan	3,547.94	-
v) UTI Treasury Advantage Fund Regular Growth Plan	4,070.29	-
vi) Axis Liquid Fund Growth	2,176.94	8,093.54
Aggregate amount of mutual fund investments	19,602.01	18,881.87

(₹ in Lakhs)

Note 4A: LOANS	Non-Current	
	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good :		
Security deposits (Note 4.1)	150.98	132.37
Loans to employees	9.63	25.05
	160.61	157.42

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Note 4B: LOANS	Current	
	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good :</b>		
Security deposits (Note 4.1)	99.36	74.88
Loans to employees	64.82	65.51
	<b>164.18</b>	<b>140.39</b>

(₹ in Lakhs)

Note 4.1 Security deposit includes:	As at March 31, 2021	As at March 31, 2020
Deposits given to directors, relatives of directors & firms in which director is a partner	80.50	73.00
Deposits given to a private limited company in which some of the directors are director or the member	3.68	3.68

(₹ in Lakhs)

Note 5A: OTHER FINANCIAL ASSETS	Non-Current	
	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good:</b>		
Term deposits held as margin money or security against borrowing, guarantees or other commitments	8.01	7.01
	<b>8.01</b>	<b>7.01</b>

(₹ in Lakhs)

Note 5B: OTHER FINANCIAL ASSETS	Current	
	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good:</b>		
Share application money - RR-Imperial Electricals Limited - Bangladesh (joint venture)	-	4.79
Term deposits held as margin money or security against borrowing, guarantees or other commitments	182.06	4,169.73
Interest accrued on term deposits held as margin money or security against borrowing, guarantees or other commitments	11.10	57.94
Derivative assets	46.28	166.03
Others (Insurance claim and recoverable expenses)	8.63	16.01
	<b>248.07</b>	<b>4,414.50</b>

(₹ in Lakhs)

Note 6A: NON CURRENT TAX ASSETS (Net)	As at March 31, 2021	As at March 31, 2020
Income tax (net of provisions)	523.53	176.18
	<b>523.53</b>	<b>176.18</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

<b>Note 6B: CURRENT TAX ASSETS (Net)</b>	<b>As at March 31, 2021</b>	As at March 31, 2020
Income tax (net of provisions)	-	974.43
	-	974.43

(₹ in Lakhs)

<b>Note 7A: OTHER ASSETS</b>	<b>Non-Current</b>	
	<b>As at March 31, 2021</b>	As at March 31, 2020
<b>Unsecured, considered good:</b>		
Capital advances	<b>1,036.19</b>	935.22
<b>Balances with government authorities :</b>		
- Value added tax	<b>165.97</b>	178.89
- Service tax and excise duty paid under protest	<b>58.78</b>	36.52
Prepaid expenses	<b>13.77</b>	11.24
Gratuity (Note 35)	<b>158.71</b>	-
	<b>1,433.42</b>	1,161.87

(₹ in Lakhs)

<b>Note 7B: OTHER ASSETS</b>	<b>Current</b>	
	<b>As at March 31, 2021</b>	As at March 31, 2020
<b>Unsecured, considered good:</b>		
Balances with government authorities:		
- Excise duty	<b>102.98</b>	42.02
- Value added tax	-	136.67
- Goods and services tax	<b>2,942.56</b>	1,382.56
- Export incentives & duty scripts	<b>577.44</b>	785.29
Prepaid expenses	<b>714.39</b>	297.98
Advances to suppliers	<b>4,017.62</b>	1,631.89
Advance to employees	<b>10.06</b>	15.85
	<b>8,365.05</b>	4,292.26

The group had filed a writ petition in Honorable Gujarat High Court to ascertain eligibility of credit for taxes paid on certain expenditures incurred in the normal course of business. Based on the management's internal assessment and on the basis of legal view obtained, management expects a favorable outcome from this writ petition and accordingly does not expect any impact on the financial statements or possible / probable outflow of resources on account of this writ petition.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

<b>Note 8: INVENTORIES</b>	<b>As at March 31, 2021</b>	As at March 31, 2020
Raw materials (In transit ₹ 1,606.76 Lakhs ; P.Y. ₹ 2,540.82 Lakhs)	<b>8,041.61</b>	7,702.07
Work-in-progress	<b>9,882.93</b>	9,491.83
Finished goods	<b>31,765.11</b>	16,069.64
Stock in trade	<b>2,660.15</b>	3,463.89
Others:		
Packing materials	<b>401.98</b>	309.61
Scrap	<b>183.47</b>	81.89
Consumable stores and spares	<b>460.96</b>	391.72
Fuel	<b>9.27</b>	10.30
	<b>53,405.48</b>	37,520.95

8.1 The cost of inventories written down during the year ₹ 519.19 Lakhs (P.Y. ₹ 580.85 Lakhs)

8.2 The inventories are hypothecated as a security as disclosed in Note 13.4, 13.5, 13.6.

(₹ in Lakhs)

<b>Note 9: TRADE RECEIVABLES</b>	<b>Current</b>	
	<b>As at March 31, 2021</b>	As at March 31, 2020
Secured, considered good	<b>2,532.44</b>	8,055.14
Unsecured, considered good	<b>40,234.95</b>	36,223.52
Unsecured, Significant increase in credit risk	<b>2,653.03</b>	469.85
Unsecured, credit impaired	<b>216.79</b>	219.30
	<b>45,637.21</b>	44,967.81
Less: allowance for credit impaired	<b>216.79</b>	219.30
Less: allowance on expected credit loss	<b>3,384.19</b>	2,852.63
	<b>42,036.23</b>	41,895.88

The Group's exposure to credit risk, currency risk and market risk related to trade receivables are disclosed in note 37 (C).

Note : Trade receivables includes debts due from group companies ₹ 2,947.41 Lakhs (P.Y. ₹ 2,254.48 Lakhs)

(₹ in Lakhs)

<b>Note 9.1 Dues from directors or firms or private companies</b>	<b>As at March 31, 2021</b>	As at March 31, 2020
Due from private companies in which director is director or member	<b>12.63</b>	13.57
Due from firm in which director is partner	<b>1,747.78</b>	689.80

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)**

(₹ in Lakhs)

<b>Note 10: CASH AND BANK BALANCES</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>(A) Cash and cash equivalents</b>		
Balances with banks	<b>834.50</b>	1,111.73
Cash on hand	<b>5.07</b>	8.06
Term deposits (with original maturity of 3 months or less)	-	1.00
<b>(B) Balance other than Cash and cash equivalents</b>		
Earmarked balance with Bank for unclaimed dividend	<b>6.99</b>	6.99
	<b>846.56</b>	1,127.78

(₹ in Lakhs)

<b>Note 11A: EQUITY SHARE CAPITAL</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Authorised Capital</b>		
57,000,000 (P.Y. 27,000,000) Equity Shares of ₹ 10 each	<b>5,700.00</b>	2,700.00
<b>Issued, Subscribed and Paid Up Capital</b>		
2,39,24,074 (P.Y. 2,33,95,276) Equity shares of ₹ 10 each fully paid up	<b>2,392.41</b>	2,339.53
	<b>2,392.41</b>	2,339.53

(₹ in Lakhs)

<b>NOTE 11B: INSTRUMENT ENTIRELY EQUITY IN NATURE</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Authorised Capital</b>		
3,843,140 (P.Y. 3,702,572) Compulsory Convertible Preference Shares of ₹ 1,080.33 each	<b>41,518.59</b>	40,000.00
<b>Issued, Subscribed and Paid Up Capital</b>		
3,843,140 (P.Y. 3,702,572) Compulsory Convertible Preference Share of ₹ 1,080.33 each fully paid up	<b>41,518.59</b>	40,000.00
	<b>41,518.59</b>	40,000.00

<b>11.1 Reconciliation of Equity Shares outstanding at the beginning &amp; at the end of the year</b>	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
	<b>No. of shares</b>	<b>(₹ in Lakhs)</b>	<b>No. of shares</b>	<b>(₹ in Lakhs)</b>
<b>Fully Paid up Equity Shares</b>				
As at the beginning of the year	<b>23,395,276</b>	<b>2,339.53</b>	23,395,276	2,339.53
Add:- Issued during the year (note 11.10)	<b>528,798</b>	<b>52.88</b>	-	-
As at the end of the year	<b>23,924,074</b>	<b>2,392.41</b>	23,395,276	2,339.53

<b>11.2 Reconciliation of Compulsory Convertible Preference Share outstanding at the beginning &amp; at the end of the year</b>	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
	<b>No. of shares</b>	<b>(₹ in Lakhs)</b>	<b>No. of shares</b>	<b>(₹ in Lakhs)</b>
<b>Fully Paid up Preference Shares</b>				
As at the beginning of the year	<b>3,702,572</b>	<b>40,000</b>	3,702,572	40,000
Add:- Issued during the year (note 11.10)	<b>140,568</b>	<b>1,519</b>	-	-
As at the end of the year	<b>3,843,140</b>	<b>41,519</b>	3,702,572	40,000

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

11.3 Details of shareholders holding more than 5% Equity Shares *	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
Smt. Uma Devi Kabra	3,275,468	13.69%	3,259,250	13.93%
Shri Mahendrakumar Kabra	2,429,278	10.15%	2,326,162	9.94%
Rameshwarlal Kabra (Karta of Rameshwarlal Kabra HUF)	2,267,728	9.48%	2,267,728	9.69%
TPG Asia VII SF Pte Limited	1,990,128	8.32%	1,990,128	8.51%
Shri Hemant Kabra	1,699,859	7.11%	1,575,248	6.73%
Smt. Kirtidevi Kabra	1,248,166	5.22%	1,248,166	5.34%
Ram Ratna Research and Holdings Private Limited	1,269,616	5.31%	1,182,500	5.05%

11.4 Details of shareholders holding more than 5% Compulsory Convertible Preference Share *	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
TPG Asia VII SF Pte Limited	3,843,140	100.00%	3,702,572	100.00%

\* As per the records of the group, including its register of members

### 11.5 Terms/ rights attached to Equity shares:

The Group has only one class of equity shares having face value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting, except in the 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.

### 11.6 Terms/ rights attached to Preference shares:

The Group has only one class of Compulsory Convertible Preference shares (CCPS) having nominal value of ₹ 1,080.33/- per share. These CCPS shall rank pari-passu in all respects (including with respect to dividend and voting rights) with the then-existing Equity Shares of the Company. Post conversion to equity, these CCPS shall have the same right as of the equity shareholders.

11.7 The Board of Directors of the Group, at its meeting held on September 06, 2018 had approved a proposal to buy back of upto 7,50,724 equity shares for an aggregate amount of ₹ 8,110.30 Lakhs (excluding tax on distributed income) being 3.11% of the total paid up equity share capital at ₹ 1,080.33 per equity share, which was approved by the shareholders by means of a special resolution in Extra Ordinary General Meeting held on September 11, 2018.

A Letter of Offer was made to all eligible shareholders. The Group bought back 7,50,724 equity shares out of the shares that were tendered by eligible shareholders and extinguished the equity shares bought on October 31, 2018.

The excess of cost of buy-back of ₹ 9,971.47 Lakhs (including ₹ 1,861.17 Lakhs towards tax on distributed income) over par value of shares was offset from Securities Premium ₹ 1,300.81 Lakhs, General Reserve ₹ 3,000 Lakhs and retained earnings ₹ 5,595.58 Lakhs. The company has transferred an amount equivalent to face value of ₹ 75.07 Lakhs from retained earnings to Capital Redemption Reserve in accordance with Act.

11.8 No Shares have been allotted by way of Bonus during period of five years immediately preceding Balance Sheet date.

11.9 The Board of Directors of the Group, at its meeting held on September 06, 2018 had approved the proposal to issue 37,02,572 Compulsory Convertible Preference Shares (CCPS) to TPG Asia VII SF Pte Ltd (the Investor). These CCPS are issued pursuant to Shareholder's Agreement and Securities Subscription and Share Purchase Agreement among the Company, the Promoters and the Investor.

These CCPS shall be convertible into Equity Shares on the specified conversion dates at a specified conversion ratio in accordance with and upon the terms and conditions as set out in the Securities Subscription and Share Purchase Agreement.

11.10 The Group has issued 5,28,798 fully paid up equity shares of ₹ 10 each and 1,40,568 Compulsory Convertible Preference Shares (CCPS) of ₹ 1080.33 to the shares holders of Ram Ratna Electrical Private Limited pursuant to scheme of amalgamation (refer note 50).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Note 12: OTHER EQUITY		As at March 31, 2021	As at March 31, 2020
<b>a)</b>	<b>Capital Redemption Reserve</b>		
	Balance at the beginning of year	75.07	75.07
	Changes during year	-	-
	Balance at end of the year	75.07	75.07
<b>b)</b>	<b>Capital Reserve</b>		
	Balance at the beginning of year	1,250.52	1,250.52
	Changes during year	-	-
	Balance at end of the year	1,250.52	1,250.52
<b>c)</b>	<b>Retained Earnings</b>		
	Balance at the beginning of year	44,596.64	36,692.75
	Profit for the year	13,539.62	12,239.91
	Final dividend on equity shares and CCPS (refer Note 31)	-	(1,490.38)
	Interim dividend on equity shares and CCPS (refer Note 31)	-	(2,032.34)
	Tax on dividend	-	(724.10)
	Re-measurement of post employment benefits obligation	30.23	(89.20)
	Balance at end of the year	58,166.49	44,596.64
<b>d)</b>	<b>Other Comprehensive Income</b>		
	<b>Fair value gain on investment in equity instruments through other comprehensive income</b>		
	Balance at the beginning of year	237.05	911.23
	Increase/ (Reduction) on account of change in fair value of investments	735.63	(674.18)
	Balance at end of the year	972.68	237.05
<b>e)</b>	<b>Share suspense account</b>		
	Balance at the beginning of year	1,571.48	1,571.48
	Shares issued pursuant to scheme of amalgamation (refer note 50)	(1,571.48)	-
	Balance at end of the year	-	1,571.48
<b>f)</b>	<b>Foreign Currency Translation Reserve</b>		
	Balance at the beginning of year	333.97	-
	Addition during the Year	(46.97)	333.97
	Balance at end of the year	287.00	333.97
		<b>60,751.75</b>	<b>48,064.72</b>

(₹ in Lakhs)

Note 13A: BORROWINGS		Non-Current	
		As at March 31, 2021	As at March 31, 2020
<b>Secured</b>			
<b>Term Loans from Bank</b>			
	Rupee Loans (Refer Note 13.3)	4,875.00	3,036.71
<b>Term loan from financial institution</b>			
	Rupee loans (Refer Note 13.1 & 13.3)	2,241.75	3,741.74
	Vehicle loans (Refer note 13.2 & 13.3)	11.39	49.70
		<b>7,128.14</b>	<b>6,828.15</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Note 13B: BORROWINGS	Current	
	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
<b>Working capital loans</b>		
<b>From banks</b>		
Foreign currency loans (Refer Note 13.5)	-	2,000.00
Rupee loans		
Short term (Refer Note 13.5)	34,421.44	17,269.31
Repayable on demand (Refer Note 13.5)	1,771.58	406.20
<b>Unsecured</b>		
<b>Working capital loans</b>		
<b>From banks</b>		
Foreign currency loans (Refer Note 13.5)	-	52.49
Rupee loans - short term(Refer Note 13.5)	3,305.47	6,003.19
Loans from directors (Refer Note 13.7)	-	4,701.47
Inter corporate loans (Refer Note 13.7)	-	479.17
	<b>39,498.49</b>	<b>30,911.83</b>

### Notes to 13A & 13B

(₹ in Lakhs)

Note 13.1 : Term Loans (Rupee Loans)	Number of Quarterly Installments	Rate of Interest for year ended 31 March 2020 & 31 March 2021	As at March 31, 2021	As at March 31, 2020
Term Loan I-CITICorp Financial Institution	16	8.15%	870.62	1,368.12
Term Loan II-CITICorp Financial Institution	16	8.15%	451.50	709.50
Term Loan III-CITICorp Financial Institution	16	8.95%	2,419.63	2,978.00
Term Loan IV-HDFC Bank	12	11.97%	-	107.96
Term Loan V-HDFC Bank	16	8.15%	3,000.00	3,000.00
Term Loan VI-HDFC Bank	16	7.30%	3,500.00	-
			<b>10,241.75</b>	8,163.58
Less : Current maturities of long term borrowing under "Other Financial Liabilities" (Note 15)			<b>3,125.00</b>	1,385.13
			<b>7,116.75</b>	6,778.45

(₹ in Lakhs)

Note 13.2 : Vehicle Loans	Number of Monthly Installments	Rate of Interest for year ended 31 March 2020 & 31 March 2021	As at March 31, 2021	As at March 31, 2020
Vehicles Loans	24-52	8.07% - 9.70%	43.15	134.54
Less : Current maturities of long term borrowing under "Other Financial Liabilities" (Note 15)			31.76	84.84
			11.39	49.70

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### Note 13.3 :

- (a) Term Loans of Citicorp Finance India Limited Bank ₹ 3,741.75 Lakhs (P.Y. ₹ 5,055.61 Lakhs) are secured by way of first pari-passu charge with the Security Trustee over various immovable properties at Waghodia & Nawa Ajwa in the District of Vadodara, State Gujarat as per register mortgage deed.
- (b) Term loans are further secured by all the present and future movable fixed assets (excluding vehicles) of the Company .
- (c) These loans are also secured by second pari-passu charge with the Security Trustee over the present & future current assets of the Company.
- (d) Further personal guarantees for term loan given by Mr Tribhuvan Prasad Kabra, Mr Mahendra Kumar Kabra, Mr Shreegopal Kabra, Mr Mahhesh Kabra, Mr Sumeet Kabra.
- (e) Term Loan of HDFC Bank ₹ 6,500.00 Lakhs (P.Y. 3,000.00) are proposed to be secured by way of first charge with the Security Trustee over various immovable properties at Waghodia & Nawa Ajwa in the District of Vadodara, State Gujarat as per register mortgage deed. Term loans are further secured by present and future movable fixed assets (excluding vehicles) of the Company. These loans are also secured by second charge with the Security Trustee over the present & future current assets of the Company. Further personal guarantees for term loan given by Mr Tribhuvan Prasad Kabra, Mr Mahendra Kumar Kabra, Mr Shreegopal Kabra, Mr Mahhesh Kabra, Mr Sumeet Kabra.

**Note 13.4 :** Vehicle loans are secured by way of hypothecation of specific vehicle.

### Note 13.5 :

- (a) All secured working capital facilities consisting of Foreign Currency Loan of ₹ 00.00 Lakhs (P.Y. ₹ 2,000.00 Lakhs), Working Capital Loans of ₹ 34,421.44 Lakhs (P.Y. ₹ 17,269.31 Lakhs) and Rupee Loan - Repayable of demand of ₹ 1,771.58 Lakhs (P.Y. ₹ 406.20 Lakhs) are secured by way of second pari-passu charge with the Security Trustee over various immovable properties at Waghodia & Nawa Ajwa in the District of Vadodara, State Gujarat as per register mortgage deed.
- (b) These loans are further secured by second pari-passu charge over the present and future movable fixed assets (excluding vehicles) of the Company.
- (c) These loans are also secured by first pari-passu charge with the Security Trustee over the present & future current assets of the Company.
- (d) Further personal guarantees for working capital loan given by Mr Tribhuvan Prasad Kabra, Mr Mahendra Kumar Kabra, Mr Shreegopal Kabra, Mr Mahhesh Kabra, Mr Sumeet Kabra.
- (e) Working Capital demand loans carry interest rate from 7.70% to 9.10% (P.Y. 8.30% to 9.75%) with different tenure.

**Note 13.6 :** There is no default in terms of repayment of principal and interest amount.

**Note 13.7 :** Other unsecured loans carry interest rate from 9% to 10% (P.Y. 10% to 11%) with different tenure.

(₹ in Lakhs)

Note 14A: LEASE LIABILITIES	Non-Current	
	As at March 31, 2021	As at March 31, 2020
Lease liabilities (Note 40)	526.36	177.12
	526.36	177.12

(₹ in Lakhs)

Note 14B: LEASE LIABILITIES	Current	
	As at March 31, 2021	As at March 31, 2020
Lease liabilities (Note 40)	306.64	252.69
	306.64	252.69

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Note 15: OTHER FINANCIAL LIABILITIES	Current	
	As at March 31, 2021	As at March 31, 2020
<b>Current maturities of long term borrowings</b>		
Rupee loans (Note 13.1)	3,125.00	1,385.13
Vehicle loans (Note 13.2)	31.76	84.84
<b>Other payables :</b>		
Retention money relating to capital expenditure	166.71	297.23
Interest accrued and due on borrowings	69.84	269.72
Interest accrued but not due on borrowings	40.28	50.45
Accrued salary & benefits	692.10	719.87
Commission to directors	192.25	176.90
Derivative liabilities	39.87	305.01
Creditors for capital expenditure	199.84	871.77
Security deposits (Note 15.1)	232.77	204.63
Unclaimed dividends	6.99	6.99
Other payables (Note 15.2)	95.36	53.21
	<b>4,892.77</b>	<b>4,425.75</b>

Note 15.1: Security deposits includes deposits from customers and employees against vehicles.

15.2 Other payables includes payable against reimbursement of expenses to employees.

(₹ in Lakhs)

Note 16A: PROVISIONS	Non-Current	
	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee Benefits</b>		
Compensated absences (Note 35C)	604.39	570.43
Gratuity (Note 35)	-	210.92
	<b>604.39</b>	<b>781.35</b>

(₹ in Lakhs)

Note 16B: PROVISIONS	Current	
	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee Benefits</b>		
Compensated absences (Note 35C)	329.62	124.94
Gratuity (Note 35)	-	3.93
Provision for warranty(Note 16B.1)	216.84	-
	<b>546.46</b>	<b>128.87</b>

### Note 16B.1

The provision of warranty as required to be disclosed in compliance with Ind AS 37, Provisions, Contingent liabilities and Contingent Assets's as under :

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	-	-
Created during the year	216.84	-
Closing Balance	216.84	-

Note : Warranty costs are provided based on a estimates of the cost required to be incurred for repairs, replacement, material cost, servicing, and past experience in respect of warranty costs.

	As at March 31, 2021	As at March 31, 2020
(₹ in Lakhs)		
<b>Note 17: INCOME TAXES</b>		
<b>A. The major components of income tax expenses for the year are as under :-</b>		
(i) Income tax expenses recognised in the statement of profit & loss		
<b>Current Tax :-</b>		
In respect of current year	4,891.18	3,275.34
(Excess) / Short in respect of preceding years	(78.89)	103.82
<b>Deferred Tax :-</b>		
In respect of current year	(208.70)	148.51
Income tax expenses recognised in statement of profit & loss	4,603.59	3,527.67
(ii) Income tax expenses recognised in the OCI		
<b>Deferred Tax :-</b>		
Deferred tax expenses on fair value of equity instruments through OCI	69.86	33.74
Deferred tax benefit on re-measurement of post employment benefits obligation	10.16	(28.47)
	80.02	5.27
<b>B. Reconciliation of estimated income tax expenses and the accounting profit for the year is as under:</b>		
Profit before tax	18,033.39	15,775.31
Expected income tax expense at statutory income tax rate	4,538.64	3,970.33
Tax adjustment of earlier years	(78.89)	103.82
Tax effect on non deductible expenses	66.59	59.66
Effect of income that is exempted from tax	-	(100.25)
Tax impact on transition to new tax regime (Note 17.2)	-	(385.64)
Others	12.64	(120.25)
<b>Current tax expense as per Statement of Profit and Loss for the period</b>	<b>4,603.59</b>	<b>3,527.67</b>
Effective rate of tax	25.53%	22.36%
Statutory rate of tax	25.17%	25.17%

### Note 17.1 :

The tax rate used for the 31 March 2021 and 31 March 2020 reconciles above with the corporate tax rate of 25.17%, payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

### Note 17.2 :

The Company during FY 19-20 elected to exercise the option of reduced Corporate income-tax rate from 34.94% to 25.17% as permitted under section 115BAA of the Income-tax Act, 1961 as per the amendment notified in the official Gazette dated 12 December 2019. Accordingly, the Company had recognised Provision for Income Tax for the year ended 31 March 2020 and re-measured its Deferred Tax Assets or Liabilities basis the reduced tax rate prescribed in the said section. The impact of the said change in Corporate tax rate pertaining to earlier years is recognised in the statement of Profit and Loss amounting ₹ 385.64 in Lakhs in FY 2019-20.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)**

(₹ in Lakhs)

<b>C: The major components of deferred tax liabilities/ (assets) arising on account of timing differences are as follows:</b>	<b>As at March 31, 2020</b>	<b>Recognized in Profit and Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>As at March 31, 2021</b>
<b>Deferred tax liabilities</b>				
Difference between written down value as per books of account and Income Tax Act, 1961.	1,691.74	1.42	-	<b>1,693.16</b>
Difference in carrying value and tax base of investments in equity measured at FVTOCI	186.16	-	69.86	<b>256.02</b>
Difference in carrying value and tax base of investments in Mutual Fund	55.66	71.89	-	<b>127.55</b>
<b>Deferred tax assets</b>				
Provision for expenses allowed for tax purpose on payment basis (net)"	(125.78)	5.01	-	<b>(120.77)</b>
Allowance for expected credit loss on Debtors	(773.14)	(133.15)	-	<b>(906.29)</b>
Provision for Advance given to supplier	-	(143.03)	-	<b>(143.03)</b>
Provision for warranty	-	(54.57)	-	<b>(54.57)</b>
Mark to Market Exchange Gain & Loss	(35.00)	36.59	-	<b>1.59</b>
Lease Accounting -Ind AS 116	(3.21)	(1.36)	-	<b>(4.57)</b>
Merger expenses of RREL	(3.86)	(9.03)	-	<b>(12.89)</b>
Disallowance under sec 40(a)(ia)	(0.08)	0.08	-	-
Preliminary Expenditure	(17.46)	17.46	-	-
Re-measurement of post employment benefits obligation	(57.55)	-	10.16	<b>(47.39)</b>
<b>Net Deferred tax liabilities</b>	<b>917.48</b>	<b>(208.69)</b>	<b>80.02</b>	<b>788.81</b>

(₹ in Lakhs)

The major components of deferred tax liabilities/ (assets) arising on account of timing differences are as follows:	<b>As at April 1, 2019</b>	<b>Recognized in Profit and Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>As at March 31, 2020</b>
<b>Deferred tax liabilities</b>				
Difference between written down value as per books of account and Income Tax Act, 1961.	2,269.79	(578.05)	-	<b>1,691.74</b>
Difference in carrying value and tax base of investments in equity measured at FVTOCI	152.42	-	33.74	<b>186.16</b>
Difference in carrying value and tax base of investments in Mutual Fund	-	55.66	-	<b>55.66</b>
<b>Deferred tax assets</b>				
Provision for expenses allowed for tax purpose on payment basis (net)	(214.71)	88.93	-	<b>(125.78)</b>
Allowance for expected credit loss on Debtors	(712.03)	(61.11)	-	<b>(773.14)</b>
Mark to Market Exchange Gain & Loss	235.40	(270.40)	-	<b>(35.00)</b>
Carried Forward Business loss and Depreciation	(888.77)	888.77	-	-
Lease Accounting -Ind AS 116	-	(3.21)	-	<b>(3.21)</b>
Merger expenses of RREL	-	(3.86)	-	<b>(3.86)</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

The major components of deferred tax liabilities/ (assets) arising on account of timing differences are as follows:	As at April 1, 2019	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2020
Disallowance under sec 40(a)(ia)	-	(0.08)	-	<b>(0.08)</b>
Deferred Revenue Expenditure written off	(42.41)	42.41	-	-
Preliminary Expenditure	-	(17.46)	-	<b>(17.46)</b>
Indexation benefit of Land held for sale	(6.90)	6.90	-	-
Re-measurement of post employment benefits obligation	(29.08)	-	(28.47)	<b>(57.55)</b>
<b>Net Deferred tax liabilities</b>	<b>763.71</b>	<b>148.50</b>	<b>5.27</b>	<b>917.48</b>

(₹ in Lakhs)

Note 18A: OTHER LIABILITIES	Non-Current	
	As at March 31, 2021	As at March 31, 2020
Deferred income	1.76	1.76
	<b>1.76</b>	<b>1.76</b>

(₹ in Lakhs)

Note 18B: OTHER LIABILITIES	Current	
	As at March 31, 2021	As at March 31, 2020
Advances from customers	437.34	1,016.23
Deferred income (Note 18.1)	372.58	283.74
Statutory dues		
VAT & WCT	-	2.05
Provident fund and professional tax	92.52	78.99
TDS / TCS payable	257.46	199.39
Goods and services tax	44.34	39.74
	<b>1,204.24</b>	<b>1,620.14</b>

Note: 18.1 Deferred income mainly represents grants relating to property, plant and equipment and includes ₹ 372.58 Lakhs (P.Y. March 31, 2020 ₹ 283.30 Lakhs) related 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 recognised are released to the statement of profit and loss based on fulfillment of related export obligations.

(₹ in Lakhs)

Note 19: TRADE PAYABLES	As at March 31, 2021	As at March 31, 2020
<b>Trade payables</b>		
- total outstanding dues of micro enterprises and small enterprises (Note 30)	932.20	884.19
- total outstanding dues of creditors other than micro enterprises and small enterprises	10,418.09	17,202.01
	<b>11,350.29</b>	<b>18,086.20</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

<b>Note 20: REVENUE FROM OPERATIONS</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
<b>Revenue from contract with customers (Note 44)</b>		
Sales of products		
Finished goods	<b>251,307.17</b>	229,707.07
Traded goods	<b>15,226.05</b>	13,338.26
<b>Other operating revenues :</b>		
Sale of scrap	<b>4,421.33</b>	3,350.64
Processing charges	<b>21.65</b>	26.75
Export incentive	<b>618.02</b>	820.35
	<b>271,594.22</b>	247,243.07

(₹ in Lakhs)

<b>Note 21: OTHER INCOME</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
<b>Interest Income:</b>		
Bank deposits	<b>214.40</b>	281.36
Others (Note 21.1)	<b>114.46</b>	16.15
<b>Dividend Income:</b>		
Dividends from quoted equity investments	<b>7.05</b>	17.63
Dividends from mutual fund investments	-	380.65
<b>Fair value gain on investment on mutual fund</b>	<b>400.15</b>	477.87
<b>Other Non Operating Income:</b>		
Rent income	<b>29.10</b>	29.99
Guarantee commission	<b>58.78</b>	58.99
Foreign exchange gain (net)	<b>1,035.37</b>	1,301.33
Grant related to property, plant & equipment	<b>0.44</b>	92.38
Gain on sale of property plant & equipment (Net)	<b>8.72</b>	25.94
Gain on sale of mutual fund investments	<b>320.74</b>	-
Other income	<b>9.96</b>	9.57
Bad debts recovered	<b>0.34</b>	9.95
	<b>2,199.51</b>	2,701.81

Note 21.1: Interest others include interest from customers

(₹ in Lakhs)

<b>Note 22A: COST OF MATERIALS CONSUMED</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
Inventories at the beginning of the Year	<b>8,011.68</b>	7,188.27
Add : Purchases	<b>217,751.82</b>	183,218.53
	<b>225,763.50</b>	190,406.80
Less : Inventories at the end of the Year	<b>8,443.59</b>	8,011.68
	<b>217,319.91</b>	182,395.12

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

<b>Note 22B: PURCHASES OF TRADED GOODS</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
Electrical appliances	<b>12,806.38</b>	11,127.50
	<b>12,806.38</b>	11,127.50

(₹ in Lakhs)

<b>Note 23: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
<b>Inventories at the end of the year:</b>		
Finished goods	<b>31,765.11</b>	16,069.64
Work-in-progress	<b>9,882.93</b>	9,491.82
Stock-in-trade	<b>2,660.15</b>	3,463.89
Scrap	<b>183.47</b>	81.89
	<b>44,491.66</b>	29,107.24
<b>Less:- Inventories at the beginning of the year</b>		
Finished goods	<b>16,069.64</b>	16,296.56
Work-in-progress	<b>9,491.82</b>	8,190.58
Stock-in-trade	<b>3,463.89</b>	3,215.79
Scrap	<b>81.89</b>	94.89
	<b>29,107.24</b>	27,797.82
	<b>(15,384.42)</b>	(1,309.42)

(₹ in Lakhs)

<b>Note 24: EMPLOYEE BENEFITS EXPENSE</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
Salaries, wages and incentives	<b>12,371.24</b>	11,237.08
Remuneration to directors*	<b>780.31</b>	878.95
Contributions to:		
Provident fund & ESIC (Note 35B)	<b>493.82</b>	430.76
Gratuity fund (Note 35A)	<b>209.02</b>	154.02
Compensated absences	<b>410.82</b>	360.70
Staff welfare expenses	<b>569.26</b>	515.04
	<b>14,834.47</b>	13,576.55

\* Including commission given to directors ₹ 192.25 Lakhs (P.Y. ₹ 176.89 Lakhs)

(₹ in Lakhs)

<b>Note 25: FINANCE COSTS</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
<b>Interest on financial liabilities carried at amortised cost</b>		
Interest on borrowings	<b>2,609.27</b>	3,330.48
Other borrowing costs	<b>88.35</b>	99.58
Net exchange difference regarded as adjustment to borrowing cost	<b>6.78</b>	93.06
Interest on income tax	<b>1.23</b>	1.52
	<b>2,705.63</b>	3,524.64



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

<b>Note 26: DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
Depreciation of property, plant and equipment (Note 2A)	<b>3,989.52</b>	3,624.19
Amortisation of intangible assets (Note 2C)	<b>180.83</b>	75.50
Depreciation of right-of-use assets (Note 2D)	<b>304.74</b>	180.69
	<b>4,475.09</b>	3,880.38

(₹ in Lakhs)

<b>Note 27: Other Expenses</b>	<b>Year Ended March 31, 2021</b>	<b>Year Ended March 31, 2020</b>
Rent expenses (Note 40)	<b>95.21</b>	189.24
Rates and taxes	<b>218.20</b>	83.35
Repairs and Maintenance of :		
Buildings	<b>82.52</b>	130.04
Plant and machinery	<b>1,061.88</b>	1,055.85
Others	<b>166.68</b>	202.28
Commission on sales	<b>1,054.24</b>	1,045.81
Advertisement expenses	<b>2,124.22</b>	3,417.59
Business promotion expenses	<b>471.87</b>	1,404.00
Travelling expenses	<b>416.23</b>	735.76
Payment to Auditors (Note 29)	<b>57.24</b>	52.23
Legal and professional fees	<b>1,106.44</b>	747.70
Insurance charges	<b>236.33</b>	132.42
Allowance for expected credit loss on trade receivable	<b>529.05</b>	881.65
Bad debts	<b>-</b>	374.62
Bank charges	<b>205.32</b>	214.79
Consumption of consumable stores and spares	<b>180.33</b>	396.51
Corporate social responsibility expenses (Note 32)	<b>327.64</b>	322.25
Donation	<b>176.49</b>	81.49
Freight & distribution charges	<b>4,897.15</b>	4,324.75
Power and fuel	<b>3,066.23</b>	2,990.70
Research & development expenses (Note 41)	<b>209.44</b>	223.45
Warranty expenses	<b>216.84</b>	-
Miscellaneous expenses	<b>2,103.72</b>	1,968.33
	<b>19,003.27</b>	20,974.81

(₹ in Lakhs)

<b>Note 28 : Contingent Liabilities and Commitments</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>A. Contingent Liabilities</b>		
i) Claims against the Company not acknowledged as debts (Note 28.1)		
Excise and Service tax demands	<b>209.34</b>	207.50
Income Tax Demands	<b>231.05</b>	32.60
Sales tax / Vat demands -C Forms	<b>998.57</b>	166.52
Channel financing guarantees(Note 28.2)	<b>5,460.00</b>	4,500.00
Labour Law demand	<b>12.38</b>	15.13
<b>B. Commitments</b>		
(i) Estimated amount of contracts remaining to be executed and not provided for:		
- On Capital Account (net of advance)	<b>2,660.93</b>	2,117.57

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

28.1: Future cash outflows in respect of the above, if any, is determinable only on receipt of judgement/decisions pending with the relevant authorities. The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

28.2: The Company has arranged Channel Finance facility for its customers from banks against which sum of ₹ 10,855.37 Lakhs (P.Y. ₹ 11,127.94 Lakhs) has been utilised as on the date of balance sheet. Accordingly, the contingency on company on account of customers defaulting in repayment to the respective banks is ₹ 5,460 lakhs (P.Y. ₹ 4,500 Lakhs) (to the extent of recourse available with bank).

28.3: The Honourable Supreme Court of India vide its order dated 28<sup>th</sup> February, 2019 held that 'Basic Wages' for the contribution towards Provident Fund (PF) should only exclude [in addition to specific exclusions under Section 2(b)(ii) of the Employees Provident Fund Act, 1952]:

- amounts that are payable to the employee for undertaking work beyond the normal work which he/she is otherwise required to put in and
- allowances which are either variable or linked to any incentive for production resulting in greater output by an employee and that the allowances are not paid across the board to all employees in a particular category or were being paid especially to those who avail the opportunity.

For the period prior to 28<sup>th</sup> February, 2019 with reference to the above mentioned judgment, the Company's Management is of the view that there is considerable uncertainty around the timing, manner and extent in which the judgment will be interpreted and applied by the regulatory authorities. Management is of the view that any incremental outflow in this regard can only be determined once the position being taken by the regulatory authorities in this regard is known and the Management is able to evaluate all possible courses of action available.

Accordingly, no provision has been currently recognised in the Standalone Financial Statements in this regard.

For the period subsequent to 28<sup>th</sup> February, 2019 upto 31<sup>st</sup> January, 2021 the impact of the above judgement is not significant and hence no provision has been recognised in the Financial Statement in this regard.

Company has implemented the impact of the above change in definition of basic wages w.e.f. 1<sup>st</sup> Feb 2021.

(₹ in Lakhs)

<b>Note 29 : Payment to Auditors</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Payment to Auditors of the Group :</b>		
a) As auditors	<b>55.00</b>	46.00
b) For certifications services	<b>0.76</b>	4.28
c) For expenses reimbursement	<b>1.48</b>	1.85
	<b>57.24</b>	52.13

(₹ in Lakhs)

<b>Note 30 : Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>	<b>2020-21</b>	<b>2019-20</b>
(a) Principal amount and the interest due thereon remaining unpaid to any suppliers at the end of the each accounting year :		
Principal	<b>932.20</b>	884.19
Interest	<b>18.00</b>	4.49
(b) (i) The delayed payment of principal amount paid beyond the appointed day the year.	<b>3,873.58</b>	792.96
(ii) Interest actually paid under Section 16 of the MSMED Act, 2006	<b>0.15</b>	1.69
(c) The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond appointed date during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	<b>22.34</b>	4.49
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Notes: 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

<b>Note 31 : Dividend</b>	<b>2020-21</b>	<b>2019-20</b>
Final Dividend paid ₹ 5.50 (P.Y. ₹ 8.00) per equity share of ₹ 10.00 each	-	1,286.74
Final Dividend paid ₹ 5.50 per Compulsory Convertible Preference Share of ₹ 1,080.33 each	-	203.64
Dividend distribution tax on final dividend	-	306.35
Interim Dividend paid ₹ 7.50 per equity share of ₹ 10.00 each	-	1,754.65
Interim Dividend paid ₹ 7.50 per Compulsory Convertible Preference Share of ₹ 1,080.33 each	-	277.69
Dividend distribution tax on interim dividend	-	417.75

31.1 Dividend proposed of ₹ 10 (P.Y. ₹ Nil each) by board of directors on September 2, 2021 per equity share before the financial statements approved for issue but not recognized as a Liability in financial statement.

31.2 Dividend proposed of ₹ 10 (P.Y. ₹ Nil each) by board of directors on September 2, 2021 per Compulsory Convertible Preference Share before the financial statements approved for issue but not recognized as a Liability in financial statement.

### Note 32 : Expenditure on Corporate Social Responsibility initiatives

(₹ in Lakhs)

<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
a) Gross amount required to be spent by the Company	<b>330.90</b>	317.15
b) Amount approved by the board to be spent during the year	<b>330.90</b>	317.15
c) Amount spent during the year on :		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	<b>327.64</b>	322.25
	<b>327.64</b>	322.25
d) Contribution to section 8-companies, which are related parties, included in c) above, in relation to CSR expenditure	-	-

The shortfall pertains to ongoing CSR projects of the company, which will be completed in next financial year.

### Details of ongoing projects :

<b>Particulars</b>	<b>2020-21</b>
Opening Balances	
- with company	-
- In separate CSR unspent account	-
Amount Required to be spent during the year	<b>94.00</b>
Amount spent during the year	
- from company	<b>59.30</b>
- from separate CSR unspent account	-
Closing Balances	
- from company	<b>34.70</b>
- from separate CSR unspent account	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

**Note 33: Related Party Disclosures as required under Ind AS- 24 are given below :**

### **Relationships**

#### **a) Key Management Personnel:**

Shri Tribhuvanprasad Kabra	- Chairman
Shri Shreegopal Kabra	- Managing Director
Shri Mahendrakumar Kabra	- Joint Managing Director
Shri Ashok Loya	- Whole Time Director
Shri Mahhesh Kabra	- Whole Time Director
Shri Sumeet Kabra	- Whole Time Director
Smt. Kirtidevi Kabra	- Whole Time Director
Shri Sanjay Taparia	- Whole Time Director
Shri Rajesh Babu Jain	- Whole Time Director
Shri Partha Chakraborti (upto 31.03.2021)	- Chief Financial Officer
Shri Rajeev Pandiya (w.e.f. 01.04.2021)	- Chief Financial Officer
Shri Himanshu Parmar	- Company Secretary

#### **Non Executive Directors:**

Shri Ramamirtham Kannan  
Shri Bhagwat Singh Babel  
Shri Mukund Chitale  
Shri Punit Bhatia  
Shri Mitesh Daga

#### **b) Relatives of Key Management Personnel:**

Shri Rameshwarlal Kabra	- Father of Shri Tribhuvanprasad Kabra, Shri Mahendrakumar Kabra and Shri Shreegopal Kabra
Smt. Ratnidevi Kabra	- Mother of Shri Tribhuvanprasad Kabra, Shri Mahendrakumar Kabra and Shri Shreegopal Kabra
Late shri. Satyanarayan Loya	- Father of Shri Ashok Loya
Smt. Saraswati S. Loya	- Mother of Shri Ashok Loya
Shri Hemant Kabra	- Son of Shri Mahendrakumar Kabra
Late Smt. Umadevi Kabra	- Wife of Shri Tribhuvanprasad Kabra
Smt. Vvidhi Kabra	- Wife of Shri Mahhesh Kabra
Shri Anant Loya	- Brother of Shri Ashok Loya
Ms. Neha Loya	- Daughter of Shri Ashok Loya
Smt. Mamta Loya	- Wife of Shri Ashok Loya
Shri Nikunj Loya	- Son of Shri Ashok Loya
Shaurya Taparia	- Son of Shri Sanjay Taparia
Smt. Vandana Jain	- Wife of Shri Rajesh Babu Jain
Smt. Sarita Jhavar	- Daughter of Shri Tribhuvan prasad Kabra
Shri Rajesh Kabra	- Son of Shri Shreegopal Kabra
Shri Gaurishankar Loya	- Brother of Shri Ashok Loya
Saumya Sumeet Kabra	- Daughter of Shri Sumeet Kabra
Samaya Sumeet Kabra	- Daughter of Shri Sumeet Kabra

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### c) Entities over which Key Management Personnel and their relatives are able to exercise significant influence:

MEW Electricals Limited	RR Electrical Middel East FZC
Ram Ratna International	Ram Ratna Research & Holdings Private Limited
Kabel Buildcon Solutions Private Limited	Indian Electrical & Electronics Manufacturers Association
Ram Ratna Infrastructure Private Limited	Global Copper Private Limited
Ram Ratna Wires Limited	Rameshswarlal Kabra (HUF)
Pratik Wire & Cable Machine Private Limited	Tribhuvan Prashad Kabra (HUF)
Jagbid Finvest Private Limited	Mahendra R. Kabra (HUF)
Gallery Retail LLP	Shreegopal Kabra (HUF)
TMG Global Fzco.	Mahhesh T. Kabra (HUF)

### d) Joint venture:

RR-Imperial Electricals Limited (Bangladesh)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

Transactions with the related parties in the ordinary course of business:

(₹ in Lakhs)

Particulars	Referred in (a) above		Referred in (b) above		Referred in (c) above		Referred in (d) above		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Purchase of Goods</b>										
MEW Electricals Limited	-	-	-	122.39	96.82	122.39	-	-	96.82	122.39
Ram Ratna International	-	-	-	380.76	238.85	380.76	-	-	238.85	380.76
Indian Electrical & Electronics Manufacturers Association (IEEMA)	-	-	-	69.44	3.29	69.44	-	-	3.29	69.44
Others	-	-	-	3.55	5.97	3.55	-	-	5.97	3.55
<b>Sale of Goods</b>										
Ram Ratna International	-	-	-	8,148.62	9,771.95	8,148.62	-	-	9,771.95	8,148.62
Global Copper Private Limited	-	-	-	1,039.08	127.42	1,039.08	-	-	127.42	1,039.08
Others	-	-	-	750.67	2,314.70	750.67	-	-	2,314.70	750.67
<b>Purchase of Capital Goods</b>										
Pratik Wire & Cable Machine Private Limited	-	-	-	59.86	72.87	59.86	-	-	72.87	59.86
<b>Sale of Capital Assets</b>										
Ram Ratna Wires Limited	-	-	-	26.11	-	26.11	-	-	-	26.11
Ashok Loya	-	7.21	-	-	-	-	-	-	-	7.21

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

Particulars	Referred in (a) above		Referred in (b) above		Referred in (c) above		Referred in (d) above		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Income :</b>										
<b>Rent</b>										
Ram Ratna International	-	-	-	-	0.42	0.42	-	-	0.42	0.42
<b>Expenses:</b>										
<b>Interest</b>										
Sumeet Kabra	41.91	78.07	-	-	-	-	-	-	41.91	78.07
Mahendrakumar Kabra	35.17	52.46	-	-	-	-	-	-	35.17	52.46
Kritidevi Kabra	10.83	24.27	-	-	-	-	-	-	10.83	24.27
Ratnadevi Kabra	-	-	33.61	44.74	-	-	-	-	33.61	44.74
Rajesh Kabra	-	-	11.81	26.51	-	-	-	-	11.81	26.51
Hemant Kabra	-	-	48.38	85.47	-	-	-	-	48.38	85.47
Shreegopal Kabra (HUF)	-	-	-	-	6.17	14.04	-	-	6.17	14.04
Rameshwarlal Kabra (HUF)	-	-	-	-	16.61	20.43	-	-	16.61	20.43
Ram Ratna Research & Holdings Private Limited	-	-	-	-	7.78	32.47	-	-	7.78	32.47
TMG Global Fzco.	-	-	-	-	31.69	41.89	-	-	31.69	41.89
Others	16.78	28.79	18.09	32.16	11.81	18.82	-	-	46.69	79.78
<b>Business support service</b>										
Ram Ratna International	-	-	-	-	667.39	529.80	-	-	667.39	529.80
<b>Rent and Other Services</b>										
Mahesh Kabra	0.37	0.48	-	-	-	-	-	-	0.37	0.48
Mahendrakumar Kabra	0.74	0.96	-	-	-	-	-	-	0.74	0.96
Ratnadevi Kabra	-	-	39.83	42.48	-	-	-	-	39.83	42.48
Umadevi Kabra	-	-	19.08	19.33	-	-	-	-	19.08	19.33
Kabel Buildcon Solutions Private Limited	-	-	-	-	13.68	12.39	-	-	13.68	12.39
Shreegopal Kabra (HUF)	-	-	-	-	40.00	42.48	-	-	40.00	42.48
MEW Electricals Limited	-	-	-	-	6.58	4.72	-	-	6.58	4.72
Others	-	-	4.29	3.84	0.15	-	-	-	4.44	3.84

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

Particulars	Referred in (a) above		Referred in (b) above		Referred in (c) above		Referred in (d) above		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	₹ in Lakhs)									
<b>Directors :</b>										
<b>Sitting Fees</b>										
Bhagwat Singh Babel	4.70	4.10	-	-	-	-	-	-	4.70	4.10
Ramamirtham Kannan	4.10	4.30	-	-	-	-	-	-	4.10	4.30
Mahendrakumar Kabra	2.00	2.00	-	-	-	-	-	-	2.00	2.00
Mukund Chitale	2.70	4.30	-	-	-	-	-	-	2.70	4.30
<b>Commission</b>										
Tribhuvanprasad Kabra	96.13	88.45	-	-	-	-	-	-	96.13	88.45
Shreegopal Kabra	96.13	88.45	-	-	-	-	-	-	96.13	88.45
<b>Managerial Remuneration (Note 33.1)</b>	<b>584.81</b>	<b>696.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>584.81</b>	<b>696.34</b>
Ashok Loya	47.50	60.00	-	-	-	-	-	-	47.50	60.00
Kritidevi Kabra	57.00	72.00	-	-	-	-	-	-	57.00	72.00
Sanjay Taparia	60.00	60.00	-	-	-	-	-	-	60.00	60.00
Shreegopal Kabra	114.00	144.00	-	-	-	-	-	-	114.00	144.00
Sumeet Kabra	57.00	72.00	-	-	-	-	-	-	57.00	72.00
Tribhuvanprasad Kabra	114.00	144.00	-	-	-	-	-	-	114.00	144.00
Mahhesh Kabra	57.00	72.00	-	-	-	-	-	-	57.00	72.00
Rajesh Babu Jain	78.31	72.34	-	-	-	-	-	-	78.31	72.34
Partha Chakraborti	161.21	123.44	-	-	-	-	-	-	161.21	123.44
Himanshu Parmar	15.60	14.84	-	-	-	-	-	-	15.60	14.84
Vidhi Kabra	-	-	-	8.24	-	-	-	-	-	8.24
<b>Reimbursement paid</b>										
Tribhuvanprasad Kabra	2.54	7.27	-	-	-	-	-	-	2.54	7.27
Mahendrakumar Kabra	1.49	0.41	-	-	-	-	-	-	1.49	0.41
Shreegopal Kabra	5.14	53.39	-	-	-	-	-	-	5.14	53.39
Mahhesh Kabra	1.82	4.10	-	-	-	-	-	-	1.82	4.10
Kritidevi Kabra	0.54	26.45	-	-	-	-	-	-	0.54	26.45
<b>Others</b>	<b>1.02</b>	<b>15.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.02</b>	<b>15.56</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Particulars	Referred in (a) above		Referred in (b) above		Referred in (c) above		Referred in (d) above		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	<b>Dividend :</b>									
<b>Dividend Paid</b>										
Mahendrakumar Kabra	-	302.40	-	-	-	-	-	-	-	302.40
Shreegopal Kabra	-	96.36	-	-	-	-	-	-	-	96.36
Kritidevi Kabra	-	162.26	-	-	-	-	-	-	-	162.26
Hemant Kabra	-	-	-	204.78	-	-	-	-	-	204.78
Umadevi Kabra	-	-	-	423.70	-	-	-	-	-	423.70
Ram Ratna Research and Holding Private Limited	-	-	-	-	-	153.73	-	-	-	153.73
Rameshwarlal Kabra (HUF)	-	-	-	-	-	294.96	-	-	-	294.96
Shreegopal Kabra (HUF)	-	-	-	-	-	127.44	-	-	-	127.44
Others	-	272.16	-	241.21	-	264.70	-	-	-	778.07
<b>Dividend Received</b>										
Ram Ratna Wires Limited	-	-	-	-	7.05	17.63	-	-	-	7.05
<b>Loans Accepted</b>										
Mahesh Kabra	35.00	5.25	-	-	-	-	-	-	-	5.25
Mahendrakumar Kabra	135.00	302.75	-	-	-	-	-	-	-	302.75
Sumeet Kabra	21.05	405.00	-	-	-	-	-	-	-	405.00
Ratidevi Kabra	-	-	-	308.75	-	-	-	-	-	308.75
Umadevi Kabra	-	-	-	75.00	-	-	-	-	-	75.00
Hemant Kabra	-	-	-	63.42	-	-	-	-	-	63.42
Ram Ratna Research and Holding Private Limited	-	-	-	-	75.00	400.00	-	-	-	75.00
Saumya Sumeet Kabra	-	-	-	30.00	-	-	-	-	-	30.00
Ashok Loya	25.00	-	-	-	-	-	-	-	-	25.00
Rameshwarlal Kabra (HUF)	-	-	-	-	135.00	41.50	-	-	-	135.00
Others	20.00	12.75	15.99	6.50	67.00	13.00	-	-	102.99	32.25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

Particulars	Referred in (a) above		Referred in (b) above		Referred in (c) above		Referred in (d) above		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Loans Repaid</b>										
Mahendrakumar Kabra	792.90	55.00	-	-	-	-	-	-	792.90	55.00
Sumeet Kabra	954.30	-	-	-	-	-	-	-	954.30	-
Kirtidevi Kabra	244.95	-	-	-	-	-	-	-	244.95	-
Hemant Kabra	-	-	1,098.56	-	-	-	-	-	1,098.56	-
Rajesh Kabra	-	-	270.37	-	-	-	-	-	270.37	-
Ratnadevi Kabra	-	-	744.95	-	-	-	-	-	744.95	-
Ram Ratna Research and Holding Private Limited	-	-	-	-	156.02	348.50	-	-	156.02	348.50
Shreegopal Kabra (HUF)	-	-	-	-	141.70	-	-	-	141.70	-
Rameshwarlal Kabra (HUF)	-	-	-	-	379.10	-	-	-	379.10	-
Others	381.90	-	447.55	-	265.80	-	-	-	1,095.25	-
<b>Outstanding balances</b>										
<b>Rental Deposits Receivable</b>										
Umadevi Kabra	-	-	40.00	40.00	-	-	-	-	40.00	40.00
Ratnadevi Kabra	-	-	15.00	15.00	-	-	-	-	15.00	15.00
Hemant Kabra	-	-	10.50	10.50	-	-	-	-	10.50	10.50
Shreegopal Kabra (HUF)	-	-	-	-	15.00	7.50	-	-	15.00	7.50
Kabel Buildcon Solutions Private Limited	-	-	-	-	3.68	3.68	-	-	3.68	3.68
<b>Trade Payable</b>										
Ram Ratna International	-	-	-	-	(342.29)	(290.26)	-	-	(342.29)	(290.26)
Others	-	-	-	-	(0.78)	5.78	-	-	(0.78)	5.78
<b>Trade Receivable</b>										
Ashok Loya	-	7.21	-	-	-	-	-	-	-	7.21
Ram Ratna International	-	-	-	-	1,747.78	761.77	-	-	1,747.78	761.77
Others	-	-	-	-	19.90	61.13	-	-	19.90	61.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Particulars	Referred in (a) above		Referred in (b) above		Referred in (c) above		Referred in (d) above		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Personal gaurantee given</b>										
For Secured borrowings										
Tribhuvanprasad Kabra	62,500	40,265	-	-	-	-	-	-	62,500	40,265
Mahendrakumar Kabra										
Shreegopal Kabra										
Mahhesh Kabra										
Sumeet Kabra										
Hemant Kabra	-	-	-	2,765	-	-	-	-	-	2,765
Rajesh Kabra										
<b>For Un-secured borrowings</b>										
Tribhuvanprasad Kabra	21,350	56,295	-	-	-	-	-	-	21,350	56,295
Mahendrakumar Kabra										
Shreegopal Kabra										
Mahhesh Kabra										
Sumeet Kabra										
Hemant Kabra	-	-	-	5,100	-	-	-	-	-	5,100
Rajesh Kabra										
<b>Interest Payable</b>										
Sumeet Kabra	-	41.89	-	-	-	-	-	-	-	41.89
Mahendrakumar Kabra	-	28.70	-	-	-	-	-	-	-	28.70
Kirtidevi Kabra	-	10.92	-	-	-	-	-	-	-	10.92
Hemant Kabra	-	-	-	46.60	-	-	-	-	-	46.60
Rajesh Kabra	-	-	-	11.93	-	-	-	-	-	11.93

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

Particulars	Referred in (a) above		Referred in (b) above		Referred in (c) above		Referred in (d) above		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	₹ in Lakhs)									
Ram Ratna Research & Holding Private Limited	-	-	-	9.66	-	-	-	-	-	9.66
Shreegopal Kabra (HUF)	-	-	-	6.32	-	-	-	-	-	6.32
Rameshwarlal Kabra (HUF)	-	-	-	9.25	-	-	-	-	-	9.25
Ratnadevi Kabra	-	20.58	-	-	-	-	-	-	-	20.58
Others	-	12.97	-	14.48	-	-	-	-	-	35.93
<b>Loans payable</b>										
Mahendrakumar Kabra	-	657.90	-	-	-	-	-	-	-	657.90
Kirtidevi Kabra	-	244.95	-	-	-	-	-	-	-	244.95
Sumeet Kabra	-	933.25	-	-	-	-	-	-	-	933.25
Ratnadevi Kabra	-	-	-	744.95	-	-	-	-	-	744.95
Rajesh Kabra	-	-	-	264.38	-	-	-	-	-	264.38
Hemant Kabra	-	-	-	1,035.14	-	-	-	-	-	1,035.14
Ram Ratna Research & Holding Private Limited	-	-	-	-	-	81.02	-	-	-	81.02
Shreegopal Kabra (HUF)	-	-	-	-	-	141.70	-	-	-	141.70
Tribhuvan Prasad Kabra (HUF)	-	-	-	-	-	66.00	-	-	-	66.00
Mahendra R. Kabra (HUF)	-	-	-	-	-	72.30	-	-	-	72.30
Rameshwarlal Kabra (HUF)	-	-	-	-	-	244.10	-	-	-	244.10
Others	-	301.90	-	332.55	-	60.50	-	-	-	694.95

33.1: Includes provision of ₹ 3.31 Lakhs (P.Y. ₹ 2.26 Lakhs) post employment benefits and ₹ 8.74 Lakhs (P.Y. ₹ 8.47 Lakhs) for leave encashment.

33.2: All outstanding balances are unsecured and are repayable/receivable in cash and all the transactions with these related parties are priced on arm's length basis.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### Note 34: Exposure in Foreign Currency

The Group uses forward contracts to mitigate the risks associated with foreign currency fluctuations. The Group 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	GBP	Euro	INR	USD	GBP	Euro	INR
Booked against Buyers Credit	-	-	-	-	9.55	-	-	655.62
Booked against Import Creditors	3.50	-	-	256.51	28.69	-	1.00	2,051.20
Booked against firm commitments or highly probable forecasted transactions								
- Against Import creditors	-	-	-	-	8.76	-	-	602.30
- Against Export debtors*	125.82	91.00	6.20	19,187.05	119.77	75.92	8.94	16,450.17

\* The Company follows a practice of booking forward contracts against firm commitments or highly probable forecast transactions. Certain of the export debtors as mentioned above will be settled against the forward contracts taken on firm commitments or highly probable transactions.

- b) The details of foreign currency exposure that is not hedged by derivatives instrument or otherwise are as under:

(Amount in Lakhs)

Payables	As at 31.03.2021				As at 31.03.2020			
	USD	GBP	Euro	INR	USD	GBP	Euro	INR
Buyers' Credit	-	-	-	-	17.80	-	-	1,341.84
External Commercial Borrowings	-	-	-	-	-	-	-	-
Import Creditors	28.32	-	1.90	2,245.08	12.57	-	1.35	1,059.56

(Amount in Lakhs)

Receivables	As at 31.03.2021				As at 31.03.2020			
	USD	GBP	Euro	INR	USD	GBP	Euro	INR
Bills Discounting	-	-	-	-	-	-	-	-
Export Debtors	78.58	0.60	2.55	5,972.17	74.57	0.18	3.15	5,898.58

### Note 35 : 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 Group 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 summaries the components of net benefit expense recognised in the statement of profit & 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	1,196.24	885.66
Current Service Cost	195.12	156.68
Interest Cost	72.57	63.79
Past Service Cost	-	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)**

(₹ in Lakhs)

Particulars		Gratuity	
		2020-21	2019-20
	Benefits Paid	(44.24)	(23.77)
	Remeasurement (gains)/ losses	(34.29)	113.88
	<b>Defined Benefit Obligation at the end of the year</b>	<b>1,385.40</b>	<b>1,196.24</b>
ii)	<b>Change in Plan Assets</b>		
	Fair value of plan assets at the beginning of the year	981.38	919.27
	Return on plan assets	58.67	66.45
	Employer Contributions	542.20	15.00
	Benefits Paid	(44.24)	(15.56)
	Remeasurement gains/ (losses)	6.10	(3.78)
	<b>Fair Value of Plan Assets at the end of the year</b>	<b>1,544.11</b>	<b>981.38</b>
iii)	<b>Amount recognized in the Balance Sheet</b>		
	Present value of funded defined benefit obligation	1,385.40	1,196.24
	Fair value of plan assets at the end of the year	1,544.11	981.38
	<b>Amount Recognized in the Balance Sheet</b>	<b>(158.71)</b>	<b>214.86</b>
iv)	<b>Expenses recognized in the Statement of Profit &amp; Loss and Other Comprehensive Income</b>		
	<b>Employee Benefits Expense</b>		
	Current Service Cost	195.12	156.68
	Past Service Cost	-	-
	Interest Cost	72.57	63.79
	Expected Return on plan assets	(58.67)	(66.45)
		209.02	154.02
	<b>Other Comprehensive Income</b>		
	Remeasurement gains/ (losses)	(6.10)	3.78
	Actuarial (gain)/loss arising from changes in financial assumption	17.51	124.35
	Actuarial (gain)/loss arising from changes in demographic assumption	(6.80)	(2.53)
	Actuarial (gain)/loss arising on account of experience changes	(44.99)	(7.93)
		(40.38)	117.67
v)	<b>Investment details</b>		
	LIC- Administrator of the plan fund	1,544.11	981.38
vi)	<b>Principal assumption used in determining defined benefit obligation</b>		
	Discount rate (per annum)	6.25%	6.40%
	Salary escalation rate (per annum)	7.00%	7.00%
	Attrition rate	4% - 9%	4% - 12%
	Mortality rate	<b>Indian Assured Lives Mortality (2012-14) Ult table</b>	<b>Indian Assured Lives Mortality (2012-14) Ult table</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Particulars	Gratuity	
	2020-21	2019-20
<b>vii) Sensitivity Analysis</b>		
<b>Increase in 50bps on DBO</b>		
Change in discounting rate	1,328.47	1,142.62
Change in Salary Escalation	1,444.36	1,252.20
<b>Decrease in 50bps on DBO</b>		
Change in discounting rate	1,446.62	1,254.16
Change in Salary Escalation	1,329.60	1,143.48
<b>viii) Maturity profile of defined benefit obligation (undiscounted value)</b>		
Within the next 12 months (next annual reporting period)	167.95	133.17
Between 2 and 5 years	455.30	357.23
Between 5 and 9 years	477.11	401.14
10 and above years	1,553.04	1,453.87

- i) The average duration of the defined benefit plan obligation at the end of the reporting period is 8.64 years (P.Y. 9.08 years).
- ii) 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.
- iii) 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.
- iv) 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.
- v) The company's Gratuity Fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under State and Central Government Securities, Money market instruments such as NCD / Bonds etc and in equity as mentioned below:

Assets	% of Investment pattern as on 31.03.2021	% of Investment pattern as on 31.03.2020
Central Govt Securities	20.63	19.09
State Govt Securities	46.91	50.97
C.B.L.O., Bank balance etc.	4.02	-
Other approved securities	0.01	0.01
NCD / Bonds	18.75	23.85
Equity	9.68	6.08
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

- vi) Expected contribution of plan in next year is ₹ 00.00 Lakhs (P.Y. ₹ 197.93).
- vii) The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

### B) Defined Contribution Plan - Provident fund and Employees state insurance

The Company makes its contribution along with the share of employees' contribution deducted from salary on monthly basis to Employees' Provident Fund and Employees state insurance corporation administered by the Central and state Government respectively. 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*	460.97	400.93
Contribution to Employees state insurance	39.79	34.97

\*Includes contribution of ₹ 6.99 (P.Y. ₹ 5.18) for Research and Development Employees.

### C) Other Employee benefits - Compensated absences

The employees are entitled for the compensation in respect of unavailed leave as per the policy of the Group. The liability towards compensated absences is recognised based on actuarial valuation carried out using Projected Unit Credit method.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Amount recognized in the Balance Sheet</b>		
i) Current Liability	329.62	124.94
ii) Non- Current Liability	604.39	570.43

Actuarial Assumptions	As at March 31, 2021	As at March 31, 2020
Discount Rate	6.25%	6.40%
Salary growth rate	7.00%	7.00%
Attrition rate	-	-
18-20 year	4.00%	4.00%
21-30 year	12.00%	12.00%
31-40 year	8.00%	7.00%
41-50 year	7.00%	7.00%
51-57 year	9.00%	5.00%

Note 36 : Calculations of Earnings Per Share	2020-21	2019-20
Profit for the year (₹ in Lakhs)	13,539.62	12,239.91
<b>Movement of Equity shares:</b>		
Number of equity share at the beginning of the year*	27,767,214	27,767,214
Number of equity share at the end of the year*	27,767,214	27,767,214
Weighted average number of equity shares outstanding during the year*	27,767,214	27,767,214
Face value of equity share (in ₹)	10.00	10.00
<b>Earnings Per Share</b>		
Basic Earnings Per Share (in ₹)	48.76	44.08
Diluted Earnings Per Share (in ₹)	48.76	44.08

\*It includes 38,43,140 compulsory convertible preference shares.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### Note 37 :

#### Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

#### A) Category-wise classification of financial instruments:

(₹ in Lakhs)

Assets	Refer Note	Non-Current		Current	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>					
Investments in quoted equity shares (Note 37.1)	3A	1,130.21	629.26	-	-
Investments in unquoted equity shares (Note 37.1)	3A	1,215.64	911.09	-	-
<b>Financial assets measured at fair value through profit &amp; loss (FVTPL)</b>					
Investments in mutual funds	3B	-	-	19,602.01	18,881.87
<b>Financial assets measured at amortised cost</b>					
Investments in unquoted equity shares	3A	1,637.31	1,637.31	-	-
Security deposits	4A & 4B	150.98	132.37	99.36	74.88
Loan to employees	4A & 4B	9.63	25.05	64.82	65.51
Share application money	5A	-	-	-	-
Term Deposits held as margin money or security against borrowing, guarantees or other commitments	5A	8.01	7.01	-	-
Term Deposits held as margin money or security against borrowing, guarantees or other commitments	5B	-	-	182.06	4,169.73
Interest accrued on term deposits held as margin money or security against borrowing, guarantees or other commitments	5B	-	-	11.10	57.94
Forward contract receivable	5B	-	-	46.28	166.03
Others (Insurance claim and recoverable expenses)	5B	-	-	8.63	16.01
Trade receivables	9	-	-	42,036.23	41,895.88
Cash and bank balances	10	-	-	846.56	1,127.78

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Liabilities	Refer Note	Non-Current		Current	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Financial Liabilities measured at fair value through profit or loss (FVTPL)</b>					
Forward contract payable	15	-	-	39.87	305.01
<b>Financial Liabilities measured at amortised cost</b>					
Borrowings	13A & 13B	7,128.14	6,828.15	39,498.49	30,911.83
Obligation under Lease	14A & 14B	526.36	-	306.64	-
Security deposits and others	15	-	-	232.77	204.63
Current maturities of long term borrowings	15	-	-	3,156.76	1,469.97
Unclaimed dividend	15	-	-	6.99	6.99
Retention money relating to capital expenditure	15	-	-	166.71	297.23
Interest accrued and due	15	-	-	69.84	269.72
Interest accrued but not due	15	-	-	40.28	50.45
Accrued salary & benefits	15	-	-	692.10	719.87
Director's Commission	15	-	-	192.25	176.89
Creditors for capital expenditure	15	-	-	199.84	871.77
Other payables	15	-	-	95.36	53.21
Trade payables	19	-	-	11,350.29	18,086.20

Note 37.1 Investment are not held for trading. Upon the application of Ind AS 109 - Financial Instruments, the Company 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 Company.

Note 37.2 Investment in joint venture amounting to ₹1,637.31 Lakhs (31.03.2020 ₹1,637.31 Lakhs) are measured at cost in accordance with Ind AS 27 requirements. since the same is scoped out of Ind AS -109 for the purpose of measurement, the same have not been disclosed in tables above.

### 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(ii) The following tables provide the fair value measurement hierarchy of the Group's financial assets and liabilities:

(₹ in Lakhs)

Financial Assets / Financial Liabilities as at March 31, 2021	Fair value	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through other comprehensive income</b>				
Investments in quoted equity shares (Note 3A)	1,130.21	1,130.21	-	-
Investments in unquoted equity shares (Note 3A)	1,215.64	-	-	1,215.64
<b>Financial assets measured at fair value through profit or loss (FVTPL)</b>				
Investments in mutual funds (Note 3B)	19,602.01	19,602.01		
Forward contract receivable (Note 5B)	46.28		46.28	-
<b>Financial liabilities measured at fair value through profit or loss (FVTPL)</b>				
Forward contract payable (Note 15)	39.87	-	39.87	-

(₹ in Lakhs)

Financial Assets/ Financial Liabilities as at March 31, 2020	Fair value	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through other comprehensive income</b>				
Investments in quoted equity shares (Note 3A)	629.26	629.26	-	-
Investments in unquoted equity shares (Note 3A)	911.09	-	-	911.09
<b>Financial assets measured at fair value through profit or loss (FVTPL)</b>				
Investments in mutual funds (Note 3B)	18,881.87	18,881.87		
Forward contract receivable (Note 5B)	166.03		166.03	
<b>Financial liabilities measured at fair value through profit or loss (FVTPL)</b>				
Forward contract payable (Note 15)	305.01	-	305.01	

The carrying amounts of financial assets and financial 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 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 (c) Credit Risk comprising of trade receivable risk and financial instrument risk and. 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 of the Group. Team involved in RMP meets frequently to discuss the level of risk they foresee based on the conditions persisting.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

The Group's exposure to Market Risk, Liquidity Risk and Credit 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 Group's financial liabilities to interest rate risk based on liabilities as at reporting date is as follows:

(₹ in Lakhs)

Particulars	Impact on profit before tax	
	2020-21	2019-20
Increase in interest rate by 100 basis points	497.40	390.75
Decrease in interest rate by 100 basis points	(497.40)	(390.75)

(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 Company.

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.

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%	413.43	415.00
Decrease in exchange rates by 5%	(413.43)	(415.00)

#### 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 March 31, 2021 the carrying value of such equity instruments recognised at fair value through OCI amounts to ₹ 2,345.85 Lakhs (P.Y. 31.03.2020 ₹ 1,540.35 Lakhs). The price risk arises due to uncertainties about the future market values of these investments and the same is classified in the balance sheet as fair value through profit or loss.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

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%	117.29	77.02
Decrease by 5%	(117.29)	(77.02)

### 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)

At March 31, 2021	Less than 1 year	Between 1 to 5 years	Total	Carrying Value
Borrowings (Note 13A and 13B)	39,498.49	7,128.14	46,626.63	46,626.63
Derivative financial liabilities (Note 15)	39.87	-	39.87	39.87
Other financial liabilities (Note 15)	4,852.90	-	4,852.90	4,852.90
Trade payables (Note 19)	11,350.29	-	11,350.29	11,350.29

(₹ in Lakhs)

At March 31, 2020	Less than 1 year	Between 1 to 5 years	Total	Carrying Value
Borrowings (Note 13A and 13B)	30,911.83	6,828.15	37,739.98	37,739.98
Derivative financial liabilities (Note 15)	305.01	-	305.01	305.01
Other financial liabilities (Note 15)	4,120.74	-	4,120.74	4,120.74
Trade payables (Note 19)	18,086.20	-	18,086.20	18,086.20

### 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 to 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 Company to banks for credit facilities availed by Group's dealers from bank is minimum as those parties have long vintage with the Group 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

For trade receivables and financial guarantees, as a practical expedient, the Group computes credit loss allowance based on expected credit loss method. The movement in expected credit loss allowance is as under:

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Balance at the beginning of the year	3,071.93	2,190.28
Add/(Less): Allowance for expected credit loss	529.05	881.65
Balance at the end of the year	3,600.98	3,071.93

### Note 38 : Segment Information

The Group has presented data relating to its segments based on its financial statements. Accordingly, in terms of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments", disclosures related to segments are presented.

#### Accounting Policy

##### Identification of segments

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available.

The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment based on an analysis of various performance indicators by business segments and geographic segments.

##### Segment revenue and expenses:

It has been identified to a segment on the basis of relationship to operating activities of the segment. The company generally accounts for intersegment sales and transfers at cost plus appropriate margins. Intersegment revenue and profit is eliminated at Group level.

Finance income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting as the underlying instruments are managed on a company.

##### Segment assets and liabilities:

Segment assets and segment liabilities represent assets and liabilities of respective segments, however the assets and liabilities not identifiable or allocable on reasonable basis being related to enterprise as a whole have been grouped as unallocable. The accounting policies of the reportable segments are same as that of Group's accounting policies described. The company is organised into business units based on its products and services and has three reportable segments as follows.

**Wire and Cable:** Manufacture and sale of wires and cables.

**Consumer electrical goods:** Fans, LED lighting, switches, switchgears, water heaters, and domestic appliances.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

A) The following summary describes the operations in each of the group's reportable segments:

The following summary describes the operations in each of the group's reportable segments: (₹ In Lakhs)

Particulars	31 <sup>st</sup> March 2021				31 <sup>st</sup> March 2020			
	Wires & Cables	Consumer Electricals	Elimination	Total	Wires & Cables	Consumer Electricals	Elimination	Total
<b>Income</b>								
External Revenue	253,174.70	19,562.23	-	272,736.93	229,999.01	18,772.21	-	248,771.22
Inter segment revenue	-	19.23	(19.23)	-	33.81	17.16	(50.97)	-
<b>Total Income</b>	<b>253,174.70</b>	<b>19,581.46</b>	<b>(19.23)</b>	<b>272,736.93</b>	<b>230,032.82</b>	<b>18,789.37</b>	<b>(50.97)</b>	<b>248,771.22</b>
<b>Segment Results</b>								
External	22,688.65	(3,006.42)	-	19,682.23	19,907.09	(1,780.80)	-	18,126.29
<b>Segment/Operating results</b>	<b>22,688.65</b>	<b>(3,006.42)</b>	<b>-</b>	<b>19,682.23</b>	<b>19,907.09</b>	<b>(1,780.80)</b>	<b>-</b>	<b>18,126.29</b>
<b>Un-allocated items:</b>								
Finance income				1,056.80				1,173.66
Finance costs				2,705.63				3,524.64
Share of loss of joint venture (net of taxes)				109.82				(7.73)
<b>Profit before tax</b>				<b>18,143.22</b>				<b>15,767.58</b>
Provision for taxation				4,603.59				3,527.67
<b>Profit for the year</b>				<b>13,539.63</b>				<b>12,239.91</b>
Depreciation & amortisation expenses	4,147.22	284.35	-	4,475.09	3,742.21	138.17	-	3,880.38

### (B) Revenue by Geography

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Within India	212,917.68	196,612.59
Outside India	58,676.54	50,630.48
<b>Total Revenue</b>	<b>271,594.22</b>	<b>247,243.07</b>

### (C) Segment assets

Particulars	31 <sup>st</sup> March 2021				31 <sup>st</sup> March 2020			
	Wires & Cables	Consumer Electricals	Elimination	Total	Wires & Cables	Consumer Electricals	Elimination	Total
Segment assets	131,888.41	14,009.58	-	145,897.99	112,667.07	12,804.56	(10.82)	125,460.81
<b>Unallocated assets:</b>								
Non-current Investment	-	-	-	4,060.14	-	-	-	3,195.20
Current investments	-	-	-	19,602.01	-	-	-	18,881.87
Cash and cash equivalents and bank balance	-	-	-	846.56	-	-	-	1,127.78
Loans	-	-	-	324.79	-	-	-	297.81
Other Financial asset	-	-	-	256.08	-	-	-	4,421.51
Income tax assets (net)	-	-	-	523.53	-	-	-	1,150.61
<b>Total</b>	<b>131,888.41</b>	<b>14,009.58</b>	<b>-</b>	<b>171,511.10</b>	<b>112,667.07</b>	<b>12,804.56</b>	<b>(10.82)</b>	<b>154,535.59</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### (D) Segment liabilities

Particulars	31 <sup>st</sup> March 2021				31 <sup>st</sup> March 2020			
	Wires & Cables	Consumer Electricals	Elimination	Total	Wires & Cables	Consumer Electricals	Elimination	Total
Segment liabilities	10,694.51	4,748.66	-	15,443.17	17,462.37	6,122.54	(10.82)	23,574.09
Borrowings (Non-Current and Current, including Current Maturity)	-	-	-	49,783.38	-	-	-	39,209.96
Lease liabilities	-	-	-	833.00	-	-	-	429.81
Deferred tax liabilities (net)	-	-	-	788.81	-	-	-	917.48
<b>Total</b>	<b>10,694.51</b>	<b>4,748.66</b>	<b>-</b>	<b>66,848.35</b>	<b>17,462.37</b>	<b>6,122.54</b>	<b>(10.82)</b>	<b>64,131.34</b>

E) All non current assets of the Group are located in India.

F) There is no transaction with single external customer which amounts to 10% or more of the Group's revenue.

### Note 39 : Details of Loans, Guarantee and Investments U/s 186 of the Companies Act, 2013

(₹ in Lakhs)

Party Name	Nature of Transaction	As at 31.03.2021	As at 31.03.2020
Ram Ratna Wires Limited	Investment	1,130.03	629.20
Comfort Intech Limited	Investment	0.18	0.06
MEW electricals Ltd	Investment	1,215.64	911.09
RR-Imperial Electricals Limited - Bangladesh	Investment	1,637.31	1,637.31

There are no new investments made during the Current year. Above represents carrying amount of existing investments as at respective balance sheet date.

### Note 40: Right of use assets :-

#### i) The Group as a lessee

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the co assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the co has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), variable lease and low value leases. For these short-term, variable lease and low value leases, the co recognizes the lease payments as an operating expense on a straightline basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the co changes its assessment if whether it will exercise an extension or a termination option.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### ii) The Group as a 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, rental income is recognized on a straight line basis over the term of the relevant lease.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

### iii) Others

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application, variable lease and low value asset.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient in the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- The effective interest rate for lease liabilities is 9.22% p.a., with maturity between 2021-2026.

The changes in the carrying value of right of use for the year ended 31 March 2020 are shown in Note no 2(D)

The following is the break-up of current and non-current lease liabilities for the year ended 31 March 2021 (₹ in Lakhs)

Particulars	2020-21	2019-20
Non-current lease liabilities	526.36	177.12
Current lease liabilities	306.64	252.69
<b>Total</b>	<b>833.00</b>	<b>429.81</b>

The following is the movement in lease liabilities for the year ended 31 March 2021 (₹ in Lakhs)

Particulars	2020-21	2019-20
As at the beginning of the year	429.81	597.73
Additions	702.51	-
Finance cost accrued during the year	31.10	22.04
Payment of lease liabilities	(330.42)	(189.96)
<b>As at the end of the year</b>	<b>833.00</b>	<b>429.81</b>

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.

Particulars	2020-21	2019-20
20-21	-	177.12
21-22	306.64	156.68
22-23	191.80	48.42
23-24	167.32	28.96
24-25	114.20	18.63
25-26	53.04	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following are the amounts recognised in profit or loss: (₹ in Lakhs)

Particulars	2020-21	2019-20
Depreciation expense of right-of-use assets	304.74	180.68
Interest expense on lease liabilities	31.10	22.05
Expense relating to short-term leases (included in other expenses)	95.21	189.24
	431.05	391.97

Lease contracts entered by the company majorly pertains for Marketing offices and warehouse taken on lease to conduct its business in the ordinary course. The company does not have any lease restrictions and commitment towards variable rent as per the contract.

### Note 41 : Research & Development

The Group is continuously engaged in Research & Development of new product & process improvement of existing products, in which the Company operates. Detail of expenses incurred on Research & Development activities during the year, are as under:

(₹ in Lakhs)

Particulars	2020-21		2019-20	
Capital Expenditure *		41.87		22.78
Revenue Expenditure				
- Cost of Raw Material	214.53		191.94	
- Salary & Wages	156.90		137.68	
- Other Expenses	9.69		15.96	
- Sales of Scrap	(171.68)	209.44	(122.13)	223.45
<b>Total</b>		<b>251.30</b>		<b>246.23</b>

\* Capital Expenditure included in Plant & Machinery reported in Note : 2A

### Note 42: Capital Management

For the purpose of the Group's capital management, capital includes issued capital (Equity & Preference) and all other equity reserves attributable to the equity shareholders of the company.

The primary objective of the Group's Capital Management is to maximize the Shareholder Value and to safeguard the company's ability to meet its Liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern. The Company monitors using a gearing ratio which is net debts divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, less cash and short term deposit. The company's policy is to keep the ratio below 1.5.

No changes were made in the objectives, policies or processes for managing capital during the year ended as at 31st March, 2021 and as at 31st March, 2020.

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Net debt (total debt less cash and cash equivalents) (A)	48,943.82	38,089.16
Total capital (B)	104,585.77	90,390.12
Total capital and net debt C=(A+B)	153,529.59	128,479.28
Gearing ratio (A/C)	0.32	0.30

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### Note 43: Events occurring after the Balance sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of September 2, 2021, there are no subsequent events to be recognized or reported that are not already disclosed.

### Note 44: Disclosure under Ind AS 115 “Revenue from Contracts with Customers”

#### (A) Reconciliation of amount of revenue recognized in the statement of profit & loss with the contracted price:

(₹ in Lakhs)		
Particulars	As on 31.03.2021	As on 31.03.2020
Revenue as per contracted price	272,986.82	253,726.92
<b>Adjustment</b>		
Less : Sales Return	1,802.32	1,810.68
Less : Rebate & Discounts	4,651.28	8,870.91
<b>Other operating revenue</b>	<b>5,061.00</b>	4,197.74
<b>Revenue from contract with customers</b>	<b>271,594.22</b>	247,243.07

The management determines that the segment information reported under Note 38 Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

#### (B) Contract Balances (Net of allowances expected credit loss)

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(₹ in Lakhs)		
Particulars	As on 31.03.2021	As on 31.03.2020
Receivables, which are included in ‘trade and other receivables’	42,036.23	41,895.88
Contact Liabilities, Advances from customers	437.34	1,016.23
	<b>41,598.89</b>	40,879.65

#### (C) Significant Payment Terms

Generally, the Group provides credit period in the range of 30 to 75 days for customers.

### Note 45 : Disclosure under rule 16A of Companies (Acceptance of Deposits) Rule 2014:

(₹ in Lakhs)		
Particulars	As on 31.03.2021	As on 31.03.2020
Money received from Director during the year	236.05	725.75
Balance outstanding at the end of the year	-	2,354.27

**Note 46:** The Group’s international and domestic transactions with associated enterprises are at arm’s length, as per the independent accountant’s report for the year ended 31 March 2020. The Management believes that the Group’s international and domestic transactions with associated enterprises post 31 March 2020 continue to be at arm’s length and that transfer pricing legislations will not have any impact on the financial statements, particularly on the amount of tax expenses for the year and the amount of provision for taxation at the year end.

**Note 47:** Financial statements are approved by Board of Director’s in their meeting held on September 2, 2021.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

**Note 48:** Estimation of uncertainties relating to the global health pandemic from COVID-19

The outbreak of Corona virus (COVID-19) pandemic is causing disturbance and slowdown of economic activity throughout the world and is impacting operations of the businesses, by way of interruption in production, supply chain disruption, unavailability of personnel, closure of production facilities etc.

The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising property, plant and equipments, trade receivables, inventories, investments, and other current and non-current assets as at the balance sheet date and has concluded that there are no material adjustments required in the Standalone Financial Statements. Based on the forecasted cash flows, management believes that they will be able to discharge all their liabilities/obligations due in next one year. In evaluating the possible impact due to COVID-19, the company has used internal and external sources of information available till date.

Considering the nature of COVID-19, the Group will continue to closely monitor any material changes to future economic conditions.

### **Note 49: Employee Stock Option Plan**

On November 10, 2020, pursuant to the approval by the shareholders in the EGM, the Board was authorized to create and grant from time to time, in one or more tranches, not exceeding 3,50,000 employee stock options to or for the benefit of such person(s) who are in employment of the Company, present and future, within the meaning of RRKL ESOP 2020 plan and eligible to receive such options under the Act, as may be decided under the RRKL ESOP 2020 plan, exercisable into not more than 3,50,000 equity shares of face value of ₹ 10/- each fully paid-up, where one employee stock option would convert into one fully paid-up equity share of face value of ₹ 10/- each upon exercise, on such terms and in such manner as the Board / Committee may decide in accordance with the provisions of the applicable laws and the provisions of RRKL ESOP 2020 plan.

50% of the Options granted to a Participating Employee will be subject to time-based conditions ("Time Based Options") and the balance 50% of the Options granted to a Participating Employee will be subject to performance-based conditions ("Performance Based Options"). There shall be a minimum period of one year between the grant of Options and the vesting of such Options. Plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (the nomination and remuneration committee). The performance parameters will be based on budgeted target EBITDA. These instruments will generally vest between a minimum of one to a maximum of five years from the grant date.

**(A) The Company has granted 1,29,590 employee stock options during the FY 2019-20 to its eligible employee including under RRKL ESOP 2020 plan, details are as under:**

#### **Equity-settled share-based payment transaction**

<b>Particulars</b>	<b>Tranch I</b>	<b>Tranch II</b>	<b>Tranch III</b>	<b>Tranch IV</b>	<b>Tranch V</b>
Time based options					
% of total options which are eligible to vest	20%	20%	20%	20%	20%
No. of Options	6,479	6,479	6,479	6,479	6,482
Grant Date	December 24, 2020	December 24, 2020	December 24, 2020	December 24, 2020	December 24, 2020
Vesting date	December 24, 2021	December 24, 2021	May 13, 2022	May 13, 2023	May 13, 2024
Exercise price (₹ per share)	1,080.30	1,080.30	1,080.30	1,080.30	1,080.30
Fair Value per Stock Option (₹ per share)	176.90	176.90	176.90	196.60	215.10
Performance based options					
% of total options which are eligible to vest	20%	20%	20%	20%	20%
No. of Options	6,479	6,479	6,479	6,479	6,482
Vesting date	December 24, 2021	December 24, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Exercise price (₹ per share)	1,080.30	1,080.30	1,080.30	1,080.30	1,080.30
Fair Value per Stock Option (₹ per share)	174.40	174.40	176.90	196.60	215.10
EBITDA Target (in ₹ lakhs)	To be vested without considering the EBITDA	26,100	Annual EBITDA target to be approved by the Board and notified to the Participating Employee as soon as reasonably practical after the annual budget is finalized		

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

### (B) Fair Valuation

1,29,590 share options were granted during the year (with vesting plan of 20% each year).

Weighted average fair value of the options granted during the year:

- (a) For time based options: ₹ 188.5 per unit granted
- (b) For performance based options: ₹ 187.45 per unit granted

The fair value of option has been done by an independent firm of Professional Valuers on the date of grant using the Black-Scholes Merton Model.

### (C) The Key assumptions in the Black-Scholes Merton Model for calculating fair value as on the date of grant December 24, 2020 :

Risk Free Rate	5.53%
Discount for lack of marketability	24.00%
Implied EV/EBITDA multiple and calibration factor	1.0x

(D) Movement of Options Granted :	As at March 31, 2021
	No. of shares
Outstanding at the beginning of the year	-
Granted during the year	129,590
Vested during the year	-
Exercised during the year	-
Options expired (due to resignation & retirement)	64,794
Outstanding at the end of the year	64,796
Options exercisable at the end of the year	-

Note : The above share options carry an exercise price of ₹ 1,080.30 per share option.

### (E) Break up of employee stock option expense

(₹ in Lakhs)

Particulars	As at March 31, 2021
Term based options	11.46
Performance based options	11.30
<b>Total</b>	<b>22.76</b>

### Note 50: Amalgamation of Ram Ratna Electricals Limited with the company

- (a) The Scheme of Amalgamation of Ram Ratna Electricals Limited (RREL) (referred to as 'transferor company') with R R Kabel Limited ('the Scheme'), was approved by the National Company Law Tribunal, Mumbai Bench vide their orders dated August 19, 2020. The Company had carried out the accounting prescribed in the Scheme and made the required disclosure for Amalgamations in the nature of merger, as required under Appendix C of Ind AS 103 Business Combinations, for Business Combinations of entities under "Common Control" and accordingly given effect in the financial statements for the year ended 31 March 2020. RREL is engaged in the business of manufacturing, trading and otherwise dealing in consumer electricals, such as fans and lights, and consumer appliances such as water heaters, heat convectors, electric irons and switches and similar products.
- (b) In accordance with the Scheme, the Company had taken over all the assets aggregating to ₹ 11,432.04 lakhs, liabilities aggregating to ₹ 11,211.41 lakhs and other equity amounting to ₹ (1,101.37) lakhs at their respective book values against capital issuance of ₹ 71.48 lakhs to the shareholders of RREL as on the appointed date, the resultant surplus of ₹ 1250.52 lakhs has been credited to capital reserve.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

In terms of the Scheme, the Company has allotted 5,28,798 equity shares of ₹ 10 each and 1,40,568 Compulsory convertible preference shares of ₹ 1,080.33 each to existing shareholders of RREL based on share entitlement ratio as per the Scheme.

### Note 51 : 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)

Joint Venture		
i) Name of Joint Venture		RR-Imperial Electricals Ltd.
ii) Latest audited balance sheet date		31.03.2021
iii) Date on which acquired		35% investment on various dates
iv) Shares of Joint Ventures held by the Company as at 31 <sup>st</sup> March, 2021		
No. of Equity shares		22,190,854
Amount of Investment in Joint Venture (₹ in Lakhs)		1,637.31
Extent of Holding%		35%
v) Description of how there is Significant influence :-		Joint venture
vi) Reason Why Associate/Joint Venture not Consolidated :-		Consolidated
vii) Net worth attributable to Shareholding as per latest audited balance sheet (₹ in Lakhs)		1,714.30
viii) Profit/(Loss) for the year :-		
Considered in Consolidation (₹ in Lakhs)		109.82
Not Considered in Consolidation		NIL

- 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

### Note 52 : Details of Joint venture

#### 1) Name of Entity in the group

PARTICULARS	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	Joint venture	Bangladesh	35%	35%	Under equity method

#### 2) Interest in a Joint venture

The following tables illustrates the summarized financial information of joint venture:

(₹ in Lakhs)

PARTICULARS	Joint venture	
	As at 31.03.2021	As at 31.03.2020
Current Assets	9,029.14	8,815.06
Non-Current Assets	4,864.47	4,927.90
Current Liabilities	7,909.66	7,930.01
Non-Current Liabilities	1,085.95	1,083.90
Equity	4,898.00	4,729.05
Proportion of the Company's ownership interest	35%	35%
<b>Carrying amount of the Company's interest before consolidation adjustments</b>	<b>1,714.30</b>	<b>1,655.17</b>
Less : adjustments on Consolidation	-	0.32
<b>Carrying amount of the Company's interest</b>	<b>1,714.30</b>	<b>1,654.85</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

PARTICULARS	Joint venture	
	2020-21	2019-20
Revenue	9,510.55	13,253.00
Interest Income	21.21	17.71
Cost of raw material and components consumed	8,320.70	9,857.31
Changes in Inventories	(1,823.11)	355.96
Depreciation & amortization	444.34	414.34
Finance cost	347.10	416.08
Employee benefit	915.58	907.45
Other expenses	820.35	1,030.11
Profit before tax	506.79	289.46
Income tax expense	192.84	316.17
Profit for the year	313.95	(26.71)
Other Comprehensive Income	-	-
Total Comprehensive Income	313.95	(26.71)
Group's share of loss for the year	109.82	(9.30)
Less: Adjustment on Consolidation	-	1.57
<b>Total Comprehensive Income on consolidation</b>	109.82	(7.73)
Group's share of other comprehensive income for the year	-	-
<b>Group's total comprehensive income for the year</b>	109.82	(7.73)
Dividend received from Joint venture during the year	-	-

(₹ in Lakhs)

PARTICULARS	Joint venture	
	As at 31.03.2021	As at 31.03.2020
<b>Contingent Liabilities</b>		
Letter of Credit	930.47	906.44

**Note 53 : Disclosure of additional information pertaining to the Company and Joint venture 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		Share in Total Comprehensive Income	
	2020-21		2020-21		2020-21		2020-21	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated TCI	Amount
<b>Company</b>								
R R Kabel Limited	98%	102,948.45	99%	18,033.39	107%	765.86	100%	14,195.66
<b>Joint Venture</b>								
RR-Imperial Electricals Ltd.	2%	1,714.30	1%	109.82	-7%	(46.97)	0%	62.85
<b>TOTAL</b>	<b>100.00</b>	<b>104,662.75</b>	<b>100.00</b>	<b>18,143.21</b>	<b>100.00</b>	<b>718.89</b>	<b>100.00</b>	<b>14,258.51</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(₹ in Lakhs)

Name of Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	2019-20		2019-20		2019-20		2019-20	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated TCI	Amount
<b>Company</b>								
R R Kabel Limited	98%	88,749.40	100%	15,775.30	121%	(763.38)	98.91	11,484.25
<b>Joint Venture</b>								
RR-Imperial Electricals Ltd.	2%	1,654.85	0%	(7.73)	-21%	133.91	1.09	126.18
<b>TOTAL</b>	<b>100.00</b>	<b>90,404.25</b>	<b>100.00</b>	<b>15,767.58</b>	<b>100.00</b>	<b>(629.47)</b>	<b>100.00</b>	<b>11,610.44</b>

### Note 54 : Specified Bank Note :

The details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been provided in these financial statements since the requirement does not pertain to financial year ended 31 March 2021.

**Note 55 :** The previous year's figures have been regrouped / reclassified to match with current year's groupings.

As per our Report of even date

**For and on behalf of the Board of Directors of  
R R Kabel Limited**

CIN: U28997MH1995PLC085294

**For B S R & Co. LLP**  
Chartered Accountants  
Firm Registration No: 101248W/W-100022

**Tribhuvanprasad Kabra**  
Chairman  
DIN : 00091375

**Shreegopal Kabra**  
Managing Director  
DIN : 00140598

**Rupen Shah**  
Partner  
Membership No. 116240

**Rajeev Pandiya**  
Chief Financial Officer  
Membership No. 089631

**Himanshu Parmar**  
Company Secretary  
Membership No.FCS 10118

Place : Ahmedabad  
Date : September 2, 2021

Place : Mumbai  
Date : September 2, 2021









**Regd. Office :**

Ram Ratna House, Utopia City, P. B. Marg, Worli, Mumbai - 400 013.

T : +91-22-2494 9009 / 2492 4144 • F : +91-22-2491 2586

**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