



**International Combustion
(India) Limited**

Annual
Report

2019-20

Corporate Information

Board of Directors

Mr. Sanjay Bagaria *Chairman*
 Mr. Indrajit Sen *Managing Director*
 Mr. Ratan Lal Gaggar
 Mr. Sandipan Chakravortty
 Mrs. (Prof.) Bharati Ray
 Mr. Sanjoy Saha

Board Committees

Audit Committee

Mr. Ratan Lal Gaggar *Chairman*
 Mr. Sandipan Chakravortty
 Mr. Indrajit Sen

Share Transfer & Stakeholders' Relationship Committee

Mr. Sanjay Bagaria *Chairman*
 Mr. Indrajit Sen
 Mrs. (Prof.) Bharati Ray

Nomination & Remuneration Committee

Mr. Ratan Lal Gaggar *Chairman*
 Mrs. (Prof.) Bharati Ray
 Mr. Sanjay Bagaria

Corporate Social Responsibility (CSR) Committee

Mr. Sanjay Bagaria *Chairman*
 Mrs. (Prof.) Bharati Ray
 Mr. Ratan Lal Gaggar

Risk Management Committee

Mr. Sanjay Bagaria *Chairman*
 Mr. Indrajit Sen
 Mr. Suhas Chandra Saha

Company Secretary

Mr. Suhas Chandra Saha

Chief Financial Officer

Mr. Asish Kumar Neogi

Presiding Officer of Internal Complaints Committee under The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Mrs. Swagata Roy, Assistant General Manager-Finance

Statutory Auditors

M/s. Ray & Ray, Chartered Accountants

Bankers

UCO Bank
 Axis Bank
 IDBI Bank
 ICICI Bank
 Kotak Mahindra Bank
 DCB Bank

Registrars & Share Transfer Agents

C. B. Management Services Pvt. Ltd.
 P-22, Bondel Road, Kolkata – 700 019
 Phone: (033) 40116700/15/17/24/42
 Fax: (033) 4011-6739
 E-mail: rta@cbmsl.com
 Website: www.cbmsl.com

Registered Office

Infinity Benchmark,
 11th Floor, Plot No. G-1,
 Block EP & GP, Sector – V,
 Salt Lake Electronics Complex, Kolkata – 700091
 Telephone : (033) 4080-3000
 Fax : (033) 2357-6653
 Email: info@internationalcombustion.in
 Website: www.internationalcombustion.in

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Directors' Report

To the Members,

Your Directors take pleasure in presenting the Eighty-Fourth Annual Report, including the Audited Annual Financial Statements of the Company for the Financial Year ended 31st March, 2020.

Financial Results (Standalone)

(₹in lakhs)

	2019-20		2018-19	
Revenue from Operations		12395		13416
Profit before depreciation, interest & tax		453		1242
Less: Interest	281		316	
Depreciation	489	770	514	830
Profit/(Loss) before Tax		(317)		412
Less: Provision for Income Tax -				
Current Tax		-	101	
Deferred Tax (reversal)/charge	(130)	(130)	(45)	(56)
Profit/(Loss) after Tax		(187)		356
Other Comprehensive Income/(Loss) for the year (net of tax)		(61)		(19)
Total Comprehensive Income/(Loss)		(248)		337

Dividend

In view of the loss suffered by the Company during the Financial Year under review, the Board does not recommend any dividend for the year.

Operations and State of the Company's Affairs

The year under review had been a difficult year for the industry in general and also for your Company as the country experienced severe industrial recession and the GDP growth dropped to 4.2%.

The growth of the manufacturing sector for the year was less than 2% as against growth of 6.9% for the year 2018-2019. The business of your Company was further affected by a sharp decline of investment in various core sector industries such as steel industry & mining as well as the sugar industry.

Further, the Company had to shut down all operations sometime around the third week of March, 2020 on account of lockdown imposed by the Government(s) because of the Covid 19 pandemic and this has also partly affected the performance of the Company.

In view of the above, the sale for the year dropped to Rs. 12266 lakhs from Rs. 13195 lakhs for the previous year and the EBITDA dropped to Rs. 453 lakhs from Rs. 1242 lakhs of the previous year. The net loss of the Company for FY 2019-20 was Rs. 317 lakhs.

Future Outlook

All of you are aware that the Company had to remain closed for the first two months of the current financial year on account of lockdown imposed by the Government(s) on account of Covid-19 global pandemic and even thereafter, the Company could start its operations with limited manpower as per

Directors' Report (Contd.)

the directives issued by the Central and various State governments. The situation became even more critical as the Company's supply chain has been severely disrupted and unless the normalcy is restored across the country as a whole, the supply chain will continue to remain a serious challenge, affecting the performance of the Company.

Further as per the estimates of the Reserve Bank of India and other authorities including World Bank, the country's GDP growth for the year is expected to be less than 1.5% and the industrial growth is expected to be negative by over 5%. Your Company, therefore, expects a challenging year ahead and is making all efforts to have a nominal growth and profit.

Having said this, the Company would also like to mention that as per the estimate conveyed by Governor of RBI, the GDP growth of 2021-2022 is expected to be over 7%, which is a positive indicator and the Company sees a definite possibility of coming out of this difficult situation and achieving satisfactorily to be back to its normal position in a year's time.

Last year we had informed you about the license agreement with CAPA, Spain for manufacture of various building material products such as dry mortars with advanced technology. The Company is pleased to inform you that these products have been in market since December, 2019 and have received excellent market response and acceptance. The requirement of such high end products are expected to grow further as the traditional method of construction is progressively getting substituted with advanced technology.

Joint Venture Company

Mozer Process Technology Pvt. Ltd. (MPTPL), a Joint Venture Company of the Company with Allgaier Werke GmbH, Germany, offers Mozer Dryers, which is a highly specialized product with sophisticated technology.

For the year under review, the revenue from operations of MPTPL was Rs. 220.28 lakh as compared to Rs. 157.96 lakh during the previous Financial Year ended 31st March, 2019. MPTPL earned a Profit Before Tax of Rs. 6.96 lakh during the Financial Year ended 31st March, 2020 as compared to a Loss Before Tax of Rs. 10.34 lakh during the previous Financial Year ended 31st March, 2019.

Like other divisions of the Company, the business of the Joint Venture Company was also severely affected during the year under review by the industrial recession. However, your Company is delighted to inform you that Allgaier Werke GmbH acknowledges that the products manufactured by your Company meets the European quality standards and are sourcing these dryers for their various international markets. The Company expects further orders from Allgaier Werke GmbH in the current year.

It may be of interest for you to note that in India, extraction of sand from natural sources such as river beds, etc. are banned and therefore there is a growing demand for manufactured sand requiring crushing, cleaning, drying and screening. The Company manufactures most of the machinery required for such sand plants and the JV Company has successfully commissioned one such plant in Gujarat for drying and screening. This market is expected to grow rapidly in the future years.

Consolidated Financial Statements

The consolidated financial statements of the Company for the Financial Year ended 31st March, 2020, prepared after taking into consideration the financial statements of its aforementioned Joint Venture



Directors' Report (Contd.)

Company, also forms part of the Annual Report for the FY 2019-20. The said consolidated financial statements have been prepared adopting the Indian Accounting Standards (IND AS) under equity method of consolidation, considering the transition date as 1st April, 2016. The consolidated revenue from operations and consolidated loss before tax thus arrived at for the Financial Year ended 31st March, 2020 are Rs. 12395.03 lakh and Rs. 315.07 lakh respectively as compared to a consolidated revenue from operations and consolidated profit before tax for the previous Financial Year ended 31st March, 2019 of Rs. 13415.71 lakh and Rs. 408.50 lakh respectively.

A Statement in Form AOC-1 relating to the Associate/Joint Venture Company as required pursuant to Section 129 (3) of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014, is also attached to the Financial Statements.

The Company has no subsidiary.

Capital Expenditure

The total capital expenditure incurred by the Company during the Financial Year under review was Rs. 587.90 lakhs.

Extract of Annual Return

An extract of the Annual Return as on the Financial Year ended on 31st March, 2020 as required under Section 134(3) of the Companies Act, 2013, read with Section 92(3) of the said Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 are set out in Annexure-I, forming part of this Report.

Energy Conservation, Technology Absorption And Foreign Exchange Earnings & Outgo

All feasible energy conservation methods are being pursued by the Company and implemented in phases. As required under Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of Companies (Accounts) Rules, 2014, particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo are set out in Annexure-II, forming part of this Report.

Related Party Transactions

Your Board has framed a Related Party Transactions Policy which is available on the Company's website. During the year, the Company had not entered into any contract/ arrangement/ transaction with any related party which could be considered material in accordance with the Related Party Transactions Policy of the Company.

Details of related party transactions (which are not considered material) entered into on an arm's length basis during the Financial Year ended 31st March, 2020 are set out in Annexure-III, forming part of this Report, pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Section 188 of the said Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Details Relating to Remuneration of Directors & Employees

A statement as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, relating to details of remuneration of Directors and employees, drawn during the Financial Year ended 31st March, 2020, are set out in Annexure-IV, forming part of this Report.

Directors' Report (Contd.)

Number of Board Meetings

6 (Six) Board meetings of the Company were held during the Financial Year ended 31st March, 2020. For further details, please refer to the Report on Corporate Governance forming part of this Annual Report.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013 read with Section 134(5) of the said Act, the Directors, to the best of their knowledge and belief, confirm that:

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

Directors

Mrs. (Prof.) Bharati Ray (DIN 06965340), Mr. Ratan Lal Gaggar (DIN 00066068) & Mr. Sandipan Chakravorty (DIN 00053550), all Independent Directors on the Board, are not liable to retire by rotation in terms of the provisions of Section 149(13) of the Companies Act, 2013.

However, in accordance with Section 149 of the Companies Act, 2013, the term in office of Mrs. (Prof.) Bharati Ray (DIN 06965340) as an Independent Director of the Company expired at the close of business on 6th April, 2020, on the completion of five years from her effective date of appointment. She being eligible for a second and final term of five years under the Act and having consented to continue in office for such second term, the shareholders of the Company by means of a Special Resolution passed at their 83rd Annual General Meeting held on 4th September, 2019, re-appointed her as an Independent Director for a second and final consecutive term of five years under the Act.

Further, in view of the recent amendments in the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which had come into force with effect from 1st April, 2019, as both Mr. Ratan Lal Gaggar and Mrs. (Prof.) Bharati Ray had already attained the age of 75 years, the Board, after taking into consideration the recommendation of the Nomination and Remuneration Committee on the matter, had approved their continuance in office as Independent Directors of the Company with effect from 1st April, 2019, which was duly approved by the shareholders of the Company by means of Special Resolutions passed at their aforementioned 83rd Annual General Meeting.

Directors' Report (Contd.)

Mr. Sanjay Bagaria (DIN 00233455), Non-Executive Chairman, retired by rotation at the aforementioned 83rd Annual General Meeting and being eligible, had offered himself for re-appointment and was duly re-appointed as a Director of the Company, whose period of office shall be liable to be determined by retirement of Directors by rotation.

Mr. Ravi Ranjan Prasad (DIN 00030458), Independent Director, resigned from the Board of Directors of the Company with effect from 11th November, 2019, due to personal reasons. The Board acknowledges and places on record the invaluable contributions rendered by Mr. Prasad during his tenure as a Director of the Company.

Mr. Sandipan Chakravorty (DIN 00053550) was appointed as an Independent Director on the Board on 7th February, 2020, subject to approval of the shareholders at their ensuing 84th Annual General Meeting by means of an Ordinary Resolution.

Mr. Sanjoy Saha (DIN 00226685) was appointed as a Non-Executive Director on the Board on 7th February, 2020, subject to approval of the shareholders at their ensuing 84th Annual General Meeting by means of a Special Resolution, considering the fact that he has already attained the age of 75 years.

Mr. Indrajit Sen (DIN 00216190), Managing Director, retires by rotation at the ensuing 84th Annual General Meeting and being eligible, offers himself for re-appointment.

The Company has received, at the first meeting of the Board of Directors held during the Financial Year 2020-21, the declarations pursuant to Section 149(7) of the Companies Act, 2013 from Mr. Ratan Lal Gaggar, Mr. Sandipan Chakravorty & Mrs. (Prof.) Bharati Ray, Independent Directors of the Company, to the effect that they meet the criteria of independence as specified in Section 149(6) of the said Act.

The Nomination & Remuneration Committee of the Board has devised and the Board has duly adopted a Board Diversity Policy dealing with Board composition and appointments, which is available on the Company's website. The Nomination & Remuneration Committee nominates new appointees to the Board and the appointments are made by the Board.

The Nomination & Remuneration Committee of the Board has also formulated the criteria for determining the qualifications, positive attributes and independence of Independent Directors to be appointed on the Board of the Company.

Remuneration Policy

The Nomination & Remuneration Committee of the Board has devised and the Board has duly adopted a Remuneration Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees of the Company.

The Remuneration Policy of the Company ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the employees in order to run the Company successfully. The Policy sets out the guiding principles for determining the remuneration payable to the Directors, Key Managerial Personnel and other employees of the Company.

The remuneration payable to the Executive Directors is recommended by the Nomination & Remuneration Committee based on the guiding principles as set out in the Remuneration Policy and subject to the approval of the Board, the shareholders and the Central Government, wherever applicable.

As regards the Non-Executive Directors, the Board, from time to time, determines the sitting fee payable for attending each meeting of the Board or Committee thereof within the overall limits fixed under the

Directors' Report (Contd.)

Companies Act, 2013 and rules made thereunder. The Non-Executive Chairman is paid a Commission of upto 2% of the net profits of the Company, subject to the approval of the Nomination and Remuneration Committee, the Board, the shareholders and the Central Government, wherever applicable.

The employees of the Company are assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the Company. Individual remuneration is determined within the appropriate grade and is based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

Board Evaluation

The Nomination & Remuneration Committee of the Board has formulated the criteria for evaluating the performance of the Board and the individual Directors and the same has been adopted by the Board. The Independent Directors, in their separate meeting, evaluate the non-independent Directors and the Board as a whole once a year. The Independent Directors are evaluated individually once a year by the entire Board sans the Independent Director being evaluated. The various Committees of the Board are evaluated by the Board.

Other Key Managerial Personnel

Mr. Suhas Chandra Saha is the Company Secretary of the Company and Mr. Asish Kumar Neogi is the Chief Financial Officer of the Company.

Auditors' Report

The Auditors' Reports on the Annual Financial Statements (both Standalone & Consolidated), for the Financial Year ended 31st March, 2020, are with Unmodified Opinion i.e. there are no reservations, qualifications or adverse remarks in the same.

Auditors

In accordance with Section 139 of the Companies Act, 2013, M/s. Ray & Ray (Firm Registration No. 301072E), Chartered Accountants, of Webel Bhawan, Ground Floor, Block EP & GP, Bidhan Nagar, Sector V, Salt Lake, Kolkata – 700 091, were appointed as the Statutory Auditors of the Company at the 81st Annual General Meeting (AGM) of the shareholders of the Company held on 20th September, 2017, for a period of five years with effect from the conclusion of the said 81st AGM till the conclusion of the 86th AGM.

Cost Records and Audit

In terms of the provisions of Section 148(1) of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records relating to all the products manufactured by the Company and accordingly, such accounts and records are made and maintained by the Company.

Further, in terms of the aforementioned provisions, as the sales turnover of the Company was in excess of the specified limit of Rs. 100 crores during the Financial Year ended 31st March, 2018, audit of such cost accounting records relating to all the products manufactured by the Company was applicable for the Financial Year 2018-19.



Directors' Report (Contd.)

Accordingly, M/s. S. Datta & Co., Cost Accountants in Practice, who were appointed as the Cost Auditors of the Company to audit the cost accounting records relating to all the products manufactured by the Company across all its plants for the said Financial Year 2018-19, duly issued their Report, which was filed by the Company with the Ministry of Corporate Affairs, Government of India, on 12th February, 2020. The due date for filing the said report was 29th February, 2020. The remuneration paid to the Cost Auditors for the Financial Year 2018-19 was duly approved by the shareholders at their 83rd Annual General Meeting held on 4th September, 2019.

As the sales turnover of the Company during the Financial Year ended 31st March, 2019 was also in excess of the specified limit of Rs. 100 crores, audit of such cost accounting records relating to all the products manufactured by the Company was applicable for the Financial Year 2019-20 and accordingly, M/s. S. Datta & Co., Cost Accountants in Practice, were re-appointed as the Cost Auditors of the Company to audit the cost accounting records relating to all the products manufactured by the Company across all its plants for the said Financial Year 2019-20. The remuneration proposed to be paid to the Cost Auditors for the Financial Year 2019-20 shall be placed before the shareholders for their approval at the ensuing 84th Annual General Meeting.

Audit Committee

The Audit Committee of the Board, as on date, consists of Mr. Ratan Lal Gaggar, Chairman of the Committee & Independent Director, Mr. Sandipan Chakravorty, Independent Director and Mr. Indrajit Sen, Managing Director. For further details, please refer to the Report on Corporate Governance forming part of this Annual Report.

Secretarial Audit Report

The Secretarial Audit Report for the Financial Year ended 31st March, 2020 issued by Mr. Arup Kumar Roy, Company Secretary in Practice, Secretarial Auditor of the Company, is annexed to this Report and marked as Annexure VI as required under Section 204 of the Companies Act, 2013.

There are no reservations, qualifications or adverse remarks in the said Secretarial Audit Report.

Loans, Guarantees or Investments U/S 186

The Company has not granted any loans to other bodies corporate nor has the Company given any guarantees or provided any security for loans by other bodies corporate under Section 186 of the Companies Act, 2013.

The Company invests its surplus fund in Fixed Deposits with banks or in Fixed Maturity Plans/ debt-oriented mutual funds with Mutual Fund Houses, which are fixed income bearing debt funds. The Company has invested Rs. 50 lakh in the equity shares of its Joint Venture Company, Mozer Process Technology Pvt. Ltd.

Risk Management

The Company has a Risk Management Plan in place approved by the Board of Directors. The Risk Management Committee is responsible for the implementation of the plan and reporting thereon to the Board.

Internal Financial Controls

In the opinion of the Board, the internal financial controls with reference to the Financial Statements

Directors' Report (Contd.)

established by the Board are adequate. During the year, such controls were tested and no material weakness in the design, operation or implementation thereof was observed.

Corporate Governance

In compliance with the provisions of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, relating to Corporate Governance, the following Reports/ Certificates are attached which form part of this Annual Report :

- i) Management Discussions and Analysis Report.
- ii) Report on Corporate Governance.
- iii) Compliance Certificate by CEO/CFO.
- iv) Declaration from the Managing Director on compliance of Code of Conduct by the Directors and Senior Management Personnel.
- v) Certificate by a Practicing Company Secretary regarding compliance of conditions of Corporate Governance.

Corporate Social Responsibility

In accordance with Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company has been constituted which, as on date, consists of Mr. Sanjay Bagaria, Chairman of the Committee, Mrs. (Prof.) Bharati Ray, Independent Director & Mr. Ratan Lal Gaggar, Independent Director. The CSR Committee has developed a CSR Policy which has been duly approved by the Board and is available on the website of the Company. The CSR Committee is responsible for implementing the CSR Policy of the Company and reporting thereon to the Board.

An Annual Report on CSR Activities including the Responsibility Statement of the CSR Committee for the Financial Year ended 31st March, 2020 as required under Section 135 of the Companies Act, 2013, read with Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014 are set out in Annexure-V, forming part of this Report.

Vigil Mechanism

Pursuant to Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have established a Vigil Mechanism (Whistle Blower Policy) of the Company for the purpose of enabling the Directors and Employees to report unethical behaviour, actual or suspected fraud and violation of the Company's Code of Conduct or ethics policy, and the same has been posted on the website of the Company. The Audit Committee of the Board is responsible for overseeing/ monitoring the functioning and implementation of the Vigil Mechanism.

Human Resource Management

The human resource development programmes in various areas are undertaken on an ongoing basis.

Industrial Relations

Industrial relations during the year under review at all units remained cordial.



Directors' Report (Contd.)

Fixed Deposits

The Company did not have any outstanding fixed deposits as on 31st March 2020 or as on 31st March, 2019. The Company did not accept any fixed deposits during the year.

Credit Ratings

In June, 2020, credit rating agency ICRA Limited had downgraded the long-term rating on the fund-based and non-fund based working capital credit facilities enjoyed by the Company from its bankers on consortium basis from [ICRA]BBB- (pronounced as ICRA triple B minus) [signifying a moderate degree of safety regarding timely servicing of financial obligations and carrying moderate credit risk] to [ICRA]BB+ (pronounced as ICRA double B plus) [signifying a moderate risk of default regarding timely servicing of financial obligations]. The outlook on the long term rating had been revised from Stable to Negative. ICRA had also downgraded the short-term rating on the aforementioned facilities from [ICRA]A3 (pronounced as ICRA A three) [signifying a moderate degree of safety regarding timely servicing of financial obligations and carrying higher credit risk as compared to instruments/ facilities rated in the higher categories] to [ICRA]A4+ (pronounced as ICRA A four plus) [signifying a minimal degree of safety regarding timely servicing of financial obligations and carrying very high credit risk and susceptibility to default].

Quality Certifications

The Quality Management Systems of the Company with respect to its plants at Baidyabati, Nagpur & Aurangabad and also its Corporate Office at Kolkata, have been certified by the Indian Register Quality Systems (Accreditation by RvA, the Netherlands) to conform to the requirements of the Standard ISO 9001:2008.

Application for Registration Under MSMED Act

In accordance with Notification No. S.O. 1702(E) dated 1st June, 2020, issued by the Ministry of Micro, Small & Medium Industries, Government of India, revising the financial parameters / limits of the twin criteria of investment in Plant & Machinery/ Equipment and sales turnover for obtaining registration under the Micro, Small & Medium Enterprises Development Act, 2006, which shall come into force with effect from 1st July, 2020, the Board of Directors of the Company, at its meeting held on 29th June, 2020, has decided that the Company would make an application for obtaining registration under the said Act under the category of medium enterprise as it satisfies both the aforesaid revised twin criteria and as the Board is of the opinion that the said registration would result in multiple benefits for the Company.

General

No significant or material orders have been passed by the regulators or courts or tribunals impacting the going concern status of the Company or the Company's operations in future.

An Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, had been formed with Mrs. Swagata Roy, Assistant General Manager – Finance, the senior-most woman employee in the Company, as its Presiding Officer. No complaints of sexual harassment were received by the Committee during the year under review.

Directors' Report (Contd.)

Acknowledgement

Your Directors take this opportunity to thank all government authorities, banks, customers, suppliers and shareholders, for the continuous support extended by them to the Company. Your Directors also place on record their appreciation for the dedication and commitment of the employees at all levels in achieving and sustaining excellence in all areas of operations of the Company.

Kolkata
29th June, 2020

For & on behalf of the Board
Sanjay Bagaria
Chairman



Annexure to Directors' Report – I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the Financial Year ended on 31.03.2020 of INTERNATIONAL COMBUSTION (INDIA) LIMITED

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

I. Registration and Other Details:

i)	CIN	L36912WB1936PLC008588
ii)	Registration Date	22nd April, 1936
iii)	Name of the Company	International Combustion (India) Limited
iv)	Category /Sub-Category of the Company	Public Company/Limited by Shares
v)	Address of the Registered office and contact details	Infinity Benchmark, 11th Floor, Plot No. G-1, Block, EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata-700 091 Phone: (033) 4080 3000, Fax: (033) 2357 6653 e-mail: info@internationalcombustion.in website: www.internationalcombustion.in
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. CB Management Services (Private) Limited P-22, Bondel Road, Kolkata – 700 019 Phone Nos.: (033) 4011-6700/6715/6717/6724/6742 Fax No.: (033) 4011-6739; e-mail: rta@cbmsl.com

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company are stated below:

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of Heavy Engineering Equipment	282	56.10 %
2	Manufacture of Geared Motors & Gear Boxes	271	40.98 %
3	Manufacture of Dry Mix Products	239	2.92 %

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Mozer Process Technology Private Limited Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091	U29253WB2013PTC193621	Associate/ Joint Venture Company	50.00	2(6)

Annexure to Directors' Report – I (Contd.)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1	Indian									
	a) Individual/HUF	141400	–	141400	5.91	141400	–	141400	5.91	NIL
	b) Central Govt	–	–	–	–	–	–	–	–	–
	c) State Govt(s)	–	–	–	–	–	–	–	–	–
	d) Bodies Corp.	1120531	–	1120531	46.88	1120531	–	1120531	46.88	NIL
	e) Banks/FI	–	–	–	–	–	–	–	–	–
	f) Any Other	–	–	–	–	–	–	–	–	–
	Sub-total (A) (1)	1261931	–	1261931	52.79	1261931	–	1261931	52.79	NIL
2	Foreign									
	a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
	b) Other – Individuals	–	–	–	–	–	–	–	–	–
	c) Bodies Corp.	–	–	–	–	–	–	–	–	–
	d) Banks / FI	–	–	–	–	–	–	–	–	–
	e) Any Other....	–	–	–	–	–	–	–	–	–
	Sub-total (A) (2)	–	–	–	–	–	–	–	–	–
	Total shareholding of Promoter (A)=(A)(1)+ (A)(2)	1261931	–	1261931	52.79	1261931	–	1261931	52.79	NIL
B.	Public Shareholding									
1.	Institutions									
	a) Mutual Funds	–	–	–	–	–	–	–	–	–
	b) Banks / FI	1	250	251	0.01	1	250	251	0.01	NIL
	c) Central Govt	–	–	–	–	–	–	–	–	–
	d) State Govt(s)	–	–	–	–	–	–	–	–	–
	e) Venture Cap. Funds	–	–	–	–	–	–	–	–	–
	f) Ins. Cos.	–	–	–	–	–	–	–	–	–
	g) FIIs	–	–	–	–	–	–	–	–	–
	h) Foreign Ven. Capital Funds	–	–	–	–	–	–	–	–	–
	i) Others	–	–	–	–	–	–	–	–	–
	Sub-total (B)(1)	1	250	251	0.01	1	250	251	0.01	NIL
2.	Non-Institutions									
	a) Bodies Corporate									
	i) Indian	62556	250	62806	2.63	26468	250	26718	1.12	-1.51
	ii) Overseas	–	–	–	–	–	–	–	–	–
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	824995	64230	889225	37.20	833943	56669	890612	37.26	+0.06
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	114245	–	114245	4.78	147984	–	147984	6.19	+1.41

Annexure to Directors' Report – I (Contd.)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)(Contd.)

i) Category-wise Shareholding (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others -									
NRIs	36036	–	36036	1.51	32432	–	32432	1.36	-0.15
HUF	–	–	–	–	2366	–	2366	0.10	+0.10
Clearing Members	2852	–	2852	0.12	2819	–	2819	0.12	NIL
IEPF Authority	22930	–	22930	0.96	25163	–	25163	1.05	+0.09
Sub-total (B)(2)	1063614	64480	1128094	47.20	1071175	56919	1128094	47.20	NIL
Total Public Shareholding (B)=(B)(1) +(B)(2)	1063615	64730	1128345	47.21	1071176	57169	1128345	47.21	NIL
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	2325546	64730	2390276	100.00	2333107	57169	2390276	100.00	NIL

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to total shares	
1	Tradelink Securities Limited	343703	14.38	NIL	343703	14.38	NIL	NIL
2	Stephen Court Limited	279088	11.68	NIL	279088	11.68	NIL	NIL
3	Wool Worth Merchandise Pvt. Ltd.	170609	7.14	NIL	170609	7.14	NIL	NIL
4	Primestar Exim Private Limited	92100	3.85	NIL	92100	3.85	NIL	NIL
5	Mahadeo Jute & Industries Limited	85696	3.58	NIL	85696	3.58	NIL	NIL
6	Amulyanidhi India Limited	82099	3.43	NIL	82099	3.43	NIL	NIL
7	Amravati Eximp Limited	62336	2.61	NIL	62336	2.61	NIL	NIL
8	Mr. Sanjay Bagaria	43900	1.84	NIL	43900	1.84	NIL	NIL
9	Mrs. Purnima Bagaria	39600	1.66	NIL	39600	1.66	NIL	NIL
10	Mr. Shiva Prasad Bagaria	27300	1.14	NIL	27300	1.14	NIL	NIL
11	Sanjay Bagaria (HUF)	20600	0.86	NIL	20600	0.86	NIL	NIL
12	Shiva Prasad Bagaria (HUF)	8200	0.34	NIL	8200	0.34	NIL	NIL
13	Lakshmi Farms Private Limited	4900	0.21	NIL	4900	0.21	NIL	NIL
14	Mr. Satyam Bagaria	1800	0.07	NIL	1800	0.07	NIL	NIL
	Total	1261931	52.79	NIL	1261931	52.79	NIL	NIL

Annexure to Directors' Report – I (Contd.)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)(Contd.)

iii) *Change in Promoters' Shareholding: There was no change in the promoters' shareholding during the year under review.*

iv) *Shareholding Pattern of top ten Shareholders (other than Directors & Promoters)*

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of shares at the beginning (01/04/2019)/ end (31/03/2020) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Girish Nilkanth Kulkarni	17167	0.72	1/4/19				
				31/5/19	-5300	Transfer	11867	0.50
				7/6/19	-2681	Transfer	9186	0.38
				14/6/19	-234	Transfer	8952	0.37
				21/6/19	-2588	Transfer	6364	0.27
				28/6/19	-2500	Transfer	3864	0.16
				19/7/19	-962	Transfer	2902	0.12
				9/8/19	-359	Transfer	2543	0.11
				16/8/19	-203	Transfer	2340	0.10
				23/8/19	-890	Transfer	1450	0.06
		28/8/19	-1450	Transfer	0	0.00		
		0	0.00	31/3/20			0	0.00
2.	Neelam Bansal	15186	0.64	1/4/19	No movement during the year			
		15186	0.64	31/3/20			15186	0.64
3.	D S K Nageswara Rao	10437	0.44	1/4/19				
				29/11/19	-49	Transfer	10388	0.43
				24/1/20	-377	Transfer	10011	0.42
				31/1/20	-95	Transfer	9916	0.41
		9916	0.41	31/3/20			9916	0.41
4.	Jitendra Lalbhai Shah	15200	0.64	1/4/19				
				5/4/19	50	Transfer	15250	0.64
				19/4/19	50	Transfer	15300	0.64
				26/4/19	100	Transfer	15400	0.64
				10/5/19	155	Transfer	15555	0.65
				2/8/19	50	Transfer	15605	0.65
				6/9/19	150	Transfer	15755	0.66
				20/9/19	95	Transfer	15850	0.66
		29/11/19	150	Transfer	16000	0.67		
		16000	0.67	31/3/20			16000	0.67
5.	Prabha Mohta	12538	0.52	1/4/19	No movement during the year			
		12538	0.52	31/3/20			12538	0.52
6.	Nila Anilkumar Desai	11000	0.46	1/4/19	No movement during the year			
		11000	0.46	31/3/20			11000	0.46
7.	Dr. Ramesh Chimanlal Shah	10100	0.42	1/4/19				
				31/5/19	100	Transfer	10200	0.43
		10200	0.43	31/3/20			10200	0.43

Annexure to Directors' Report – I (Contd.)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)(Contd.)

iv) Shareholding Pattern of top ten Shareholders (other than Directors & Promoters) (Contd.)

Sl. No.	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of shares at the beginning (01/04/2019)/ end (31/03/2020) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
8.	Niranjana Jitendra Shah	11000	0.46	1/4/19				
				19/4/19	100	Transfer	11100	0.46
				10/5/19	100	Transfer	11200	0.47
				24/5/19	300	Transfer	11500	0.48
				7/6/19	50	Transfer	11550	0.48
				2/8/19	450	Transfer	12000	0.50
				30/8/19	150	Transfer	12150	0.51
		12150	0.51	31/3/20			12150	0.51
9.	Centrum Broking Limited – Client Account	24005	1.00	1/4/19				
				12/7/19	-3088	Transfer	20917	0.88
				19/7/19	-212	Transfer	20705	0.87
				26/7/19	-503	Transfer	20202	0.85
				2/8/19	-2	Transfer	20200	0.85
				9/8/19	-9971	Transfer	10229	0.43
				16/8/19	9168	Transfer	19397	0.81
				23/8/19	-9168	Transfer	10229	0.43
		30/8/19	-10229	Transfer	0	0.00		
		0	0.00	31/3/20			0	0.00
10.	Abhay Chandak HUF	22054	0.92	1/4/19	No movement during the year			
		22054	0.92	31/3/20			22054	0.92
11.	Hrshikesh Shantaram Sanap	8162	0.34	1/4/19				
				10/5/19	638	Transfer	8800	0.37
				17/5/19	511	Transfer	9311	0.39
				31/5/19	689	Transfer	10000	0.42
				7/6/19	530	Transfer	10530	0.44
				14/6/19	800	Transfer	11330	0.47
				9/8/19	100	Transfer	11430	0.48
				13/9/19	100	Transfer	11530	0.48
				11/10/19	-200	Transfer	11330	0.47
				10/1/20	500	Transfer	11830	0.49
				24/1/20	1670	Transfer	13500	0.56
				31/1/20	250	Transfer	13750	0.58
				7/2/20	330	Transfer	14080	0.59
				20/3/20	47	Transfer	14127	0.59
		14127	0.59	31/3/20			14127	0.59
12.	Rajesh Devji Karani (HUF)	0	0.00	1/4/19				
				6/9/19	10000	Transfer	10000	0.42
				13/9/19	5000	Transfer	15000	0.63
		15000	0.63	31/3/20			15000	0.63

Annexure to Directors' Report – I (Contd.)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)(Contd.)

iv) Shareholding Pattern of top ten Shareholders (other than Directors & Promoters) (Contd.)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of shares at the beginning (01/04/2019)/ end (31/03/2020) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
13.	Sunil Kumar Gupta	0	0.00	1/4/19				
				31/5/19	6000	Transfer	6000	0.25
				14/6/19	517	Transfer	6517	0.27
				21/6/19	3483	Transfer	10000	0.42
				28/6/19	3321	Transfer	13321	0.56
				5/7/19	1000	Transfer	14321	0.60
				12/7/19	2000	Transfer	16321	0.68
				19/7/19	1500	Transfer	17821	0.75
				26/7/19	1679	Transfer	19500	0.82
				2/8/19	500	Transfer	20000	0.84
		14/2/20	-1270	Transfer	18730	0.78		
		18730	0.78	31/3/20			18730	0.78

Note: For the purposes of the above, the Investor Education & Protection Fund Authority (IEPF Authority), by whom an aggregate of 25,163 equity shares representing 1.05% of the paid-up equity share capital of the Company are held in dematerialized form as statutorily required under Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the voting rights on which shares shall remain frozen until the rightful owner claims the said shares in accordance with the said Rules, has not been considered.

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Director/ Key Managerial Personnel	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of shares at the beginning (01/04/2019)/ end (31/03/2020) of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Mr. Sanjay Bagaria, Chairman (Director)	43900	1.84	1/4/19	No movement during the year			
		43900	1.84	31/3/20			43900	1.84
2.	Mr. Suhas Chandra Saha, Company Secretary (Key Managerial Personnel)	50	0.002	1/4/19	No movement during the year			
		50	0.002	31/3/20			50	0.002
3.	Mr. Asish Kumar Neogi, Chief Financial Officer (Key Managerial Personnel)	300	0.01	1/4/19	No movement during the year			
		300	0.01	31/3/20			300	0.01

Note : No other Director or Key Managerial Personnel had any shareholding in the Company either at the beginning or at the end of the year.

Annexure to Directors' Report – I (Contd.)

V. Indebtedness

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

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2323.24	–	–	2323.24
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	8.33	–	–	8.33
Total (i+ii+iii)	2331.57	–	–	2331.57
Change in Indebtedness during the financial year				
• Addition	1346.97	–	–	1346.97
• Reduction	(1055.76)	–	–	(1055.76)
Net Change	291.21	–	–	291.21
Indebtedness at the end of the financial year				
i) Principal Amount	2619.43	–	–	2619.43
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	3.35	–	–	3.35
Total (i+ii+iii)	2622.78	–	–	2622.78

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Indrajit Sen, MD	
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	208.75	208.75
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission		
	- as % of profit	–	–
	- others, specify...	–	–
5.	Others	–	–
	Total (A)	208.75	208.75

Annexure to Directors' Report – I (Contd.)

VI. Remuneration of Directors and Key Managerial Personnel (Contd.)

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

Ceiling as per the Act: Mr. Sen was re-appointed as the Managing Director of the Company for a further period of three years with effect from 1st May, 2018, at a total gross remuneration of upto Rs. 1,95,00,000/- for the period from 1st May, 2018 to 30th April, 2019, Rs. 2,10,00,000/- for the period from 1st May, 2019 to 30th April, 2020 and Rs. 2,25,00,000/- for the period from 1st May, 2020 to 30th April, 2021. This remuneration payable to Mr. Sen does not require the approval of the Central Government, notwithstanding the fact that the same may exceed the limits laid down in Chapter XIII of the Companies Act, 2013, read with Schedule V to the said Act, by virtue of Notification No. S. O. 2922(E) dated 12th September, 2016, issued by the Ministry of Corporate Affairs, Government of India, as Mr. Sen is a managerial person, who is functioning in a professional capacity, and having no interest in the capital of the Company and not related to the promoters or other Directors of the Company in any way and possesses a graduate level qualification with expert and specialized knowledge in the field in which the Company operates.

B. Remuneration to other directors

(₹in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mrs. (Prof.) Bharti Ray	Mr. Ratan Lal Gagar	Mr. Ravi Ranjan Prasad	Mr. Sandipan Chakra vortty	Mr. Sanjay Bagaria	Mr. Sanjoy Saha	
1.	Independent Directors							
	• Fees for attending Board/ Committee meetings	1.70	1.90	1.00	0.20	–	–	4.80
	• Commission	–	–	–	–	–	–	–
	• Others, please specify	–	–	–	–	–	–	–
	Total (1)	1.70	1.90	1.00	0.20	–	–	4.80
2.	Other Non-Executive Directors							
	• Fees for attending Board/ Committee meetings	–	–	–	–	1.60	0.20	1.80
	• Commission	–	–	–	–	–	–	–
	• Others, please specify	–	–	–	–	–	–	–
	Total (2)	–	–	–	–	1.60	0.20	1.80
	Total (B)=(1+2)	1.70	1.90	1.00	0.20	1.60	0.20	6.60
	Total Managerial Remuneration [Total(A) + Total(B)]							215.35

Annexure to Directors' Report – I (Contd.)

VI. Remuneration of Directors and Key Managerial Personnel (Contd.)

C. Remuneration To Key Managerial Personnel Other than MD/Manager/Whole-time Director:

(₹in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. S. C. Saha, Company Secretary	Mr. Asish Kumar Neogi, CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	44.74	43.00	87.74
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission			
	- as % of profit	–	–	–
	- others, specify...	–	–	–
5.	Others	–	–	–
	Total	44.74	43.00	87.74

VII. Penalties / Punishment/ Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees Imposed	Authority (RD/ NCLT/ Court)	Appeal made, if any (give details)
A. Company					
Penalty			NIL		
Punishment					
Compounding					
B. Directors					
Penalty			NIL		
Punishment					
Compounding					
C. Other Officers in Default					
Penalty			NIL		
Punishment					
Compounding					

For & on behalf of the Board

 Kolkata
 29th June, 2020

 Sanjay Bagaria
 Chairman

Annexure to Directors' Report – II

PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

[Pursuant to *clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014*]

(A) Conservation of energy

I. (a) The steps taken for conservation of energy:

1. Energy usage in plants and offices are being analysed and optimization of energy usage programme is discussed with all unit heads,
2. High cost lighting system are replaced with CFL and LED systems and other low cost energy devices. Usage of generator has been minimized due to uninterrupted power supply, and
3. Considering the usage of power in manufacturing units, the maximum load has been restricted to optimum level and the same has been revised with the respective power supply corporations.

(b) Impact of the steps taken on conservation of energy:

1. Savings in energy cost is expected in future years due to above steps taken by the Company, and
2. Improvement in power factor.

II. The steps taken by the Company for utilising alternate sources of energy – Commissioning of alternative sources of energy is being considered.

III. The capital investment on energy conservation equipments – An Investment of Rs. 20 lakh has been allocated for acquiring energy saving equipments during the current Financial Year ending 31st March, 2021.

(B) Technology absorption

I. Research & Development (R & D)

i) Specific Areas:

Continuous research activity is undertaken to improve the efficiency of the products.

ii) Benefits derived:

Customer satisfaction and better market response.

iii) Future plan of action:

The Company is committed to supply products of international standard.

II. Technology Absorption, Adaptation and Innovation

i) Efforts made:

The Company continues to absorb the latest technology offered by its collaborator.

ii) Benefits derived:

Achieved the international product quality and standard.

iii) Imported Technology:

Technology imported	Year of Import	Has Technology been fully absorbed?	If not absorbed, areas where this has not taken place, reasons thereof & future plans of action
Technology imported from Cementos Capa, SL, Spain for manufacture of various Building Material products	2019-20	No	Technology transfer is under process

(C) Foreign exchange Earnings and Outgo

During the year, foreign exchange earnings was Rs. 564.92 lakh (Previous Year – Rs. 459.47 lakh) against outgo of Rs. 967.53 lakh (Previous Year – Rs. 755.86 lakh).

Kolkata
29th June, 2020

For & on behalf of the Board
Sanjay Bagaria
Chairman

Annexure to Directors' Report – III

Form No. AOC-2

[Pursuant to *clause (b) of sub-section (3) of section 134 of the Companies Act, 2013 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 arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL.
2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl. 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
1.	Mozer Process Technology Private Limited [Joint Venture Company having common Directors]	Letting of office space on lease and licence basis	11 months with option of renewal	License Fee of Rs. 3,000/- per month aggregating to Rs. 36,000/- during the Financial Year ended 31st March, 2020.	8th February, 2019	NIL
2.	Mozer Process Technology Private Limited [Joint Venture Company having common Directors]	Sale of goods	Multiple transaction(s)	Total Sale Value of Rs. 181.59 lakh (excluding GST) during the Financial Year ended 31st March, 2020.*	-	NIL

*The Audit Committee of the Board of Directors, at its meeting held on 8th May, 2019, had given an omnibus approval for sale of Driers by the Company to its Joint Venture Company for an aggregate value not exceeding Rs. 12 crore during the Financial Year 2019-20 pursuant to the Related Party Transactions Policy of the Company, which had been duly approved by the Board of Directors.

Kolkata
29th June, 2020

For & on behalf of the Board

Sanjay Bagaria
Chairman

Annexure to Directors' Report – IV

PARTICULARS OF DIRECTORS' & EMPLOYEES' REMUNERATION

[Pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. (i) The percentage increase in remuneration of each Director, the Chief Financial Officer and the Company Secretary during the Financial year 2019-20 as compared to the previous Financial Year 2018-19, and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2019-20 are as under:

Sl. No.	Name of the Director/ KMP and Designation	% increase (decrease) in remuneration in the Financial Year 2019-20 over Financial Year 2018-19	Ratio of Remuneration of each Director to median remuneration of employees for FY 2019-20
1	Mr. Sanjay Bagaria (Non-Executive Chairman)	(88.93)	0.46
2	Mr. Ratan Lal Gaggar (Independent Director)	18.75	0.55
3	Mr. Ravi Ranjan Prasad* (Independent Director)	(33.33)	0.29
4	Mrs. (Prof.) Bharati Ray (Independent Director)	(5.56)	0.49
5	Mr. Sandipan Chakravortty (Independent Director)	N.A. (Appointed on 7th February, 2020)	0.06
6	Mr. Sanjoy Saha (Non-Executive Director)	N.A. (Appointed on 7th February, 2020)	0.06
7	Mr. Indrajit Sen (Managing Director)	7.75	60.33
8	Mr. Suhas Chandra Saha (Company Secretary)	7.37	N.A.
9	Mr. Asish Kumar Neogi (Chief Financial Officer)	8.75	N.A.

*Ceased to be a Director w.e.f. 11th November, 2019 due to his resignation from the Board.

- (ii) The median remuneration of the employees of the Company for the Financial Year ended 31st March, 2020 was Rs. 3.46 lakh.
- (iii) During the Financial Year ended 31st March, 2020, the median remuneration of employees increased by 10.54%.
- (iv) The number of permanent employees on the rolls of the Company as on 31st March, 2020 was 496.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 12.32% whereas increase in the Managerial Remuneration for the same financial year was 7.75%.
- (vi) It is hereby affirmed that the remuneration paid during the financial year ended 31st March, 2020 is in accordance with the Remuneration Policy of the Company.

Annexure to Directors' Report – IV (Contd.)

2. PARTICULARS OF EMPLOYEES DRAWING REMUNERATION ABOVE THE PRESCRIBED LIMIT AND TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE FY 2019-20

Name	Age (Years)	No. of Shares held	Designation & Nature of Duties	Remuneration (₹)	Qualification	Experience (Years)	Date of Commencement of Employment	Last Employment
Mr. Indrajit Sen	80	NIL	Managing Director	2,08,74,574	B.E.(Mech)	58	14.12.1971	Hooghly Docking & Engg. Co. Ltd.
Mr. Rana Pratap Singh	53	NIL	Vice-President & SBU Head-Heavy Engg. Divn	71,06,400	B.E., PGDM	31	01.08.2018	FLSmith Pvt. Ltd., Chennai
Mr. Suhas Chandra Saha	74	50	Company Secretary	44,74,340	M.Com, ACA, ACS	49	12.01.1982	Scott & Saxby Ltd
Mr. Asish Kumar Neogi	64	300	Chief Financial Officer	43,00,272	B.Com., ACMA	40	01.08.1997	Anglo India Jute Co Ltd
Mr. Swapan Kumar. Goswami	70	20	Vice-President (Crushers & Dryers)	41,61,840	B.E.(Mech)	47	14.06.1983	The Gramophone Co. of India Ltd
Mr. Debasish Dutta	54	NIL	Asstt. Vice-President (Marketing) - HED	41,02,845	B.E.(Mech)	30	01.02.1991	Lloyd Insulation (I) Pvt Ltd
Mr. Asish Bharadwaj	62	NIL	Asstt. Vice-President (IT)	35,55,372	B.Sc.	40	27.06.1984	BES Consultancy Services (India) Pvt. Ltd.
Mr. Manish Bakshi	41	NIL	Head of All India & Export Marketing-BMD	35,45,698	B.Com., MBA (Mktg.)	20	15.05.2019	Kerakoll India
Mr. Ranjan Sen	58	NIL	Asstt. Vice-President (Marketing) – Bauer Divn.	35,43,265	B.E. (Mech.), PGDBM (Mktg. & Finance)	38	01.09.2006	MAN Turbo India Pvt. Ltd. (Sulzer India Ltd.)
Mr. Uttam Kumar Pal	66	100	Asstt. Vice- President (Design)	34,88,555	B. Tech., PGDBM	44	17.04.1986	Lagan Jute Machinery Co. Ltd.

Notes:

- Gross remuneration comprises of salaries, allowances, reimbursement of medical expenses, Leave Travel Expenses due and paid, Leave Encashment and retirement benefits, wherever applicable. In addition to the above remuneration, the employees are entitled to gratuity in accordance with the Company's Rules.
- Mr. Manish Bakshi was employed for part of the year.
- All appointments are contractual.
- No employee is a relative of any Director or Key Managerial Personnel of the Company. Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to any employee.

For & on behalf of the Board

Sanjay Bagaria
Chairman

Kolkata
29th June, 2020

Annexure to Directors' Report – V

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to Section 135 of the Companies Act, 2013, read with
Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy including overview of the projects or programs proposed to be undertaken - It is the Company's policy:
 - a) To direct its CSR Programmes, inter alia, towards achieving one or more of the following:
 - i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation;
 - ii) promoting education, including special education and employment enhancing vocational skills, especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
 - iii) protection of national heritage, art and culture;
 - iv) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government/ State Governments for socio-economic development;
 - v) ensuring environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources and maintaining quality of soil, air and water;
 - vi) creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India;
 - b) To develop the required capability and self-reliance of beneficiaries at the grass roots, in the belief that these are prerequisites for social and economic development;
 - c) To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact;
 - d) To carry out CSR Programmes in relevant local areas to fulfill commitments arising from requests by government/regulatory authorities;
 - e) To provide equal opportunities to beneficiaries of the Company's CSR Programmes such as vendors or employees on merit;
 - f) To promote sustainability in partnership with industry associations, like the Bengal Chamber of Commerce & Industry, Indian Chamber of Commerce, Confederation of Indian Industry (CII), Indo-German Chamber of Commerce, etc. of which the Company is a member through various activities and programmes.

The full CSR Policy of the Company is available at the Company's official website and the web-link thereto is as below:
http://www.internationalcombustion.in/admin/uploadpdf/CSR_Policy.pdf.
2. The Composition of the CSR Committee – The CSR Committee was constituted on 2nd May, 2014 and it currently, consists of Mr. Sanjay Bagaria, Chairman of the Committee, Mrs. (Prof.) Bharati Ray, Independent Director & Mr. Ratan Lal Gaggar, Independent Director.
3. Average net profit (Loss) of the company for last three financial years – Rs. 52.94 lakh.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – Not Applicable in respect of the Financial Year ended 31st March, 2020.
5. Details of CSR spent during the financial year:
 - (a) Total amount to be spent during the Financial Year 2019-20, being the shortfall in the amount required to be spent during the Financial Years 2014-15 & 2015-16, carried forward and remaining unspent at the beginning of the Financial Year 2019-20 – Rs. 7.02 lakh.

Annexure to Directors' Report – V (Contd.)

- (b) Amount unspent, if any, at the end of the Financial Year 2019-20 – Rs. 4.82 lakh.
(c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is Covered	Projects or programs (1) Local area or other (2) Specify the State or district where the Project or program was undertaken	Amount outlay (budget) Project or program wise (₹)	Amount spent on the Project or programs Sub-heads: (1) Direct expenditure on the projects or programs (2) Overheads (₹)	Cumulative expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing Agency
1.	Opening of a new department of Physiotherapy training course for women belonging to the weaker sections of the society in order to promote employment at Kolkata.	Promoting employment enhancing vocational skills among under-privileged women [Clause (ii) of Schedule VII to Companies Act, 2013].	1) Local Area, 2) State of West Bengal, Kolkata District.	2,00,000	2,00,000 (Direct expenditure on the project)	2,00,000	Through the implementing agency, M/s. Saroj Nalini Dutt Memorial Association, 23/1, Ballygunge Station Road, Kolkata – 700019.
2.	Organizing a discussion forum on ecological sustainability.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources and maintaining quality of soil, air and water [Clause (iv) of Schedule VII to Companies Act, 2013].	1) Local Area, 2) State of West Bengal, Kolkata District.	20,000	20,000 (Direct expenditure on the project)	20,000	Through the implementing agency, M/s. Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata – 700 001.
	TOTAL			2,20,000	2,20,000	2,20,000	

6. Out of an aggregate amount of Rs. 7.02 lakh required to be spent during the Financial Year ended 31st March, 2020, being the shortfall in the amount required to be spent during the Financial Years ended 31st March, 2015 & 31st March, 2016 carried forward and remaining unspent at the beginning of the Financial Year 2019-20, towards CSR Activities in terms of Section 135 of the Companies Act, 2013, the Company could spend only Rs. 2.20 lakh. The CSR Committee is in the process of identifying and selecting suitable projects for incurring such CSR expenditure from amongst various alternatives. The unspent amount of Rs. 4.82 lakh has been carried forward to be spent in the coming financial years towards which your Company is committed.

7. Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below:

‘The implementation and monitoring of the Corporate Social Responsibility (CSR) Policy is in compliance with the CSR objectives and Policy of the Company.’

For International Combustion (India) Limited

Indrajit Sen
Managing Director
Kolkata
29th June, 2020

For and on behalf of the
**Corporate Social
Responsibility Committee**

Sanjay Bagaria
Chairman, CSR Committee

Annexure to Directors' Report – VI

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
International Combustion (India) Limited
Infinity Benchmark, 11th Floor, Plot No. G-1
Block EP & GP, Sector – V,
Salt Lake Electronics Complex,
Kolkata – 700 091

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by International Combustion (India) Limited [hereinafter called the “Company”]. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2020 [hereinafter called the “Audit Period”], 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:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);

Annexure to Directors' Report – VI (Contd.)

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period);** and
- (i) The Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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

- (i) Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India and approved by the Ministry of Corporate Affairs, Government of India; and
- (ii) The Listing Agreements entered into by the Company with The Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, Agreements, etc. mentioned above.

I further report that adequate systems and processes are in place in the Company to monitor and ensure compliance with the general laws including labour laws, industrial laws, competition law, environmental laws, foreign trade laws, foreign exchange laws and other State legislations, local and municipal laws as are applicable to the Company and its various establishments.

Based on the Statutory Auditors' Report on the Annual Financial Statements for the Financial Year ended 31st March, 2020, I report that the Company is largely compliant with the financial and tax laws relating to income tax, wealth tax, excise duty, customs duty, service tax, Research & Development Cess, Central Sales Tax, Value-added tax, local sales tax, entry tax, Goods & Services Tax (GST), Octroi Duty, Profession & Employment Taxes and other State, local and municipal taxes, duties and cesses as are applicable to the Company and its various establishments.

I 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 of the Company 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.

Decisions at the Board & Committee meetings are generally carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. However,

Annexure to Directors' Report – VI (Contd.)

in case of dissent or abstention, majority decision is carried through while the dissenting/ abstaining members' views are captured and recorded as part of the minutes. Directors interested in a particular business/ matter do not participate in the discussions or voting on the matter in accordance with the Act.

I 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.

I further report that during the Audit Period, –

- i) The Company entered into Foreign Technical Collaboration & Trademark License Agreements with Cementos Capa, SL, Spain, for manufacturing with their technology, various Building Material products including Tile Adhesives of various types, Waterproofing Compounds, Applicotech Waterproofing, Tile Grouts and Epoxy Grouts at the Company's Building Material Division plant at Ajmer, Rajasthan and for marketing the same with their trademark CAPA in India, Nepal, Bangladesh, Sri Lanka, Bhutan & Myanmar on an exclusive basis and in Thailand, Vietnam, Laos, Cambodia, Singapore and Indonesia on a non-exclusive basis,
- ii) The shareholders of the Company, vide a Special Resolution passed at their 83rd Annual General Meeting held on 4th September, 2019, re-appointed Mrs. (Prof.) Bharati Ray as an Independent Director of the Company for a further period of five years with effect from 7th April, 2020, and
- iii) Pursuant to the resolution passed by the Board of Directors of the Company, at its meeting held on 13th November, 2013, to voluntarily delist the equity shares of the Company from The Calcutta Stock Exchange Limited (CSE) in compliance with the SEBI (Delisting of Equity Shares) Regulations, 2009, and after completion of all necessary formalities and compliances in connection therewith, the CSE, vide its letter dated 30th August, 2019, had granted its final approval to the said delisting of the equity shares of the Company from the official list of the CSE with effect from 3rd September, 2019. However, it is to be noted that in accordance with the aforementioned resolution passed by the Board of Directors of the Company, the equity shares of the Company shall continue to be listed on The Bombay Stock Exchange Limited.

Place : Kolkata
Date : 29th June, 2020

Arup Kumar Roy
Company Secretary in Practice
Membership No. ACS-6784
Certificate of Practice No. 9597
UDIN: A006784B000591775

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



‘Annexure A’

To,
The Members,
International Combustion (India) Limited
Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector – V,
Salt Lake Electronics Complex,
Kolkata – 700 091

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

Place: Kolkata
Date: 29th June, 2020

Arup Kumar Roy
Company Secretary in Practice
Membership No. ACS-6784
Certificate of Practice No. 9597
UDIN: A006784B000591775

Management Discussion and Analysis Report

The Management Discussion & Analysis Report for the Financial Year ended 31st March, 2020 as required under Regulation 34 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule V to the said Regulations, is presented below:

1. Industry Structure & Developments

The year under review had been a difficult year for the industry in general and also for your Company as the country experienced severe industrial recession which pulled down the GDP growth rate to 4.2%. This was also reflected in the growth of manufacturing sector where the growth rate fell from 6.9% in the year 2018-19 to less than 2% in the year 2019-20.

Sharp decline in the investment in various core sector industries such as mining & steel as well as the sugar sector which are major areas of business for the Heavy Engineering Division of your Company, had also affected severely the performance of your Company during the year under review.

The performance of Geared Motor & Gear Box Division has improved appreciably during the year and it has also shown strong growth prospects for the future.

Due to major slowdown in the Construction Industry, the performance of Building Material Division, although showing marginal improvement, did not reach the desired level.

2. Strength & Opportunities

For the products manufactured by Heavy Engineering Division & Gear Box and Geared Motor Division, your Company is recognised as a technology leader. The Company, however, is consistently upgrading its technology for the products of these divisions.

We are pleased to inform you that the manufacture of various building material products such as Dry Mortars with advanced technology under licence agreement from CAPA, Spain, have received excellent market response and acceptance. The requirement of such high end products are expected to grow further in the coming years.

3. Threats

All operations of the Company remained closed for almost the entire first two months of the current financial year due to lockdown imposed by the Government on account of COVID-19 and even thereafter the Company could not start its normal operation as it had to operate with limited manpower as per the directive issued by the State and Central Governments. The situation became even more critical as the Company's supply chain has been severely disrupted and unless the normalcy is restored across the country, the supply chain will continue to remain a serious challenge affecting the performance of the Company.

Moreover, as per the estimates of the RBI & other authorities including the World Bank, the country's GDP growth for the year is expected to be <1.5% and the industrial growth is expected to be negative by over 5%. Your Company, therefore, expects a challenging year ahead & is making all efforts to have at least a nominal growth & profit.

4. Risks & Concern

The Risk Management Policy adopted by the Board specifies periodic identification of risks likely to affect the business adversely, rating the risks, their importance, risk identification procedures and implementation of risk mitigation plans. The executive management are continuously monitoring the identification of the risk in various businesses areas & is also developing various mitigation strategies & plans in these areas to reduce or eliminate the likelihood of such risks.

Management Discussion and Analysis Report (Contd.)

The presence in India of players with low cost products has intensified the competition in the large domestic market consequently shrinking the margin for the Company's products. Managing the Company's funds and liquidity, particularly during this period of COVID-19, is considered as the key factor. Therefore, collection of sale proceeds promptly from the clients is also considered as an area where risk is involved. Paucity of funds of our customer in various sectors particularly in the steel industry is a cause of concern.

5. Outlook

Although the estimates of RBI and other authorities show the country's GDP growth for the year to be < 1.5% and the industrial growth expected to be negative by over 5% but as per the estimate conveyed by the governor of RBI, the GDP growth of 2021-22 is expected to be >7%, which your Company considers as a positive indicator & the Company finds a definite possibility of coming out of this difficult situation & achieving satisfactory normal position in a year's time.

Last year we informed you about the licence agreement with CAPA, Spain for manufacture of various building material products such as dry mortars with advanced technology. The Company is pleased to inform you that these products have been in market since December, 2019 & started receiving excellent market response & acceptance before the lockdown under COVID-19 pandemic from around the third week of March, 2020. The Company firmly believe that the requirements of such high end products are expected to grow further as the traditional method of construction is progressively getting substituted with advanced technology.

6. Internal Financial Control System

The Company has an established Internal Financial Control System commensurate with its size and nature of operation to ensure that all assets are safeguarded and the system has been designed to ensure orderly and efficient conduct of its business, the accuracy and completeness of the accounting records and timely preparation of reliable accounting and financial information.

The system also ensures compliance with applicable statutory policies, viz. the Code of Conduct of the Company, Vigil Mechanism (Whistle-Blower Policy), the Related Party Transaction Policy and Risk Management Plan and other corporate policies.

The Internal Control Systems are routinely tested by the Management, the Statutory Auditors and the Internal Auditors, who submit their Reports on half yearly basis to the Management and the Audit Committee. The Audit Committee reviews the report of the Internal Auditors and address significant issues raised by both the Internal Auditor and Statutory Auditors.

The Committee also follows up the implementation of the corrective actions suggested by the Auditors to ensure adequacy of the Internal Control System.

7. Financial /Operational Performance (Standalone)

(₹in lakh)

Particulars	2019-2020	2018-2019
Revenue from Operations	12395	13415
Operating Profit/(Loss) Before Tax	(317)	412
Exceptional Items	-	-
Operating Profit/(Loss) after Tax	(187)	356
Net Cash Flow from Operation	(362)	544
Operating Profit/ (Loss) to Sale (%)	(2.58)	3.12
Basic E.P.S. (Rs.)	(7.83)	14.90

Management Discussion and Analysis Report (Contd.)

8. Segment-wise Performance (Standalone)

(₹in lakh)

Particulars	2019-2020	2018-2019
Segment revenue (Sales & Other Operating Income)		
a) Mineral & Material processing & Handling Equipment	7012	8489
b) Geared Motor and Gear Box	5122	4934
c) Building Material	364	193
Net Sales/Income & Inter-Divisional Transfer	12498	13616
Less: Inter-Segment Transfer	103	201
Net Sales/Income from Operations	12395	13415
Segment Result (Profit before Tax & Interest)		
a) Mineral & Material processing & Handling Equipment	2272	2733
b) Geared Motor and Gear Box	62	118
c) Building Material	(471)	(417)
Total	1863	2434
Less : Finance Cost	281	316
Other Unallocable Expenditure, net of unallocable Income	1899	1706
Total Profit/(Loss) before Tax	(317)	412

9. Details of significant changes in the Key Financial Ratios & Return on the Net Worth

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios and any changes in Return on Net Worth of the Company are given below :-

Sl. No.	Particulars	Current FY ended March 31, 2020	Previous FY ended March 31, 2019	% Change between Current FY & Previous FY
1	Debtors Turnover ratio	3.05	3.27	(7.21)%
2	Inventory Turnover	2.89	3.59	(24.22)%
3	Interest Coverage Ratio	(0.13)	2.30	(105.65)%
4	Current Ratio	1.63	1.67	(2.40) %
5	Debt Equity Ratio	0.28	0.24	16.67 %
6	Operating Profit Margin (%)	(1.86)%	3.63%	(151.24)%
7	Net Profit Margin (%) or sector-specific equivalent ratios, as applicable	(1.49)%	2.61%	(157.09)%
8	Return on Net Worth (%)	(2.62)%	3.46%	(175.72)%

Note: The above ratios are based on the standalone financial statements of the Company. Previous year's figures have been rearranged whenever necessary.

- Decrease in Operating Profit Margin as well as decrease in Net Profit margin in current year over last year is mainly attributable to substantial decrease in the volume of sales in the current year.
- Decrease of Return on Net Worth is due to loss in current year as compared to Profit in the previous year.

Management Discussion and Analysis Report (Contd.)

10. Human Resources/Industrial Relation

The various Human Resources development programmes undertaken by the Company for all its Divisions and operational areas would lead to development, optimization and efficient engagement of the human resources.

Industrial Relations for the year under review for all units of the Company remained cordial.

The number of personnel employed by the Company across all its units and offices was 496 as on 31st March, 2020.

11. Cautionary Statement

Certain statements in this reports relating to Company's objectives, outlooks, projections, expectations etc. may be "forward looking statements" within the meaning of the applicable laws and regulations. Although the Company believes that the expectations reflected in such "forward looking statements" are reasonable, the Company does not and cannot guarantee the accuracy of various assumptions underlying such expectations. Accordingly, actual results or performance could differ materially from such expectations, projections etc., whether expressed or modified, due to changes in global economy and business conditions, changes in political environment, changes in Government regulations, tax laws, external economic condition affecting demand and supply, price conditions in the market in which the Company operates, natural phenomena such as flood and earthquake, customers' strategies etc. over which the Company does not have any control. The Company does not assume any responsibility/obligation in respect of such forward-looking statement which may undergo changes in future on the basis of subsequent developments or events.

For & on behalf of the Board
S. Bagaria
Chairman

Place : Kolkata

Date : 29th June, 2020

Report on Corporate Governance

INTRODUCTION

The Company's Report on Corporate Governance for the Financial Year ended 31st March, 2020 as required under Regulation 34 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule V to the said Regulations, is furnished hereinbelow:

A. Company's Philosophy on Corporate Governance

The philosophy of the Company is to aim for optimum performance at all levels. For achieving the same, the Company follows the basic Corporate Governance principles and practices viz. fair and transparent business practices, effective management control by the Board, compliance of laws, monitoring of executive performance, accountability for performance, responsibilities of the Board of Directors and monitoring of business risks. The Company believes that good Corporate Governance generates from the mind-set of the organisation and is based on the principles of equity, accountability and commitment to do things in a manner where the resources available can be effectively utilised to meet the stakeholders' aspirations and social expectations.

The Company consistently strives to protect and facilitate the exercise of shareholders' rights, to provide adequate and timely information to shareholders on relevant matters and to ensure equitable treatment of all shareholders. The Company recognizes the rights and interests of all its various stakeholders and seeks to encourage co-operation with them.

B. Board of Directors

(i) Composition

The Board of Directors of the Company, as on 31st March 2020, comprised of 6 (six) members with one Executive Director – the Managing Director - and five Non-Executive Directors, three of whom are Independent Directors. The Chairman of the Board is a Non-Executive non-Independent Director. The Non-Executive Directors with specialization in their respective fields are bringing in a wide range of skills and experience.

(ii) Attendance of the Directors at the Board Meetings of the Company held during the year ended 31st March 2020 and at the last Annual General Meeting (AGM) along with no. of other Directorship(s), other Committee Membership(s) and the Directors' shareholding as on 31st March, 2020 are given below:

Sl. No.	Name of Director	Nature of Category	No. of Board Meetings attended	Attendance at last AGM held on 04.09.2019	No. of Other Directorships*	Other Membership of Committees*		Shares held (Nos.)
						Chairman	Member	
1.	Mr. Sanjay Bagaria	Chairman & Non-Executive Director (Promoter)	5	Yes	4	-	-	43,900
2.	Mr. Indrajit Sen	Managing Director (Non-Promoter)	6	Yes	-	-	-	-
3.	Mr. Ratan Lal Gaggar	Non-Executive Independent Director	6	Yes	8	2	5	-
4.	Mr. Ravi Ranjan Prasad@	Non-Executive Independent Director	4	Yes	-	-	-	-

Report on Corporate Governance (Contd.)

Sl. No.	Name of Director	Nature of Category	No. of Board Meetings attended	Attendance at last AGM held on 04.09.2019	No. of Other Directorships*	Other Membership of Committees*		Shares held (Nos.)
						Chairman	Member	
5.	Mrs. (Prof.) Bharati Ray	Non-Executive Independent Woman Director	6	Yes	1	-	-	-
6.	Mr. Sandipan Chakravorty#	Non-Executive Independent Director	1	N. A.	2	-	-	-
7.	Mr. Sanjoy Saha#	Non-Executive Director	1	N. A.	-	-	-	-

*For the purpose of computing 'Other Directorships', & 'Other Membership of Committees' as above, Private Limited Companies and Section 8 Companies have been excluded and for computing 'Other Membership of Committees', Chairmanship/Membership in Audit Committee & Stakeholders' Relationship Committee alone have been considered.

- None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees [as specified in Regulation 26 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015] across all the Companies in which he/ she is a Director.

@ Ceased to be a Director w.e.f. 11th November, 2019 due to his resignation from the Board.

Joined the Board on 7th February, 2020.

- (iii) The names of the other listed entities, where each Director of the Company is a Director and the category of Directorship therein are as follows:

Sr. No.	Name of the Director	Other Listed Entities where he/ she is a Director	Category of Directorship therein
1.	Mr. Sanjay Bagaria	-	-
2.	Mr. Indrajit Sen	-	-
3.	Mr. Ratan Lal Gaggar	● Duroply Industries Ltd.	Non-Executive Independent Director
		● TIL Ltd.	Non-Executive Independent Director
		● Sumedha Fiscal Services Limited	Non-Executive Independent Director
		● Shree Cement Limited	Non-Executive Independent Director
4.	Mr. Ravi Ranjan Prasad	-	-
5.	Mrs. (Prof.) Bharati Ray	IFGL Refractories Limited	Non-Executive Independent Woman Director
6.	Mr. Sandipan Chakravorty	Ramkrishna Forgings Limited	Non-Executive Independent Director
7.	Mr. Sanjoy Saha	-	-

Report on Corporate Governance (Contd.)

- (iv) The table given below sets out the list of core skills/expertise/competencies that have been identified by the Board of Directors of the Company as required by it in the context of the business(es) and sector(s) in which the Company operates for it to function effectively and those actually available with the Board.

Sr. No.	Core skill/expertise/competency required by Board as identified by it	Whether available with the Board and the names of the Directors who possess the same
1.	In-depth technical and business knowledge of the Heavy Engineering Industry	Yes (Mr. Sanjay Bagaria, Mr. Indrajit Sen, Mr. Sandipan Chakravortty & Mr. Sanjoy Saha)
2.	In-depth technical and business knowledge of the Geared Motors/ Gear Boxes Industry	Yes (Mr. Sanjay Bagaria, Mr. Indrajit Sen & Mr. Sandipan Chakravortty)
3.	In-depth technical and business knowledge of the Building Materials/ Construction / Real Estate / Infrastructure Industry	Yes (Mr. Sanjay Bagaria, Mr. Indrajit Sen & Mr. Sandipan Chakravortty)
4.	Knowledge of accounting, financial management and audit areas	Yes (Mr. Indrajit Sen, Mr. Ratan Lal Gaggar & Mr. Sandipan Chakravortty)
5.	Knowledge of legal/ regulatory/ secretarial / compliance and corporate governance areas	Yes (Mr. Sanjay Bagaria, Mr. Indrajit Sen, Mr. Ratan Lal Gaggar & Mr. Sandipan Chakravortty)
6.	Knowledge of other functional business areas like purchases & procurement, sales & marketing and human resources management & general administration	Yes (Mr. Sanjay Bagaria, Mr. Indrajit Sen, Mr. Sandipan Chakravortty & Mr. Sanjoy Saha)
7.	Knowledge of risk management areas	Yes (Mr. Sanjay Bagaria, Mr. Indrajit Sen & Mr. Sandipan Chakravortty)
8.	Knowledge of environmental management, sustainable development and Corporate Social Responsibility (CSR) areas	Yes (Mr. Sanjay Bagaria, Mr. Indrajit Sen, Mr. Ratan Lal Gaggar, Mr. Sandipan Chakravortty & Mrs. (Prof.) Bharati Ray)

- (v) **The Board of Directors of the Company confirms that:**

- in its opinion, the independent directors fulfill the conditions specified in the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and are independent of the management, and
- no Independent Director of the Company, during the Financial Year 2019-20, had resigned before the expiry of his/ her tenure, except Mr. Ravi Ranjan Prasad, who had resigned from the Board of Directors of the Company on 11th November, 2019, due to personal reasons. Mr. Prasad had resigned before the expiry of his tenure but had confirmed that there were no other material reasons for his resignation except his personal reasons as provided by him.

- (vi) **Meetings of the Board of Directors**

The meetings of the Board are usually held at the Registered Office of the Company at Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector – V, Salt Lake Electronics Complex, Kolkata – 700 091. During the year under review, 6 (six) Board Meetings were held - on 08.05.2019, 29.07.2019, 04.09.2019, 08.11.2019, 19.11.2019 & 07.02.2020. The Company Secretary prepares the Agenda in consultation with the Chairman of the Board, for each meeting and circulates the same in advance to the Directors. The Board meets at least once in every quarter to review the Quarterly

Report on Corporate Governance (Contd.)

Results and other items on the Agenda. The information as required under Regulation 17(7) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part A of Schedule II to the said Regulations is made available periodically to the Board. Details of Directors seeking appointment/ re-appointment at the forthcoming 84th Annual General Meeting are being circulated with the Notice convening the Annual General Meeting. The Board periodically reviews the compliance reports on various laws applicable to the Company and takes steps to rectify instances of non-compliance, if any. Copies of Minutes of the Board Meetings are circulated among the members of the Board for their confirmation and comments, if any.

C. Board Committees

(i) Audit Committee

The Audit Committee of the Board of Directors of the Company currently comprises of three Directors – two of whom are Independent and Non-Executive. The Chairman of the Committee is an Independent Non-Executive Director. The composition of the Audit Committee is in line with the Regulation 18 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013. During the year ended 31st March 2020, 4 (four) Meetings of the Audit Committee were held - on 08.05.2019, 29.07.2019, 08.11.2019 & 07.02.2020. The composition of the Audit Committee along with the attendance of each member during the year are given below :

Name of Director	Designation	Profession	Committee Meetings	
			Held	Attended
Mr. Ratan Lal Gaggar	Chairman (Present)	Solicitor & Advocate	4	4
Mr. Indrajit Sen	Member (Present)	Engineer	4	4
Mr. Sandipan Chakravorty@	Member (Present)	Engineer	0	0
Mrs. (Prof.) Bharati Ray#	Member (Past)	Professor (Retd.) & Educationist	1	1
Mr. Ravi Ranjan Prasad*	Chairman (Past)	Chartered Accountant	3	3

@ Was inducted as a member of the Committee with effect from 7th February, 2020.

Was inducted as a member of the Committee with effect from 19th November, 2019 and ceased to be a member of the Committee with effect from 7th February, 2020.

* Ceased to be Chairman and a member of the Committee with effect from 11th November, 2019 due to his resignation from the Board of Directors of the Company.

The Company Secretary attends the Committee Meetings as Secretary to the Committee. The Statutory Auditors, Internal Auditors & Chief Financial Officer are permanent invitees to the Audit Committee meetings.

The Audit Committee acts as a link between the management, statutory auditors, internal auditors and the Board of Directors. The terms of reference of the Audit Committee, inter-alia, include those specified under Regulation 18 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part C of Schedule II to the said Regulations as well as under Section 177 of the Companies Act, 2013, such as :

- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors, Cost Auditors, Internal Auditors and Tax Auditors and fixation of their fees;
- Approval of payment for any other services rendered by Statutory Auditors;

Report on Corporate Governance (Contd.)

- Reviewing the Quarterly/Half Yearly Financial Results and the Audited Financial Results before they are submitted to the Board for their approval;
 - Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - Approval/ ratification of related party transactions on quarterly basis;
 - Granting of omnibus approval to material related party transactions in accordance with the Related Party Transactions Policy of the Company;
 - Scrutiny of inter-corporate loans and investments;
 - Evaluation of internal financial controls and risk management systems;
 - Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - Discussion with internal auditors of any significant findings and follow up there on;
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - To review the functioning of the Whistle Blower mechanism;
 - Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
 - Review of the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Internal Audit Reports.
- (ii) **Share Transfer & Stakeholders' Relationship Committee**
- (a) **Terms of reference**
- Approval of transfers, transmission and transposition of shares or other securities, if any, including the power to disapprove the transfers in accordance with the provisions of the Companies Act, 2013, Securities Contracts (Regulation) Act, 1956, and the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.
 - Issue of new share certificates on split/consolidation, issue of duplicate share certificates against lost/mutilated shares, etc.
 - Redressal of shareholders' complaints including complaints related to non-receipt of Annual Reports, non-receipt of declared dividends, non-receipt of share certificates after transfer, transmission, split, consolidation, etc.
- (b) **Composition**
- As on 31st March, 2020, the Committee comprised of three Directors viz. Mr. Sanjay Bagaria, Non-Executive Director as Chairman of the Committee, Mr. Indrajit Sen, Managing Director and Mrs. (Prof.) Bharati Ray, Non-Executive Independent Director. During the year under review, this Committee met three times – 12.04.2019, 10.06.2019 & 05.11.2019, which were attended to by all the members.

Report on Corporate Governance (Contd.)

(c) Investors' Complaints

Mr. Suhas Chandra Saha, Company Secretary, is the Compliance Officer of the Company for, inter-alia, ensuring compliance with the requirements under the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 & Companies Act, 2013 and also for attending to the investor-related issues and grievances.

Investors' complaints which cannot be settled at the level of Compliance Officer and CB Management Services (P) Ltd. – Registrar and Share Transfer Agents of the Company, are forwarded to the Share Transfer & Stakeholders' Relationship Committee for final settlement. The Share Transfer & Stakeholders' Relationship Committee also reviews all complaints received through SCORES, the web-based investor grievance redressal portal launched by the Securities & Exchange Board of India.

Name, designation & address of Compliance Officer:

Name : Mr. Suhas Chandra Saha
Designation : Company Secretary
Address : Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP,
& GP, Sector – V, Salt Lake Electronics Complex,
Kolkata – 700 091.
E-mail ID : sc.saha@internationalcombustion.in
(for Investors' complaint).

The number of shareholders' complaints received during the Financial Year 2019-20 was 1 (One) which were duly redressed. One shareholder's complaint was pending unresolved as at the end of the Financial Year 2019-20, which was, however, resolved subsequently.

(iii) Nomination & Remuneration Committee

As on 31st March, 2020, the Nomination & Remuneration Committee comprised of three Directors, viz. Mr. Ratan Lal Gaggar, Independent Director & Chairman of the Committee, Mrs. (Prof.) Bharati Ray, Independent Director and Mr. Sanjay Bagaria, Non-Executive Director. Mrs. (Prof.) Ray was inducted as a member of the Committee with effect from 19th November, 2019. Mr. Ravi Ranjan Prasad, Independent Director, ceased to be a member of the Committee with effect from 11th November, 2019, due to his resignation from the Board of Directors of the Company. The Committee has power to regulate its meetings and proceedings. In accordance with the requirement of Section 178 of the Companies Act, 2013, & Regulation 19 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part D of Schedule II to the said Regulations, its terms of reference have also been expanded. Presently, the Committee is responsible, inter-alia, for:

- Recommending to the Board the appointments/ re-appointments of Directors and of other Key Managerial Personnel,
- Formulation of criteria for determining qualifications, positive attributes and independence of a Director,
- Recommending to the Board of Directors, the remuneration payable to the Managing Director and other Key Managerial Personnel of the Company,
- Recommending to the Board, the Remuneration Policy of the Company,
- Devising a Policy on Board Diversity,
- Formulation of criteria for performance evaluation of all Directors and the Board as a whole.

Report on Corporate Governance (Contd.)

During the Financial Year 2019-20, the Committee met thrice – on 8th May, 2019, 29th July, 2019 and 7th February, 2020, which were attended to by all the then members of the Committee.

The Board, on 20th May, 2014, adopted a Remuneration Policy recommended by the Nomination & Remuneration Committee. The Policy ensures that the level of remuneration payable to the Executive Directors and Key Managerial Personnel is reasonable and sufficient to attract, retain & motivate them. For further details of the Remuneration Policy, please refer to the Directors' Report forming part of this Annual Report.

D. Details of Directors' Remuneration for the year ended 31st March, 2020

Name	Salary Rs.	Perquisites & Allowances Rs.	Retirement Benefits	Commission Rs.	Sitting Fees Rs.	Total Rs.
a) Executive Directors :						
Mr. Indrajit Sen, Managing Director	1,04,37,500	1,04,37,074	-	-	-	2,08,74,574
b) Non-Executive Directors :						
Mr. Sanjay Bagaria	-	-	-	-	1,60,000	1,60,000
Mr. Ratan Lal Gagar	-	-	-	-	1,90,000	1,90,000
Mr. Ravi Ranjan Prasad	-	-	-	-	1,00,000	1,00,000
Mrs. (Prof.) Bharati Ray	-	-	-	-	1,70,000	1,70,000
Mr. Sandipan Chakravortty	-	-	-	-	20,000	20,000
Mr. Sanjoy Saha	-	-	-	-	20,000	20,000
	-	-	-	-	6,60,000	2,15,34,574

- Considering the recommendations of the Nomination and Remuneration Committee of the Board, the Board of Directors of the Company, at its meeting held on 26th April, 2018, re-appointed Mr. Indrajit Sen as the Managing Director of the Company for a further period of three years with effect from 1st May, 2018, which was duly approved by the shareholders of the Company by means of a Special Resolution passed at their 82nd Annual General Meeting held on 3rd September, 2018. The MD's tenure of office can however be terminated by either party by giving six months' notice in writing or salary in lieu thereof. There is no separate provision for payment of severance fees to the MD.
- Pursuant to the Companies Act, 2013, now, all the Directors except the Independent Directors retire by rotation.
- There are no stock options available/ issued to any Director of the Company.
- The Chairman is paid a Commission @ 2% of the net profits of the Company for a period of five years with effect from the Financial Year 2017-18 as recommended by the Nomination & Remuneration Committee and approved by the Board and the shareholders.
- Each Non-Executive Director is, with effect from 1st January, 2020, paid a fee of Rs. 20,000/- for attending each meeting of the Board or Committee thereof. Earlier, the non-executive Directors were being paid a fee of Rs. 10,000/- for attending each meeting of the Board or Committee thereof.
- The Non-Executive Directors do not have any other pecuniary relationship or transactions vis-à-vis the Company.

Report on Corporate Governance (Contd.)

E. General Body Meetings:

The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Location	No. of Special Resolutions Passed
2018-19	04.09.2019	2.00 P.M.	Kala Kunj, 48, Shakespeare Sarani, Kolkata 700017	5 (Five)*
2017-18	03.09.2018	2.00 P.M.	Kala Kunj, 48, Shakespeare Sarani, Kolkata 700017	3 (Three)#
2016-17	20.09.2017	2.00 P.M.	Kala Kunj, 48, Shakespeare Sarani, Kolkata 700017	1 (One)\$

* Special Resolutions for approving continuance in office & re-appointment of Mrs. (Prof.) Bharati Ray as an Independent Director, continuance in office of Mr. Ratan Lal Gaggar as an Independent Director, payment of aggregate managerial remuneration in excess of 11% of the net profits of the Company and payment of remuneration to Non-Executive Chairman of an amount in excess of 50% of the aggregate sum total of the remuneration payable to all Non-Executive Directors of the Company put together, were passed through Remote Electronic-Voting & Poll at the 83rd Annual General Meeting held on 4th September, 2019 with 52.82% participation. 99.99% of the votes polled were in favour of the resolutions. Mr. Arup Kumar Roy, Company Secretary in Practice, was the Scrutinizer for the said Remote E-Voting & Poll. National Securities Depository Limited was appointed as the Remote E-Voting Agency for the same.

Special Resolutions for approving re-appointment of Mr. Indrajit Sen as Managing Director and Mr. Ratan Lal Gaggar & Mr. Ravi Ranjan Prasad as Independent Directors were passed through Remote Electronic-Voting & Poll at the 82nd Annual General Meeting held on 3rd September, 2018 with 52.87% participation. 99.99% of the votes polled were in favour of the resolutions. Mr. Arup Kumar Roy, Company Secretary in Practice, was the Scrutinizer for the said Remote E-Voting & Poll. National Securities Depository Limited was appointed as the Remote E-Voting Agency for the same.

\$ A Special Resolution for approving payment of Commission to Non-Executive Chairman @ 2% of the net profits of the Company for a period of five years beginning with the Financial Year 2017-18 subject to the approval of the Central Government was passed through Remote Electronic-Voting at the 81st Annual General Meeting held on 20th September, 2017 with 52.87% participation. 99.97% of the votes polled were in favour of the resolution. Mr. Arup Kumar Roy, Company Secretary in Practice, was the Scrutinizer for the said Remote E-Voting & Poll. National Securities Depository Limited was appointed as the Remote E-Voting Agency for the same.

- No Special Resolution was passed through Postal Ballot during the Financial Year 2019-20.
- A Special Resolutions for appointment of Mr. Sanjoy Saha as a Non-Executive Director of the Company is proposed to be considered at the forthcoming 84th Annual General Meeting scheduled to be held on 29th September, 2020.

F. Disclosures

(a) Related party transactions

All related party transactions have been entered into in the ordinary course of business on an arm's length basis and are placed periodically before the Audit Committee in summary form. There are no significant related party transactions, which have conflict with the interests of the Company at large.

Report on Corporate Governance (Contd.)

The related party transactions have been disclosed in Note No. 41 of the Notes to the Financial Statements for the year ended 31st March, 2020 and also as an Annexure to the Board's Report for the said year.

The Board has adopted a Related Party Transactions Policy which has been posted on the website of the Company (weblink : http://www.internationalcombustion.in/admin/uploadpdf/RPT_Policy.pdf). The Audit Committee of the Board has been made responsible for monitoring the implementation of the said Policy and for ensuring compliance with the same.

(b) Disclosure of accounting treatment

During the Financial Year 2017-18, the Company had migrated to the Indian Accounting Standards (IND AS) and its Financial Statements for the Financial Year ended 31st March, 2020 have also been prepared in accordance with the Indian Accounting Standards (IND AS) as prescribed by the Companies (Indian Accounting Standards) Rules, 2015. The said Indian Accounting Standards (IND AS) in accordance with which the Financial Statements have been prepared are disclosed in the notes to the Annual Audited Financial Statements.

(c) Board Disclosures – Risk Management

The Company has established a Risk Management Plan, covering the risk assessment/minimization procedures as approved by the Board. During the year ended 31st March 2020, these procedures for risk assessment and minimization have been updated. These have been disclosed in the Management Discussion and Analysis Report forming a part of the Directors' Report. The Board has constituted a Risk Management Committee comprising of Mr. Sanjay Bagaria, Chairman of the Committee, Mr. Indrajit Sen, Managing Director & Mr. S. C. Saha, Company Secretary, which is responsible for implementing the Risk Management Plan framed by the Board.

(d) Matters related to capital market

The Company has complied with the requirements of the Stock Exchanges, SEBI and other authorities on all matters relating to capital markets. No penalties or strictures have been imposed on the Company by any Stock Exchange or SEBI or any statutory authority on any matter relating to capital markets during the last three years.

(e) Management Discussion & Analysis Report

The Management Discussion & Analysis Report, as required under Regulation 34 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule V to the said Regulations, is attached to and forms a part of the Directors' Report.

(f) Code of Conduct

The Company has laid down a Code of Conduct for all Board members and Senior Managerial Personnel of the Company. In accordance with the Companies Act, 2013, the Code of Conduct has been revised to include therein the Code for Independent Directors as specified in Schedule IV to the said Act. The Code of Conduct is available on the website of the Company at www.internationalcombustion.in. All Board members and Senior Management Personnel affirm compliance with the Code of Conduct on an annual basis. A declaration to this effect duly signed by the Managing Director of the Company is annexed along with this Report.

(g) Vigil Mechanism (Whistle Blower Policy)

As required under the Companies Act, 2013 & Regulation 22 of the Securities & Exchange Board

Report on Corporate Governance (Contd.)

of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, a Vigil Mechanism (Whistle Blower Policy) of the Company was adopted by the Board on 2nd May, 2014 and placed on the Company's website for the purpose of enabling the Directors and Employees to report unethical behaviour, actual or suspected fraud and violation of the Company's Code of Conduct or ethics policy. The Audit Committee of the Board has been made responsible for overseeing/ monitoring the functioning and implementation of the said Vigil Mechanism. It is hereby affirmed that no personnel of the Company has been denied access to the Audit Committee or its Chairperson.

(h) Compliance Certificate by CEO & CFO

The Managing Director (CEO) and the Chief Financial Officer (CFO) have given a Compliance Certificate to the Board of Directors, as required under Regulation 17(8) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part B of Schedule II to the said Regulations, for the Financial Year ended 31st March, 2020, which is annexed at the end of this Report.

(i) Means of Communication

Quarterly/half yearly unaudited and annual audited financial results of the Company are sent to the Stock Exchanges immediately after they are reviewed by the Audit Committee and approved by the Board. An extract of the Quarterly / Half-Yearly and Annual (Standalone & Consolidated) Financial Results are normally published in leading English Daily newspaper (Business Standard/ Business Line/ Financial Express - all editions) and a Bengali Daily (Aaj Kal). The full format of the financial results is also posted on the website of the Company at www.internationalcombustion.in.

(j) Independent Directors

In accordance with the Companies Act, 2013, the maximum tenure of the Independent Directors has now been fixed at five years from the date of their appointment or the commencement of the Act, whichever is later, subject, however, to the possibility of a second and final term of five years with the consent of the shareholders vide a Special Resolution. A formal letter of appointment is issued to Independent Directors and the same is placed on the website of the Company. Further, as per Regulation 17(1A) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, brought into force with effect from 1st April, 2019, no Company shall appoint/ re-appoint or continue in office any person, who has attained the age of seventy-five years, as a non-executive Director on its Board, unless approval is accorded to by the shareholders by means of a Special Resolution.

The performance evaluation of the Independent Directors is carried out on a yearly basis by the entire Board (excluding the Director being evaluated) on the basis of the following evaluation criteria formulated by the Nomination & Remuneration Committee of the Board :-

- i) Adequacy of Preparation by the Director for Board & Committee Meetings,
- ii) Effectiveness of Participation by the Director at Board & Committee Meetings,
- iii) Insight & Observations given/ made by the Director
- iv) Expression of Views by the Director,
- v) Amount of time provided by the Director even outside Board/ Committee Meetings,
- vi) Understanding by the Director of the sector and needs of the Company, and
- vii) Level of confidence and respect of the Board & Management enjoyed by the Director.

Report on Corporate Governance (Contd.)

A separate meeting of Independent Directors is held once a year to review the performance of non-independent Directors & the Board as a whole and to assess the quality, quantity and timeliness of flow of information between the Company management and Board.

The details of familiarization programmes for Independent Directors has been posted on the website of the Company (weblink: http://www.internationalcombustion.in/admin/uploadpdf/FAM_PROG_ID.pdf).

(k) Quarterly Compliance Report on Corporate Governance

As required under Regulation 27 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, a Quarterly and Half-Yearly/ Yearly Compliance Report(s) on Corporate Governance in the prescribed format signed by the Compliance Officer is submitted to the Stock Exchanges within fifteen days of the end of the quarter.

(l) Certificate by Practising Company Secretary on Compliance of Conditions of Corporate Governance

As stipulated under Regulation 34 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule V to the said Regulations, the Company has obtained a certificate from Mr. Arup Kumar Roy, Practising Company Secretary, confirming compliance of conditions of Corporate Governance by the Company during the Financial Year ended 31st March, 2020 and the same is annexed to the Directors' Report & being sent to the shareholders and Stock Exchange as part of the Annual Report.

(m) Compliance with Mandatory/ Non-Mandatory requirements of Corporate Governance

The Company has complied with all the mandatory requirements relating to corporate governance as specified in the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company has complied with the following non-mandatory requirements relating to corporate governance as specified in Regulation 27(1) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part E of Schedule II to the said Regulations:

- The Company is maintaining an office for the Non-Executive Chairman at the Registered Office of the Company and the Non-Executive Chairman is also allowed reimbursement of expenses incurred by him in performance of his duties,
- The Auditors' Report to the shareholders of the Company on the Financial Statements (both Standalone & Consolidated) of the Company for the Financial Year ended 31st March, 2020 is with unmodified audit opinion, and
- As the Internal Auditors of the Company are appointed by the Board of Directors on the recommendations of the Audit Committee and as the Internal Audit Reports are placed before the Audit Committee, which is empowered to take such action on the basis of the Report as it may deem necessary, the Internal Auditors are effectively reporting directly to the Audit Committee.

G. General Shareholders' Information:

(a) Annual General Meeting:

The 84th Annual General Meeting of the shareholders of the Company has been convened on Tuesday, the 29th September, 2020 at 2.00 P.M. IST through Video-Conferencing ("VC") / Other Audio-Visual Means ("OAVM") in compliance with the applicable provisions of the Companies Act, 2013, read with the Ministry of Corporate Affairs, Government of India, General Circular No. 20/2020 dated 5th May, 2020.

Report on Corporate Governance (Contd.)

(b) **Financial Year of the Company : 1st April to 31st March.**

(c) **Financial Calendar:**

Sl. No.	Events	Dates
1	Audited Annual Results for 2019-20	June 29, 2020
2	E-Mailing of Annual Reports 2019-20	By 7th September, 2020
3	First Quarter Results (30th June, 2020)	By 14th August, 2020
4	Annual General Meeting	September 29, 2020
5	Second Quarter Results (30th Sept., 2020)	By 13th November, 2020
6	Third Quarter Results (31st Dec., 2020)	By 12th February, 2021
7	Audited Annual Results for 2020-21	By 28th May, 2021

(d) **Book Closure:**

The Share Transfer Books and Register of Members of the Company shall remain closed from Wednesday, 23rd September, 2020 to Tuesday, 29th September, 2020 (both days inclusive) for the purpose of AGM.

(e) **Listing of Equity Shares on Stock Exchange :**

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

As required under Regulation 7(1)(d) of the Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, it is hereby stated by the Company that pursuant to the resolution passed by the Board of Directors of the Company, at its meeting held on 13th November, 2013, to voluntarily delist the equity shares of the Company from The Calcutta Stock Exchange Limited (CSE), 7, Lyons Range, Kolkata – 700 001, in compliance with the SEBI (Delisting of Equity Shares) Regulations, 2009, and after completion of all necessary formalities and compliances in connection therewith, the CSE, vide its letter dated 30th August, 2019, had granted its final approval to the said delisting of the equity shares of the Company from the official list of the CSE with effect from 3rd September, 2019. However, it is to be noted that in accordance with the aforementioned resolution passed by the Board of Directors of the Company, the equity shares of the Company shall continue to be listed on The Bombay Stock Exchange Limited.

(f) **Listing Fees**

The Company has paid the listing fees upto the Financial Year 2020-21 to the BSE.

(g) **Custodial Fees to Depository**

The Company has paid the custodial fees upto the Financial Year 2020-21 to the Central Depository Services (India) Limited [CDSL] and the National Securities Depository Limited [NSDL].

(h) Stock Codes : BSE : 505737

(i) Demat ISIN Number : INE403C01014.

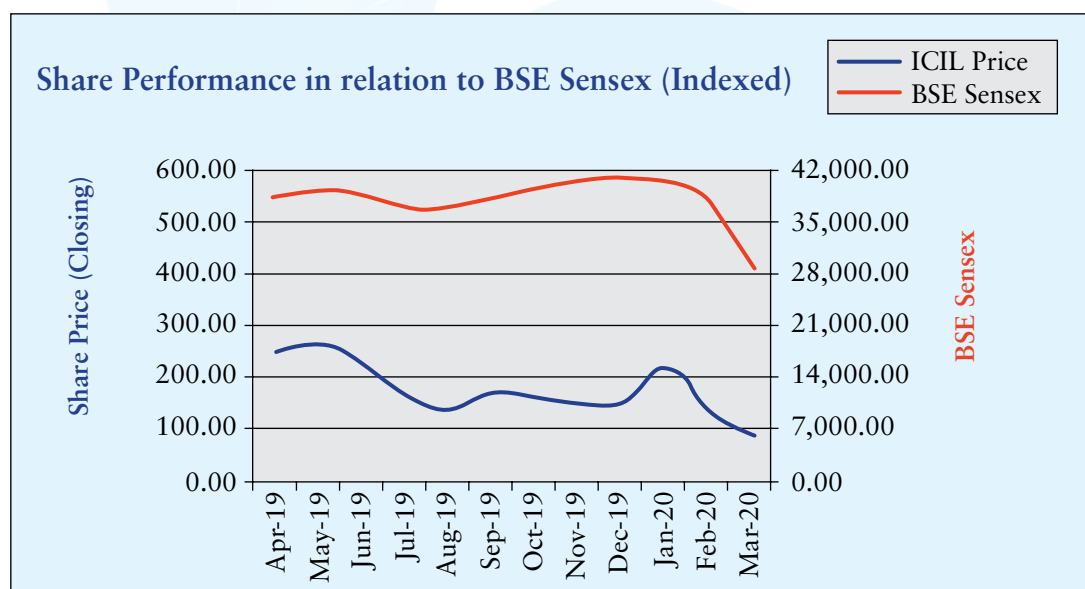
Report on Corporate Governance (Contd.)

(j) (i) Stock Market price data : (1st April, 2019 to 31st March 2020)

Month/Year	Bombay Stock Exchange Ltd. (BSE)	
	High (Rs.)	Low (Rs.)
April 2019	268.80	235.00
May 2019	280.00	215.60
June 2019	277.50	232.15
July 2019	252.90	171.10
August 2019	176.00	135.10
September 2019	198.80	138.80
October 2019	196.00	155.15
November 2019	183.80	155.00
December 2019	167.95	135.00
January 2020	267.00	150.00
February 2020	221.25	140.60
March 2020	147.00	91.25

ii) **Stock Performance vs. BSE Sensex:**

The performance of the Company's equity share scrip on the Bombay Stock Exchange Limited (BSE) in comparison to the BSE Sensex during the Financial Year 2019-20 is graphically represented in the chart below:



(k) **Registrar and Share Transfer Agents:**

The Company has retained C B Management Services (P) Ltd., P-22, Bondel Road, Kolkata – 700019 (CBMS), SEBI registered Registrars & Share Transfer Agents, to carry out the share related activities, both physical and dematerialised.

(l) **Share Transfer System**

Transfers/ transmissions of shares in scrip/ physical form are processed and share certificates duly endorsed & delivered within a period of fifteen days from the date of receipt thereof, subject to the

Report on Corporate Governance (Contd.)

documents relating to the transfers being valid and complete in all respects. To improve and speed up the investor servicing, the Board has delegated the authority for approving transfers, transmissions, etc. to the Share Transfer & Stakeholders' Relationship Committee which approves the same within a fortnight of the lodgement thereof. The endorsements on the share certificates of the transfers are duly authenticated by the Company Secretary. The Company obtains a half-yearly certificate from a Practicing Company Secretary confirming timely completion of all activities in connection with the share transfers/ transmissions/ transpositions, splits/ consolidations/ issue of duplicate share certificates, rematerialisation of share certificates, etc. as required under Regulation 40(9) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and submits a copy of the same to the Stock Exchanges.

However, the amendment to Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 read with Gazette notification dated November 30, 2018, has mandated that transfer of securities would be carried out in dematerialized form only and that transfer of equity shares in physical form would not be permissible with effect from 1st April, 2019, except in cases where the transfer deeds had been lodged earlier and the transfer had been rejected on technical grounds and the same have been re-lodged on or after 1st April, 2019.

(m) Distribution of Shareholding as on 31st March, 2020:

No. of Shares	Shareholders		Shareholding	
	Number	%	No. of Shares held	%
1-500	5934	94.18	447914	18.74
501-1000	189	3.00	139338	5.83
1001-2000	89	1.41	125248	5.24
2001-3000	33	0.52	82888	3.47
3001-4000	14	0.22	47969	2.01
4001-5000	6	0.10	27869	1.16
5001-10000	14	0.22	99871	4.18
10001 and above	22	0.35	1419179	59.37
Total	6301	100.00	23,90,276	100.00

(n) Pattern of Shareholding as on 31st March, 2020 :

Sl. No.	Category	No. of Share-holders	No. of Shares	Percent-age of Share-holding
1.	Promoter & Promoter Group	14	12,61,931	52.79
2.	Banks/ Financial Institutions	4	251	0.01
3.	Non-Resident Indians (NRIs)	81	32,432	1.36
4.	Bodies Corporate	60	26,718	1.12
5.	Resident Individuals	6106	10,38,596	43.45
6.	Clearing Members	17	2,819	0.12
7.	HUF	18	2,366	0.10
8.	Investor Education and Protection Fund Authority	1	25,163	1.05
	Total	6301	23,90,276	100.00

Report on Corporate Governance (Contd.)

(o) Dematerialisation of Shares :

As on 31st March, 2020, 97.61% of the Company's total paid up capital representing 23,33,107 shares were held in dematerialized form and the balance 2.39% representing 57,169 shares were held in physical scrip form as per details mentioned below:-

Form in which shares held	No. of Shareholders	% of total number of Shareholders	No. of Shares	% of total number of Shares
Physical Scrip Form	703	11.16	57,169	2.39
Dematerialised Form with NSDL	3205	50.86	19,13,998	80.08
Dematerialised Form with CDSL	2393	37.98	4,19,109	17.53
Total	6301	100.00	23,90,276	100.00

(p) Liquidity

The average daily number of equity shares of the Company's scrip traded on the Bombay Stock Exchange Limited (BSE) during the Financial Year 2019-20 was 953 and the average daily turnover for the scrip on BSE during the Financial Year 2019-20 was Rs. 1.82 lakhs.

(q) Outstanding Convertible Instruments:

No securities/ instruments/ warrants convertible into equity shares of the Company are outstanding as on 31st March, 2020.

(r) Share Capital Reconciliation Audit Report

As stipulated by the Securities and Exchange Board of India, a qualified Practising Company Secretary has been appointed to carry out the Share Capital Reconciliation Audit at quarterly intervals to reconcile the total admitted Capital held in dematerialised form in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and in physical form with the total issued and listed Capital. The Audit is carried out every quarter and the Report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The Report, inter-alia, confirms that the total listed and paid up share capital of the Company is in agreement with the aggregate of the total dematerialized shares and those in the physical mode.

(s) **Foreign Exchange Exposure:** The Company has limited exposure to foreign exchange rate fluctuations due to its low level of import and export activities and the absence of external commercial borrowings. The limited export and import activities of the Company act as a natural hedge against each other to a substantial extent. The Company does not have any direct exposure to commodity price changes/ risks. The major commodity, whose price-changes might impact the costs of the Company on any meaningful scale, is steel, being a major raw-material for the Company.

(t) Transfer of Equity Shares to Unclaimed Suspense Account/ IEPF Authority:

- i) There are no shares issued by the Company which are required to be transferred to the Unclaimed Suspense Account/ Demat Suspense Account in terms of Regulation 39(4) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedule VI to the said Regulations.
- ii) However, as required under Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules,

Report on Corporate Governance (Contd.)

2016, which were notified on 7th September, 2016, general newspaper notice was published and specific notice by Registered Post was sent to those shareholders, whose dividend warrants for seven consecutive Financial Years were remaining unencashed, requesting them to claim the said dividends within a period of three months of the said notice, failing which their shares would have to be transferred to the Investor Education and Protection Fund Authority (IEPF Authority). Subsequently, 21,127 equity shares in November, 2017, 1,803 equity shares in October, 2018 and 2,367 equity shares in November, 2019, aggregating to 25,297 equity shares of the Company in total, representing 1.06% of the paid-up equity share capital of the Company and belonging to shareholders who had not encashed their dividend warrants for seven consecutive Financial Years, were transferred in favour of the Investor Education and Protection Fund Authority in dematerialized form. Out of the above, 134 equity shares, representing 0.01 % of the paid-up equity share capital of the Company, has been credited by IEPF Authority to the demat account of the bona fide claimant after submission of necessary documents and completion of required formalities as to establishment of the title to the shares, resulting in a balance of 25,163 equity shares, representing 1.05 % of the paid-up equity share capital of the Company, lying to the credit of the IEPF Authority in dematerialized form, the voting rights on which shares shall remain frozen until the rightful owner claims the said shares in accordance with the said Rules. Once the concerned shareholders claim their unpaid/ unclaimed dividends by submitting e-Form IEPF-5 as aforesaid and fulfilling other requirements, the underlying equity shares shall also be credited to their demat accounts. Till that time, the voting rights on such shares, thus transferred, shall remain frozen, in accordance with the statutory provisions.

iii) Further, the Company shall be giving three months' notice to those shareholders whose shares are due to be transferred in favour of the IEPF Authority during the Financial Year 2020-21 by sending individual letters to them through Registered Post, hosting the details of the relevant shares on the Company website and by issuing necessary advertisements in newspapers as required under the aforementioned Rules.

(u) **Registered & Corporate Office** : Infinity Benchmark, 11th Floor, Plot No. G-1,
Block EP & GP, Sector – V, Salt Lake Electronics Complex,
Kolkata – 700 091.

(v) **Factory Locations:**

(i) **Mineral & Material Processing and Handling Equipment Division**

Baidyabati Works : 156 (371), G. T. Road Baidyabati,
Dist. Hooghly – 712 222, West Bengal.

Nagpur Works : L-7, MIDC Industrial Estate, Hingna,
Nagpur – 440016, Maharashtra.

(ii) **Geared Motors & Gear Boxes Division**

Aurangabad Works : B-74/1, MIDC Waluj Industrial Area,
P.O. Bajaj Nagar, Aurangabad – 431136,
Maharashtra.

(iii) **Building Material Division**

Ajmer Works : Plot No. B-300, Ajaymeru Palra,
RIICO Industrial Area,
Ajmer – 305025, Rajasthan.

Report on Corporate Governance (Contd.)

(w) Regional/ Branch Offices :

Aurangabad	: B-74/1, MIDC Waluj Industrial Area, P.O. Bajaj Nagar, Aurangabad – 431136, Maharashtra.
Bengaluru	: No. 548/51, 2nd Floor, Andal Temple Street, (Behind R. V. Teacher’s College) R.V. Road, Basavanagudi, Bengaluru – 560 004.
Chennai	: The Polygon, 2nd Floor, Door No. 56/142, Anna Salai, Saidapet, Chennai – 600015.
Hyderabad	: Flat No. 303, Bhanu Enclave 7-1-638 to 643, Sundar Nagar, Hyderabad – 500038
Kolkata	: Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP&GP, Sector – V, Salt Lake Electronics Complex, Kolkata – 700091.
Mumbai	: 603-604, Acme Plaza, 6th Floor, A-Wing, J. B. Nagar, Andheri Kurla Road, Opp. Sangam Theatre, Andheri (East), Mumbai – 400059.
Nagpur	: L-7, MIDC Industrial Estate, Hingna, Nagpur – 440016, Maharashtra.
New Delhi	: 2E/28, Jhandewalan Extn. New Delhi – 110055
Pune	: D 407 Business Court Mukund Nagar, Pune – 411 037
Vadodara	: 403, 4th Floor, ‘Opal Square Building’, Behind Express Hotel, R.C. Dutta Road, Alkapuri, Vadodara – 390007, Gujarat
Jamshedpur	: 4th Floor, Office No. 4, H. No. 5, Line No. 2, S.B. Shop Area, Meghdeep Building, Q. Road, Bistupur, Jamshedpur – 831 001, Jharkhand.
Indore	: 308, B-Block, 3rd Flr., Prakrati Corporate (Nr. Malwameel Square), Y.N. Road, Indore–452 002, Madhya Pradesh.
Jaipur	: S-211, Amrapali Plaza, Near Amrapali Circle, Vaishali Nagar, Jaipur – 302 021

(x) Total number of Employees as on 31.03.2020 : 496

(y) Address for Shareholders’ Correspondence :

- i) **For Shares held in Physical Form** – All correspondence regarding share transfers/ transmissions, change of address, bank mandates, nomination, etc. should be addressed to the Registrars and Share Transfer Agents of the Company at the following address:

C. B. Management Services (P) Limited, Unit : International Combustion (India) Limited
P-22, Bondel Road, Kolkata – 700019, Telephone : (033) 40116700/6715/6717/6724/6742;
Fax : (033) 4011-6739, E-mail : rta@cbmsl.com

Report on Corporate Governance (Contd.)

- ii) **Shares held in Dematerialized Form** – All correspondence regarding change of address, bank mandates, nomination, etc. should be addressed to their respective depository participants.
- iii) **For Shares held in Physical/ Dematerialized Form** – All correspondence regarding non-receipt of dividend, non-receipt of Annual Report or regarding any other general matter or regarding any difficulties, complaints or grievances, may be addressed to the Registrars and Share Transfer Agents of the Company at their address mentioned above or to Mr. S. C. Saha, Company Secretary (Compliance Officer) at the Registered Office at Infinity Benchmark, 11th Floor, Plot No. G-1, Block EP & GP, Sector – V, Salt Lake Electronics Complex, Kolkata 700 091 (Phone No. : 033-40803000/ 3013 ; Fax No. : 033-23576653) or sent by email at sc.saha@internationalcombustion.in.

(z) Credit Ratings

In June, 2020, credit rating agency ICRA Limited had downgraded the long-term rating on the fund-based and non-fund based working capital credit facilities enjoyed by the Company from its bankers on consortium basis from [ICRA]BBB- (pronounced as ICRA triple B minus) [signifying a moderate degree of safety regarding timely servicing of financial obligations and carrying moderate credit risk] to [ICRA]BB+ (pronounced as ICRA double B plus) [signifying a moderate risk of default regarding timely servicing of financial obligations]. The outlook on the long term rating had been revised from Stable to Negative. ICRA had also downgraded the short-term rating on the aforementioned facilities from [ICRA]A3 (pronounced as ICRA A three) [signifying a moderate degree of safety regarding timely servicing of financial obligations and carrying higher credit risk as compared to instruments/ facilities rated in the higher categories] to [ICRA]A4+ (pronounced as ICRA A four plus) [signifying a minimal degree of safety regarding timely servicing of financial obligations and carrying very high credit risk and susceptibility to default].

- (i) The Company, during the Financial Year 2019-20, did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- (ii) A certificate from Mr. Arup Kumar Roy, Company Secretary in Practice, to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities & Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority, has been duly obtained.
- (iii) There was no such instance during the Financial Year 2019-20, where the Board of Directors of the Company had not accepted any recommendation of any Committee of the Board, which is mandatorily required.
- (iv) The total fees for all services paid by the Company, on a consolidated basis during the Financial Year 2019-20, to M/s. Ray & Ray, Statutory Auditors of the Company and to all entities in the network firm/network entity of which the Statutory Auditors are a part, was Rs. 5,90,000/- [inclusive of Goods and Services Tax (GST)].
- (v) An Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, had been formed with Mrs. Swagata Roy, Assistant General Manager – Finance, the senior-most woman employee in the Company, as its Presiding Officer. No complaints of sexual harassment were received by the Committee during the Financial Year 2019-20.

Place: Kolkata
Date: 29th June, 2020

For & on behalf of the Board
Sanjay Bagaria
Chairman

CEO and CFO Certification

The Board of Directors
International Combustion (India) Limited

SUB : COMPLIANCE CERTIFICATE BY CEO / CFO

Dear Sirs,

We hereby certify that:-

- (a) We have reviewed the Financial Statements (both Standalone & Consolidated) of the Company for the Financial Year ended 31st March, 2020, drawn up in accordance with the Companies (Indian Accounting Standards) Rules, 2015, i.e. the Statement of Profit & Loss, including the Statement of Other Comprehensive Income, for the Financial Year ended 31st March, 2020, the Balance Sheet as on that date and the Cash Flow Statement and the Statement of Changes in Equity for the Financial Year ended on that date (including the notes, schedules, annexures & attachments thereto) and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the Indian Accounting Standards (IND AS), applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting. However, during the year, there were no such instances.

Yours Sincerely

Kolkata
Date : 29th June, 2020

Indrajit Sen
Managing Director
(CEO)

Asish Kumar Neogi
Chief Financial Officer
(CFO)

DECLARATION BY THE MANAGING DIRECTOR PURSUANT TO SCHEDULE V OF THE SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH REGULATIONS 34(3) & 26(3) OF THE SAID REGULATIONS

To
The Shareholders of
International Combustion (India) Limited

Sub : Compliance with Code of Conduct

I hereby declare that all the Board Members and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct of the Company (including the Code for Independent Directors applicable to Independent Directors as required under Schedule IV to the Companies Act, 2013), as adopted by the Board of Directors, for the Financial Year 2019-20.

Kolkata
Date : June 29, 2020

Indrajit Sen
Managing Director



Corporate Governance Compliance Certificate

CIN of the Company : L36912WB1936PLC008588

Nominal Capital : ₹ 5,00,00,000/-

To

The Members

International Combustion (India) Limited

Infinity Benchmark, 11th Floor,

Plot No. G-1, Block EP & GP, Sec V,

Salt Lake Electronics Complex

Kolkata – 700091.

I have examined all relevant records of International Combustion (India) Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Regulation 46 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedules II & V to the said Regulations for the Financial Year ended 31st March, 2020. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of the certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedure and implementation thereof. This certificate 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.

On the basis of my examination of the records produced, explanations and information furnished, I certify that the Company has complied with –

- (a) all the mandatory conditions of Regulations 17 to 27 and Regulation 46 of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Schedules II & V to the said Regulations, and
- (b) the following non-mandatory/ discretionary requirements specified in Regulation 27(1) of the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part E of Schedules II to the said Regulations :-
 - i) The Company is maintaining an office for the Non-Executive Chairman at the Registered Office of the Company and the Non-Executive Chairman is also allowed reimbursement of expenses incurred by him in performance of his duties,
 - ii) The Auditors' Report to the shareholders of the Company on the Financial Statements (both Standalone & Consolidated) of the Company for the Financial Year ended 31st March, 2020 is with unmodified audit opinion, and
 - iii) As the Internal Auditors of the Company are appointed by the Board of Directors on the recommendations of the Audit Committee and as the Internal Audit Reports are placed before the Audit Committee, which is empowered to take such action on the basis of the Report as it may deem necessary, the Internal Auditors are effectively reporting directly to the Audit Committee.

Arup Kumar Roy

Practicing Company Secretary

Membership No. : ACS-6784

Certificate of Practice No. : 9597

UDIN: A006784B000591775

Place : Kolkata

Date : : 29th June, 2020

Independent Auditors' Report

To the Members of International Combustion (India) Limited

Report on Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **International Combustion (India) Limited** (“the Company”) which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matter described below to be the Key Audit Matter to be communicated in our report:

Independent Auditors' Report (Contd.)

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Modified Audit Procedures carried out in light of COVID-19 outbreak:</p> <p>Due to COVID-19 pandemic, Nation-wide lockdown and travel restrictions imposed by Central / State Government / Local Authorities, during the period of our audit and carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of some units of the Company.</p> <p>As we could not gather audit evidence in person or physically or through discussions and personal interactions with the officials at these units, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely.</p>	<p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to some of the units and carry out the audit processes physically at the respective offices.</p> <p>Wherever physical access was not possible, necessary records, reports, documents and certificates were made available to us by the unit through digital medium and emails. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Such restrictions in performing audit procedures have enhanced the risk in effectively carrying out the audit and the quality of audit evidence gathered by us.</p> <p>Accordingly, we modified our audit procedures as follows:</p> <p>Conducted verification of necessary records and documents electronically through remote access vide emails in respect of some of the units wherever physical access was not possible.</p> <p>Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails.</p> <p>Making enquiries and gathering necessary audit evidence through dialogues and discussions over phone calls/conference calls, emails and similar communication channels.</p> <p>Resolution of our audit observations telephonically/through email instead of a face-to-face interaction with the designated officials.</p> <p>Audit Conclusion: Our procedures did not identify any material exceptions.</p>

Emphasis of Matter

We draw attention to Note No. 43 of the Standalone Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Management is evaluating the situation on an ongoing basis with respect to the challenges faced.

Our opinion is not modified in respect of this matter.

Independent Auditors' Report (Contd.)

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the draft Directors' Report including annexures to Directors' Report, which we obtained prior to the date of this auditors' report and other reports included in the Annual report, which are expected to be made available to us after that date, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not and will 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 identified above, and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the full Annual report which is expected to be made available to us after the date of this auditors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the 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

Independent Auditors' Report (Contd.)

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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the

Independent Auditors' Report (Contd.)

adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure – A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit read with matters as reported in "Emphasis of matter" paragraph above.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report, according to the information and explanations given to us, managerial remuneration has been paid by the Company to its director during the year in accordance with the requirements of section 197(16) of the Act, as amended, and the rules framed thereunder.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, please refer to our separate Report in "Annexure – B".
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 read with the Companies (Audit & Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer 37(4)(a) 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 has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company as on the date of this report.

Place: Kolkata,
Date: 29th June, 2020

For **RAY & RAY**
Chartered Accountants
(Firm's Registration No: 301072E)
K K Ghosh
Partner
(Membership No.059781)
UDIN : 20059781AAAACF9379

Independent Auditors' Report (Contd.)

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of International Combustion (India) Limited of even date)

i. In respect of the Company's fixed assets;

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) According to the information and explanation given to us, most of the fixed assets have been physically verified by the Management during the year and no material discrepancies were noted on such verification. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) The title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us and on the basis of certificate given to us, the inventory of the Company has been maintained and has been physically verified by the management during the year, barring a few locations where physical verification of inventories by the management on the reporting date or on a date near to the reporting date was not feasible due to lockdown restrictions imposed by the Central Government for the COVID-19 pandemic. Alternative audit procedures were adopted to verify inventory balances for such locations and no material discrepancies were noted.
- iii. According to the information and explanation given to us, the Company has not granted any loans to companies, firms or other parties as listed in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of Clause 3 (iii) (b) & (c) of the Order are not applicable to the Company.
- iv. According to the information and explanation given to us, the Company has not given any loan to directors as mentioned in Section 185 and has not made any investments or given any guarantees and security as mentioned in Section 186. Accordingly, provisions of Clause 3 (iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits during the year and so the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 are not applicable.
- vi. According to the information and explanations given to us, Cost Audit has been carried out by the Company as required under section 148(1) of the Companies Act, 2013 in respect of the products of the Company.
- vii. a. According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and Service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Service tax,

Independent Auditors' Report (Contd.)

- sales-tax, service tax, duty of customs, duty of excise, value added tax or cess were outstanding as at 31st March, 2020, for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no dues of income-tax, Goods and Service tax, sales-tax, value added tax, duty of customs, duty of excise or service tax which have not been deposited as at 31st March, 2020 on account of any dispute.
- viii. The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders;
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised;
- x. No fraud on or by the Company has been noticed or reported during the year;
- xi. The Company has complied with the requirements of Section 197 of the Companies Act, 2013 read with Schedule V thereunder.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, provisions of this clause are not applicable to the Company.
- xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and where applicable, details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- xv. The Company has not entered into any non-cash transactions with directors or persons connected with him;
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **RAY & RAY**
Chartered Accountants
(Firm's Registration No: 301072E)

K K Ghosh
Partner
(Membership No.059781)
UDIN : 20059781AAAACF9379

Place: Kolkata,
Date: 29th June, 2020

Independent Auditors' Report (Contd.)

Annexure B to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of INTERNATIONAL COMBUSTION (INDIA) LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Independent Auditors' Report (Contd.)

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

However further improvement is required in the process of recording, reporting and documenting of scrap generated from operations including parameters of its risk assessment process and related risk mitigation measures towards strengthening of the monitoring mechanism in this respect aimed at providing for a complete and integrated information system consistent with financial reporting objectives.

Our opinion is not qualified in respect of this matter.

Place: Kolkata,
Date: 29th June, 2020

For RAY & RAY
Chartered Accountants
(Firm's Registration No: 301072E)

K K Ghosh
Partner
(Membership No.059781)
UDIN : 20059781AAAACF9379

Balance Sheet As at March 31, 2020

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	5	4484.72	4367.46
(b) Intangible Assets	6	50.13	67.85
(c) Financial Assets			
(i) Investments	7	985.28	1752.53
(ii) Other financial assets	8	150.77	688.39
(d) Deferred Tax Assets	9	159.35	8.08
		5830.25	6884.31
Current Assets			
(a) Inventories	10	4545.52	3948.51
(b) Financial Assets			
(i) Investments	11	819.83	420.19
(ii) Trade Receivables	12	3847.63	4076.49
(iii) Cash and Cash equivalents	13	222.91	116.07
(iv) Bank Balances other than (iii) above	14	83.15	119.76
(v) Other financial assets	15	8.32	52.11
(c) Other Current Assets	16	605.94	510.42
		10133.30	9243.55
Total Assets		15963.55	16127.86
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	17	239.03	239.03
(b) Other Equity	18	9233.87	9510.07
		9472.90	9749.10
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
Borrowings	19	54.41	708.00
(b) Provisions	20	219.47	149.32
		273.88	857.32
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	2260.05	970.08
(ii) Trade Payables	22		
A. Total outstanding dues of micro enterprises and small enterprises		786.23	106.76
B. Total outstanding dues of creditors other than micro enterprises and small enterprises		1631.27	2461.48
(iii) Other financial liabilities	23	360.48	747.31
(b) Other Current Liabilities	24	1032.05	991.87
(c) Provisions	25	112.92	97.16
(d) Current Tax Liabilities (Net)	26	33.77	146.78
		6216.77	5521.44
Total Equity and Liabilities		15963.55	16127.86

Significant Accounting Policies and other accompanying Notes (1 to 44) form an integral part of the financial statements

This is the Balance Sheet as per our report of even date

For and on behalf of the Board of Directors

For Ray & Ray
Chartered Accountants
(Firm's Registration No 301072E)

I. Sen
Managing Director
(DIN No 00216190)

S. Bagaria
Chairman
(DIN No 00233455)

K.K. Ghosh
Partner
(Membership No. 059781)
Place: Kolkata
Date: 29th June, 2020

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer

Statement of Profit & Loss for the year ended March 31, 2020

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue From Operations	27	12395.03	13415.71
Other Income	28	193.92	241.38
Total Income		12588.95	13657.09
EXPENSES			
Cost of materials consumed	29	6049.15	6352.59
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(524.80)	(47.25)
Employee benefits expense	31	3890.60	3405.57
Finance costs	32	280.87	316.49
Depreciation and amortisation expense	33	488.36	513.77
Other expenses	34	2721.73	2703.84
Total Expenses		12905.91	13245.01
Profit / (Loss) before tax		(316.96)	412.08
Tax expense:	35		
Current tax		-	100.64
Deferred tax/(Reversal)		(129.87)	(44.73)
Total Tax Expenses		(129.87)	55.91
Profit/(Loss) for the year		(187.09)	356.17
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss	36	(82.32)	(26.61)
(ii) Income tax relating to items that will not be reclassified to profit or loss	35.3	21.40	7.40
Other Comprehensive Income for the year (Net of taxes)		(60.92)	(19.21)
Total Comprehensive Income /(Loss) for the year		(248.01)	336.96
Earnings per equity share of par value of Rs. 10 each.	39		
(1) Basic (Rs.)		(7.83)	14.90
(2) Diluted (Rs.)		(7.83)	14.90

Significant Accounting Policies and other accompanying Notes (1 to 44) form an integral part of the financial statements

This is the Statement of Profit and Loss
as per our report of even date

For Ray & Ray
Chartered Accountants
(Firm's Registration No 301072E)

K.K. Ghosh
Partner
(Membership No. 059781)
Place: Kolkata
Date: 29th June, 2020

For and on behalf of the Board of Directors

I. Sen
Managing Director
(DIN No 00216190)

S.C. Saha
Company Secretary

S. Bagaria
Chairman
(DIN No 00233455)

A.K. Neogi
Chief Financial Officer

Statement of changes in Equity for the year ended March 31, 2020

A. Equity Share Capital	Amount (₹ in lakhs)
Balance as at April 1, 2018	239.03
Changes during the year	-
Balance as at March 31, 2019	239.03
Changes during the year	-
Balance as at March 31, 2020	239.03

B. Other Equity

As at March 31, 2020

(₹ in lakhs)

Particulars	Surplus				Items of other comprehensive income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	
Balance as at April 1, 2019	605.34	890.41	7301.82	824.52	(112.02)	9510.07
Total Comprehensive Income for the year	-	-	-	(187.09)	(60.92)	(248.01)
Dividends including dividend distribution tax	-	-	-	(28.82)	-	(28.82)
Transfer from Loan Ammortisation	-	-	-	0.63	-	0.63
Balance as at March 31, 2020	605.34	890.41	7301.82	609.24	(172.94)	9233.87

As at March 31, 2019

Particulars	Surplus				Items of other comprehensive income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	
Balance as at April 1, 2018	605.34	890.41	7301.82	468.35	(92.81)	9173.11
Total Comprehensive Income for the year	-	-	-	356.17	(19.21)	336.96
Balance as at March 31, 2019	605.34	890.41	7301.82	824.52	(112.02)	9510.07

Refer Note no. 18 for nature and purpose of reserves

This is the Statement of Changes in Equity
as per our report of even date

For Ray & Ray
Chartered Accountants
(Firm's Registration No 301072E)

K.K. Ghosh
Partner
(Membership No. 059781)
Place: Kolkata
Date: 29th June, 2020

For and on behalf of the Board of Directors

I. Sen
Managing Director
(DIN No 00216190)

S. Bagaria
Chairman
(DIN No 00233455)

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer

Cash Flow for the Year Ended March 31, 2020

(₹ in lakhs)

Particulars	Year ended		Year ended	
	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax		(316.96)		412.08
Add: Depreciation and amortisation expenses	488.36		513.77	
Irrecoverable Debts/Advances written off	33.16		63.55	
Provision for expected credit losses	23.25		(23.82)	
Finance Cost	280.87	825.64	316.49	869.99
		508.68		1282.07
Less: Interest Income	11.82		10.56	
Net gain/(loss) on sale of Current Investments	(41.71)		11.60	
Net gain/(loss) on fair valuation of investments through Profit and Loss	148.25		126.05	
Provisions/Liabilities no longer required written back	8.80		16.12	
Fair valuation of Surrender Value of Keyman Insurance policy	34.78		65.36	
Profit/(Loss) on sale/discard of Fixed Assets (Net)	10.30	172.24	2.91	232.60
Operating Profit before Working Capital changes		336.44		1049.47
Less: Increase/(Decrease) in Inventories	597.01		543.89	
Increase/(Decrease) in Trade Receivables	(172.45)		239.57	
Increase/(Decrease) in Loans & advances, other financial and non-financial assets	63.00		109.46	
(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	98.17	585.73	(389.90)	503.02
Cash generated from Operations		(249.29)		546.45
Less: Direct Taxes paid (Net)		113.01		2.35
Net cash flow from Operating activities (A)		(362.30)		544.10
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment and movements in Capital work in progress	(618.44)		(166.18)	
(Purchase)/Sale of Investment (net)	474.15		420.38	
Interest received	14.59		2.88	
Maturity of Keyman Insurance Policy	656.40		-	
Investment in fixed deposits (having original maturity of more than 3 months)	(37.89)	488.81	11.49	268.57
Net Cash flow from Investing activities (B)		488.81		268.57
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayments) from short term borrowings (net)	1289.97		109.52	
Proceeds/(Repayments) from long term borrowings (net)	(993.15)		(608.24)	
Interest and other borrowing cost paid	(285.85)		(322.27)	
Dividends	(30.64)	(19.67)	(1.75)	(822.74)
Net cash flow from Financing activities (C)		(19.67)		(822.74)
Cash and Cash equivalents (A+B+C)		106.84		(10.07)
Cash and Cash equivalents as at 1st April		116.07		126.14
Cash and Cash equivalents as at 31st March (Refer note no. 13)		222.91		116.07

Note: The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7- 'Statement of Cash Flows'.

This is the Cash Flow Statement as per our report of even date

For Ray & Ray
Chartered Accountants
(Firm's Registration No 301072E)

K.K. Ghosh
Partner
(Membership No. 059781)
Place: Kolkata
Date: 29th June, 2020

For and on behalf of the Board of Directors

I. Sen
Managing Director
(DIN No 00216190)

S.C. Saha
Company Secretary

S. Bagaria
Chairman
(DIN No 00233455)

A.K. Neogi
Chief Financial Officer

Notes to Financial Statements for the year ended March 31, 2020

1 Corporate Information

International Combustion (India) Limited is a public limited company in India, having its registered office in Kolkata, West Bengal located in India engaged in the manufacture and supply of Heavy Engineering Equipment, Geared Motors and Gear Boxes and Dry Mix Mortars. The Company's shares are listed and publicly traded on the Bombay Stock Exchange Limited.

The Consolidated Financial Statements relates to International Combustion (India) Limited (hereinafter referred to as 'the Company') and its joint ventures as detailed below:

Investment in Joint Ventures

Name of the Joint Venture	Principal Activity	Principal place of business	Effective proportion of ownership interest (%)	
			As at March 31, 2020	As at March 31, 2019
Mozer Process Technology Private Limited	Trading in Mozer Dryers	India	50.00%	50.00%

2 Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2016 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017 and therefore Ind ASs issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements.

3 Significant Accounting Policies

3.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention except certain financial instruments which are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

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

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

Fair Value Measurement

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 under current market conditions.

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- (a) **Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) **Level 2:** Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- (c) **Level 3:** Inputs for the asset or liability which are not based on observable market data.

3.2 Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or deemed cost on the date of transition or construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. Cost of an asset comprises its purchase price or its construction cost including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, inward freight, dismantling costs, installation expenses and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management. For major projects, interest and other costs incurred on / related to direct borrowings to finance projects / fixed assets during construction period and related pre-operative expenses, if appropriate, are capitalized.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred.

Capital Work-in-progress includes preoperative and development expenses of equipments to be installed, construction and erection materials, advances etc. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

Depreciation and Amortization of Expenses:

Depreciation on Property, Plant and Equipment (other than on certain building and vehicles which is amortised over the period of lease) is provided on useful life as specified in Schedule II of the Companies Act, 2013 on the following basis:

- (a) Nagpur, Aurangabad and Ajmer Units - on straight line method;
- (b) Other Units - on written down value method.
- (c) Leasehold Land being perpetuity in nature and having a term upto 99 years of lease with an option of renewal has not been amortised.

Intangible assets are amortized on straight line method over a period of six years.

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

Depreciation on Property, Plant and Equipments commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets for the current period are as follows.

Category	Useful life (years)
Buildings	
Non-Factory Building (RCC Frame Structure)	60
Factory Building	30
Roads	
Carpeted Roads-RCC	-
Carpeted Roads-other than RCC	-
Non-Carpeted Roads	3
Plant and machinery	
Continuous Process Plant	15
Computer equipment	
Servers and networks	6
Others	3
Furniture and fixtures and Laboratory Equipment's	10
Office equipment	5
Vehicles	
Motor cycles, scooters and other mopeds	-
Others	8

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

3.3 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, Technical Knowhow fees, cost of computer software packages (ERP and others) and Patents are amortized over a period of 6 years.

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

3.4 De-recognition of Tangible assets

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

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

3.5 Leases

Leases are classified as finance leases, whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Any initial direct costs of the lessee are added to the amount recognised as an asset. Each lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities.

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless the lease arrangements are structured to increase in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.6 Impairment of Tangible Assets

Tangible assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the Statement of Profit and Loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost to disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

3.7 Financial assets and financial liabilities

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

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

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

(i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial Assets and Financial Liabilities measured at amortised cost

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

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) Financial Asset at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through Other Comprehensive Income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in Other Comprehensive Income.

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

(v) Financial Assets or Liabilities at Fair value through Profit or Loss (FVTPL)

Financial Instruments which does not meet the criteria of amortised cost or fair value through Other Comprehensive Income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Statement of Profit and Loss.

(vi) Investments in Joint Venture are being carried at cost.

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

(vii) Impairment of financial assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

(viii) Derecognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in Statement of Profit and Loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Equity to Profit or Loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

3.8 Inventories

Inventories are valued at lower of cost or net realisable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in case of work-in-progress and finished goods represent material, labour, and other appropriate overheads. Cost in respect of raw materials, components, stores and spares include expenses incurred for procuring the same.

3.9 Asset Held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria are met: (i) decision has been made to sell (ii) the assets are available for immediate sale in its present condition (iii) the assets are being actively

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.10 Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the Profit and Loss Account. Foreign exchange gain/loss to the extent considered as adjustment to interest cost are considered as part of borrowing cost.

3.11 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements 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 when there is 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 same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

3.13 Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the Statement of Profit and Loss

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

for the year in which the related service is rendered. Contribution to defined contribution plans such as Provident Fund , Superannuation Fund and Pension Fund is being made in accordance with statute and are recognised as and when incurred.

Contribution to defined contribution schemes such as Provident Fund, Superannuation Fund etc. and are recognized as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity scheme and Interest Rate Guarantee on Provident Fund schemes which are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in Other Comprehensive Income.

Other long term employee benefits consisting of leave encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in the Statement of Profit and Loss.

3.14 Revenue

Sale of goods:

Revenue from contract with customers is recognised when the Company satisfies performance obligations by transferring promised goods and services to the customer. Performance obligations are said to be satisfied at a point of time when the customer obtains controls over the assets.

Revenue is considered at the fair value of consideration received or receivable when the significant risk and rewards of goods and ownership of goods have been transferred and the amount thereof can be measured reliably. This represents the net invoice value of goods supplied after deducting discounts, rebates and taxes collected on behalf of third parties and is inclusive of goods and service tax which the Company pays as principal.

Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

Export Benefits

Export benefits are accounted for as and when the ultimate realisability of such benefits are established.

3.15 Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under “Other Income” or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

3.16 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

3.17 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in Equity or Other Comprehensive Income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with the same will be realised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

3.18 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares

3.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes.

“Unallocated Corporate Expenses” include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

4 Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the Balance Sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

4.1 An arrangement containing leases and classification of leases

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

4.2 Depreciation / amortization and impairment loss on property, plant and equipment

Property, plant and equipment and intangible assets are depreciated/ amortized on straight-line /written down value basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The Company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

4.3 Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

4.4 Income taxes

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized. MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and is included in Deferred Tax Assets. The Company reviews the same at each Balance Sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to absorb such credit during the specified period.

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

4.5 Provisions and Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy. Based on management best estimates the same does not qualify for recognition in the financial statements.

4.6 Insurance Claim and Liquidated damages

Insurance claims are accounted as and when admitted/settled. Liquidated damages and penalties are accounted for in accordance with the terms of agreement for loss of opportunity/profit of the Company due to delay in completion. Subsequent changes in value if any are provided for.

4.7 Defined benefit obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose/ Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.8 Impairment on Investments in Joint Venture

Investments in Joint Venture are been carried at cost. The Company has tested for impairment at year end based on the Net Asset Value computed with reference to the book value/ projected discounted cash flow of such Company in respect of unquoted investments.

80 Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

5. Property, Plant and Equipment:

As at March 31, 2020

Particulars	(₹ in lakhs)											
	Freehold land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Total	Capital Work-in-progress	Total Property, Plant and Equipment including Work-in-progress
Gross Block as at April 1, 2019	3.04	549.04	1234.27	591.33	3038.98	81.09	68.62	5.16	264.17	5835.70	-	5835.70
Additions	-	-	27.01	-	557.18	1.96	-	0.68	1.07	587.90	-	587.90
Disposals	-	-	-	-	20.47	-	-	-	-	20.47	-	20.47
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	3.04	549.04	1261.28	591.33	3575.69	83.05	68.62	5.84	265.24	6403.13	-	6403.13
Accumulated Depreciation as at April 1, 2019	-	0.15	194.13	120.63	991.44	45.53	31.46	2.66	82.24	1468.24	-	1468.24
Charge for the period	-	0.04	41.68	35.18	344.32	8.60	13.84	0.96	26.02	470.64	-	470.64
Disposals	-	-	-	-	20.47	-	-	-	-	20.47	-	20.47
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	0.19	235.81	155.81	1315.29	54.13	45.30	3.62	108.26	1918.41	-	1918.41
Net carrying amount as at March 31, 2020	3.04	548.85	1025.47	435.52	2260.40	28.92	23.32	2.22	156.98	4484.72	-	4484.72

As at March 31, 2019

Particulars	(₹ in lakhs)											
	Freehold land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Total	Capital Work-in-progress	Total Property, Plant and Equipment including Work-in-progress
Gross Block as at April 1, 2018	3.04	549.04	1193.76	578.35	2911.90	71.08	12.60	4.09	260.03	5583.89	38.79	5622.68
Additions	-	-	40.51	13.16	127.08	10.01	52.74	1.07	4.20	248.77	-	248.77
Disposals	-	-	-	0.18	-	-	1.59	-	0.06	1.83	-	1.83
Adjustment	-	-	-	-	-	-	4.87	-	-	4.87	(38.79)	(33.92)
As at March 31, 2019	3.04	549.04	1234.27	591.33	3038.98	81.09	68.62	5.16	264.17	5835.70	-	5835.70
Accumulated Depreciation as at April 1, 2018	-	0.10	126.59	83.33	660.64	34.10	6.42	1.58	55.26	968.02	-	968.02
Charge for the period	-	0.05	67.54	37.30	330.80	11.43	20.27	1.08	26.99	495.46	-	495.46
Disposals	-	-	-	-	-	-	0.10	-	0.01	0.11	-	0.11
Adjustment	-	-	-	-	-	-	4.87	-	-	4.87	-	4.87
As at March 31, 2019	-	0.15	194.13	120.63	991.44	45.53	31.46	2.66	82.24	1468.24	-	1468.24
Net carrying amount as at March 31, 2019	3.04	548.89	1040.14	470.70	2047.54	35.56	37.16	2.50	181.93	4367.46	-	4367.46

Notes:

5.1 The Company has elected to continue with the carrying value of its Property, Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

5. Property, Plant and Equipment (Contd.):

Notes: (Contd.)

5.2 The Building Material Division of the Company for the manufacture of dry mix product has been commissioned on March 31, 2016.

5.3 Refer Notes 19.2, 19.3 and 21 to financial statements in respect of charges created against borrowings.

5.4 Details of assets under lease included above

A. Finance Lease disclosures :

The leasehold lands located at Nagpur, Aurangabad, Ajmer and Kolkata has been classified under finance lease. The lease term ranges from 89 to 99 years.

The net carrying amount of the leasehold land, classified as finance lease, is Rs 548.84 lakh as at March 31, 2020 (March 31, 2019 : Rs 548.89 lakh).

Finance Lease Liabilities

(₹ in lakhs)

Particulars	Minimum Lease Payments		Present Value of Minimum Lease	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Not later than one year	0.38	0.38	0.16	0.16
Later than one year and not later than five years	2.23	2.16	0.67	0.67
Later than five years	189.43	189.89	1.53	1.63

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

6. Intangible Assets:

As at March 31, 2020

Particulars	(₹ in lakhs)					
	Technical Knowhow fees	ERP Software	Autocad Software	Total	Capital Work-in-progress	Total Other Intangible Assets including Work-in-progress
Gross Block as at April 1, 2019	84.72	23.64	6.76	115.12	-	115.12
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2020	84.72	23.64	6.76	115.12	-	115.12
Accumulated Depreciation as at April 1, 2019	30.93	11.48	4.86	47.27	-	47.27
Charge for the period	12.81	3.94	0.97	17.72	-	17.72
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2020	43.74	15.42	5.83	64.99	-	64.99
Net carrying amount as at March 31, 2020	40.98	8.22	0.93	50.13	-	50.13

As at March 31, 2019

Particulars	(₹ in lakhs)					
	Technical Knowhow fees	ERP Software	Autocad Software	Total	Capital Work-in-progress	Total Other Intangible Assets including Work-in-progress
Gross Block as at April 1, 2018	84.72	23.64	6.76	115.12	-	115.12
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2019	84.72	23.64	6.76	115.12	-	115.12
Accumulated Depreciation as at April 1, 2018	18.12	7.54	3.30	28.96	-	28.96
Charge for the period	12.81	3.94	1.56	18.31	-	18.31
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2019	30.93	11.48	4.86	47.27	-	47.27
Net carrying amount as at March 31, 2019	53.79	12.16	1.90	67.85	-	67.85

Notes:

6.1 The Company has elected to continue with the carrying value of its Intangible Assets recognised as on April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

7. Non-Current Investments

(Fully paid up except otherwise stated)

(₹ in lakhs)

Particulars of Investment	As at March 31, 2020		As at March 31, 2019	
	Holding	Value	Holding	Value
	(Nos.)		(Nos.)	
A) Investments in Equity Instruments				
Investment measured at Cost				
Unquoted				
Joint Venture -				
Mozer Process Technology Private Limited (Face value of Rs.10/- each)	500000	50.00	500000	50.00
Total of (A)		50.00		50.00
B) Investment in Mutual Funds				
Investment measured at fair value through Profit and Loss				
Quoted				
Reliance Corporate Bond	-	-	1875314.12	275.74
L&T FMP Sr.XVII - Plan B(1452D) Growth Plan (Face Value of Rs. 10 each)	5000000	589.16	5000000	537.25
DSP BlackRock FMP Series 238 36M Regular Growth (Face Value of Rs. 10 each)	3000000	346.12	3000000	317.71
HDFC FMP 1213 D Mar 2017(1) Reg Gr (Face Val- ue of Rs. 10 each)	-	-	3000000	345.51
ICICI Prudential FMP Series 81 -1101 Days-Plan E (Face Value of Rs. 10 each)	-	-	2000000	226.32
Total of (B)		935.28		1702.53
Total -Non -Current Investments (A+B)....		985.28		1752.53
Aggregate NAV of Quoted Investments -				
Mutual Funds		935.28		1702.53

7.1 The Company as on the transition date has adopted the policy to measure investment in Joint Venture at Cost

7.2 Particulars of Investments as required under section 186(4) of the Companies Act, 2013 has been disclosed herein above

7.3 Refer Note No. 19.1 and 21.2 to financial statements in respect of charges created against borrowings

7.4 Details of Joint Venture in accordance with Ind AS 112 "Disclosure of Interest in other entities":

Name of the Company	Country	Proportion of Ownership Interest/Voting rights by the Company
Mozer Process Technology Private Limited	India	50%

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

8. Other Financial Assets

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good			
Security Deposits		73.29	65.12
Fixed Deposit with Banks (having original maturity of more than 1 year)	14.1	75.80	1.30
Accrued Interest on Fixed Deposit with Banks (having original maturity of more than 1 year)		0.68	0.35
Capital Advance		1.00	-
Surrender Value of Keyman Insurance Policy		-	621.62
		150.77	688.39

9. Deferred Tax Assets

The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet:

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Deferred tax Assets		545.66	406.38
Deferred tax Liabilities		386.31	398.30
Net Deferred Tax Assets/(Liabilities)		159.35	8.08

Components of Deferred tax Assets/(Liabilities) as at March 31, 2020 are given below:

Particulars	As at April 1, 2019	Charge/ (Credit) recognised in Profit and Loss	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2020
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	3.15	0.21	-	2.94
Leasehold liability	0.68	0.08	-	0.60
MAT Credit Entitlement	177.75	-	-	177.75
Unabsorbed depreciation loss	97.24	(129.78)	-	227.02
Provision for expected credit losses against financial assets	13.78	(5.14)	-	18.92
Expenses allowable on payment basis	64.88	16.75	-	48.13
Remeasurement of defined benefit obligations	48.90	-	(21.40)	70.30
Total Deferred Tax Assets	406.38	(117.88)	(21.40)	545.66
Deferred Tax Liabilities:				
Fair valuation (gain)/loss on Investments	71.74	(0.21)	-	71.53
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	326.04	(11.43)	-	314.61
Borrowings designated at Amortised Cost	0.52	(0.35)	-	0.17
Total Deferred Tax Liabilities	398.30	(11.99)	-	386.31
Net Deferred Tax Assets/ (Liabilities)	8.08	(129.87)	(21.40)	159.35

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

9. Deferred Tax Assets (Contd.)

Components of Deferred tax Assets/(Liabilities) as at March 31, 2019 are given below:

(₹ in lakhs)

Particulars	As at April 1, 2018	Charge/ (Credit) recognised in Profit and Loss	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2019
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	3.50	0.35	-	3.15
Leasehold liability	0.82	0.14	-	0.68
MAT Credit Entitlement	77.11	(100.64)	-	177.75
Unabsorbed depreciation loss	201.84	104.60	-	97.24
Provision for expected credit losses against financial assets	22.69	8.91	-	13.78
Expenses allowable on payment basis	80.10	15.22	-	64.88
Remeasurement of defined benefit obligations	41.50	-	(7.40)	48.90
Total Deferred Tax Assets	427.56	28.58	(7.40)	406.38
Deferred Tax Liabilities:				
Fair valuation (gain)/loss on Investments	91.51	(19.77)	-	71.74
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	378.42	(52.38)	-	326.04
Borrowings designated at Amortised Cost	1.68	(1.16)	-	0.52
Total Deferred Tax Liabilities	471.61	(73.31)	-	398.30
Net Deferred Tax Assets/ (Liabilities)	(44.05)	(44.73)	(7.40)	8.08

10. Inventories

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Raw materials		1923.58	1892.60
Work-in-progress		1099.20	629.33
Finished goods		1242.04	1187.11
Packing Materials		31.95	24.52
Stores and spares		248.75	214.95
		4545.52	3948.51

Note : Refer Note No. 21.1 to financial statements in respect of charges created against borrowings

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

11. Current Investments

(Fully paid up except otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Holding (Nos.)	Value	Holding (Nos.)	Value
Investment measured at fair value through Profit and Loss				
Investment in Mutual Funds				
Mutual Funds (Quoted)				
Kotak FMP Series 127 -730 Days (Face Value of Rs. 10 each)	-	-	1500000	240.85
Kotak FMP 183 -Direct Plan Growth (Face Value of Rs. 10 each)	-	-	42000	5.21
Kotak FMP 186 -Direct Plan Growth (Face Value of Rs. 10 each)	-	-	50000	6.74
BOI AXA Corporate Credit Spectrum Fund (Face Value of Rs. 10 each)	-	-	837478.85	110.85
Kotak FMP Series 194 Direct Plan Growth (Face Value of Rs. 10 each)	-	-	30000	3.77
UTI Credit Risk Fund - Regular Growth Plan (Face Value of Rs. 10 each)	-	-	315471.35	52.77
HDFC FMP 1213 D Mar 2017(1) Reg Gr (Face Value of Rs. 10 each)	3000000	376.10	-	-
ICICI Prudential FMP Series 81 -1101 Days-Plan E (Face Value of Rs. 10 each)	2000000	247.38	-	-
ICICI Prudential Short Term Fund Growth (Face Value of Rs. 38.6586 each)	465615.583	196.35	-	-
Total		819.83		420.19
Aggregate amount of NAV of Quoted Investments				
- In Mutual Funds		819.83		420.19

11.1 Refer Note No. 19.1 and 21.2 to financial statements in respect of charges created against borrowings.

11.2 Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in Note No. 7 and 11.

12. Trade Receivables

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Secured, considered good		-	-
Unsecured, considered good		3847.63	4076.49
Receivables having significant increase in Credit Risk		72.77	49.52
		3920.40	4126.01
Less: Impairment allowances for doubtful debts	12.2	(72.77)	(49.52)
		3847.63	4076.49

12.1 Refer Note No. 21.1 to financial statements in respect of charges created against borrowings

12.2 Movement of Impairment allowances for doubtful debts

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the year		49.52	73.34
Recognised during the year		23.25	-
Reversal during the year		-	(23.82)
Balance at the end of the year		72.77	49.52

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

13. Cash and Cash Equivalents

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Balances with banks			
In current and cash credit accounts		217.65	113.82
Cash on hand		5.26	2.25
		222.91	116.07

14. Bank Balances Other than Cash and Cash Equivalents

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Other Balances with banks			
In Margin Money Accounts	14.1	78.45	113.24
In Unpaid Dividend Account		4.70	6.52
		83.15	119.76

14.1 Fixed Deposits with banks in Margin Money Account amounting Rs.154.25 lakhs (March 31, 2019: Rs 114.54 lakhs) includes Rs 75.80 lakhs (March 31, 2019: Rs 1.30 lakhs) disclosed under non-current "Other financial assets" in Note 8 have been lodged with Banks as margin money against guarantee issued by them.

15. Other Financial Assets

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Export Incentive receivable		4.09	31.75
Others		-	13.03
Accrued Interest on Fixed Deposit with Banks (having original maturity of less than 1 year)		4.23	7.33
		8.32	52.11

15.1 Refer Note No. 21.1 to financial statements in respect of charges created against borrowings

16. Other Current Assets

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Advances for supply of goods		100.29	41.16
Balance with Government authorities		442.73	419.69
Prepaid expenses		33.37	32.11
Loans and advances to employees		14.79	10.03
Others		14.76	7.43
		605.94	510.42

16.1 Refer Note No. 21.1 to financial statements in respect of charges created against borrowings

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

17. Equity Share Capital

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Authorised			
50,00,000 (March 31, 2019: 50,00,000) Equity Shares of Rs.10 each		500.00	500.00
		500.00	500.00
Issued, Subscribed and Paid-up			
23,90,276 (March 31, 2019: 23,90,276) Equity Shares of Rs.10 each		239.03	239.03
		239.03	239.03

17.1 The Company has one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

17.2 Reconciliation of the number of equity shares outstanding

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Number of shares at the beginning		2390276	2390276
Add: Addition during the year		0	0
Number of shares at the end		2390276	2390276

17.3 Shareholders holding more than 5% equity shares

Name of shareholders	% of holding	Note No.	As at March 31, 2020	As at March 31, 2019
Tradelink Securities Limited	14.38		343703	343703
Stephen Court Limited	11.68		279088	279088
Woolworth Merchandise Private Limited	7.14		170609	170609

18. Other Equity

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Capital Reserve	18.2	605.34	605.34
Securities Premium	18.3	890.41	890.41
General Reserve	18.4	7301.82	7301.82
Retained Earnings	18.5	609.24	824.52
Other Comprehensive Income			
Re-measurement of Defined benefit plans	18.6	(172.94)	(112.02)
		9233.87	9510.07

18.1 Refer Statement of changes in Equity for movement in balances of reserves

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

18. Other Equity (Contd.)

18.2 Capital Reserve

Capital Reserve comprises of:

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(a) Capital Profit on sale of land & building		550.05	550.05
(b) Profit on reissue of forfeited Debentures		0.29	0.29
(c) Subsidy from State Government against capital investment in new units		55.00	55.00
		605.34	605.34

18.3 Securities Premium

Securities Premium represents the amount received in excess of par value of securities and is available for utilisation as specified under section 52 of Companies Act, 2013.

18.4 General Reserve

The General Reserve is used from time to time by appropriating profits from retained earnings. As the General Reserve is created by a transfer from one component of equity to another, it is not reclassified to the Statement of Profit and Loss.

18.5 Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the Company.

18.6 Other Comprehensive Income

Other Comprehensive Income represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions have been recognised in OCI and will not be reclassified to Statement of Profit and Loss.

18.7 The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. Thus, the amounts reported above are not entirely distributable.

19. Borrowings

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020		As at March 31, 2019	
		Non Current	Current	Non Current	Current
Secured					
Term Loan from Bank	19.1 and 19.2	28.52	300.00	677.14	640.66
Vehicle Finance loan from Bank	19.3	25.89	4.97	30.86	4.50
		54.41	304.97	708.00	645.16

19.1 Term Loan from Kotak Bank is secured by way of lien on investments in units of Mutual Fund held by the Company and is repayable in 60 monthly instalments starting from January, 2016. The Interest rate is Base Rate + 185 basis points which is currently 11.35%. The outstanding as on March 31, 2020 is Rs Nil (March 31, 2019: Rs. 690.96 lakhs)

19.2 Term Loan from Axis Bank is secured by way of exclusive hypothecation charge over movable fixed assets at Ajmer unit, equitable mortgage over Company's leasehold land and building thereon situated at Ajmer and second charge as collateral securities by way of equitable mortgage on immovable assets located at Nagpur and Aurangabad units on which first charge is held for working capital facilities for Baidyabati, Nagpur and Aurangabad units. The Interest rate is Base Rate + 250 basis points which is currently 12.00%. The outstanding as on March 31, 2020 is Rs.328.52 lakhs (March 31, 2019: Rs. 626.84 lakhs)

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

19. Borrowings (Contd.)

19.3 Finance lease obligation is secured against car taken on two finance lease and are repayable in 60 and 36 monthly instalments starting from June, 2018 and March, 2016 respectively. The Interest rate is 10.1389% and 9.40% respectively. The outstanding as on March 31, 2020 is Rs 30.86 lakhs (March 31, 2019: Rs 35.36 lakhs)

19.4 Terms of Repayment:

(₹ in lakhs)

Particulars	Term Loan	Vehicle Finance Loan
2020-21	300.00	4.97
2021-22	28.52	5.50
2022-23	-	6.09
2023-24	-	14.30

19.5 The outstanding balance disclosed in Note no. 19 are based on the amortised cost in accordance with Ind AS 109 "Financial Instruments".

20. Provisions

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	39	219.47	149.32
		219.47	149.32

21. Borrowings

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Secured			
Repayable on demand			
Working capital facilities from banks			
Indian Currency	21.1 and 21.2	2089.67	970.08
Buyer's Credit	21.3	170.38	-
		2260.05	970.08

21.1 Loans repayable on demand being Working Capital facilities from UCO Bank and Axis Bank (both fund based and non-fund based) are secured by hypothecation of stock of raw materials, work-in-progress, finished goods, stores and spares, trade receivables and other current assets of the Company and all moveable assets and by equitable mortgage by deposit of title deeds of immoveable properties comprising of land and buildings of the Company's factories situated at Nagpur and Aurangabad.

21.2 Loans repayable on demand being Working Capital facilities from Kotak Mahindra Bank is secured by way of lien on investments in units of mutual funds held by the Company.

21.3 Buyer's Credit is secured against hypothecation of the plant and equipment purchased there against

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

22. Trade Payables

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Payable for Goods and Services			
Total outstanding dues of micro and small Enterprises	22.1	786.23	106.76
Total outstanding dues of creditors other than micro and small Enterprises		1631.27	2461.48
		2417.50	2568.24

22.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

Particulars	As at March 31, 2020	As at March 31, 2019
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	786.23	106.76
Interest	-	-
b) The amount of interest paid by the Company in terms of Section 16 of the "Micro, Small and Medium Enterprise Development Act, 2006" (27 of 2006) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year:	Nil	Nil
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as 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	Nil	Nil

23. Other Financial Liabilities

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Current maturities of long term debt- Secured	19	300.00	640.66
Current maturities of finance lease obligation- Secured	19	4.97	4.50
Interest accrued but not due on borrowings		3.35	8.33
Unclaimed dividends		4.70	6.52
Capital vendors		47.46	87.30
		360.48	747.31

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

24. Other Current Liabilities

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Advance from customers		726.66	486.57
Statutory dues-PF, ESI, Goods and Service Tax, TDS etc.		305.39	505.26
Others		-	0.04
		1032.05	991.87

25. Provisions

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	38	112.92	97.16
		112.92	97.16

26. Current Tax Liabilities (Net)

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Provision for taxation (net of advance tax)		33.77	146.78
		33.77	146.78

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

27. Revenue From Operations

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products		12266.26	13195.43
Sale of Services		35.79	74.18
Other operating revenues			
Scrap Sales		75.96	119.74
Liabilities no longer required written back		8.80	16.12
Incentive on exports		8.22	10.24
		12395.03	13415.71

27.1 The Company has adopted Ind AS 115, "Revenue from Contracts with Customers" which is mandatory for reporting from the period beginning on after 1st April, 2018. Adoption of this standard did not have any material impact on the financial results of the Company.

28. Other Income

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income			
On deposits, overdue debts etc.		11.82	10.56
Net gain/(loss) on redemption of Current investments		(41.71)	11.60
Net gain/(loss) on fair valuation of investments through Profit and Loss		148.25	126.05
Profit/(loss) on sale of fixed assets (net)		10.30	2.91
Net gain/(loss) on foreign currency transaction and translation		-	5.23
Fair valuation of Surrender Value of Keyman Insurance policy		34.78	65.36
Miscellaneous income		30.48	19.67
		193.92	241.38

29. Cost of materials consumed

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Material Consumed		6049.15	6352.59

30. Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock			
Finished Goods		1187.11	1248.00
Work-in-Progress		629.33	521.19
		1816.44	1769.19
Less: Closing Stock			
Finished Goods		1242.04	1187.11
Work-in-Progress		1099.20	629.33
		2341.24	1816.44
		(524.80)	(47.25)

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

31. Employee Benefits Expense

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages		3039.89	2645.57
Contribution to provident and other funds		240.37	212.72
Travelling and Conveyance		477.86	407.17
Staff welfare expenses		132.48	140.11
		3890.60	3405.57

32. Finance Costs

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense		87.92	187.93
Other borrowing cost		192.95	128.56
		280.87	316.49

33. Depreciation and Amortisation Expenses

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation Expenses	5	470.64	495.46
Amortisation Expenses	6	17.72	18.31
		488.36	513.77

34. Other Expenses

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumable Stores		313.30	368.52
Packing Materials consumed (net of recoveries)		194.01	196.48
Power and fuel		224.75	224.70
Rent		37.85	29.33
Repairs to buildings		26.65	31.66
Repairs to machinery		13.53	10.91
Repairs to others		62.62	69.91
Insurance		14.83	11.16
Rates and taxes		21.03	24.74
Directors fees and Commission		6.60	19.36
Selling and Distribution Expenses	34.2	702.71	637.41
Auditors' Remuneration	34.1	5.00	4.15
Irrecoverable Debts/Advances written off		33.16	63.55
Royalty		321.86	356.61
Communication Expenses		29.35	30.34
Provision for expected Credit losses		23.25	-
Consultancy		55.90	60.52
Freight and Forwarding Charges (Net of realisation of Rs. 29.56 lakhs (March 31, 2019: Rs. 26.97 lakhs))		211.08	209.33
Net (gain)/loss on foreign currency transaction and translation		5.10	-
Miscellaneous expenses	34.3	419.15	355.16
		2721.73	2703.84

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

34. Other Expenses (Contd.)

34.1 Auditor's Remuneration comprises of:

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Audit Fees		4.00	3.25
(b) Certification and other expenses		1.00	0.90

34.2 Selling and Distribution Expenses comprises of:

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Travelling Expenses		390.62	421.10
(b) Commission on Sales		116.25	80.73
(c) Other Expenses		195.84	135.58

34.3 During the year, the Company has incurred Rs. 2.20 lakhs (March 31, 2019 Rs. 1.10 lakhs) on account of Corporate Social Responsibility (CSR) expenses.

34.4 Operating Lease disclosures:

The Company has operating lease arrangements for office accommodations etc. with tenure extending upto 1 or 3 or 5 yrs. Term of certain lease arrangements include escalation clause for rent on expiry of 12 or 24 or 36 months as the case may be from the commencement date of such lease and deposit / refund of security deposit etc. Expenditure incurred on account of rent during the year and recognized in the Profit and Loss account amounts to Rs.37.85 lakhs (March 31, 2019- Rs. 29.33 lakhs).

35. Tax Expenses - Current Tax

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Provision for Current Tax		-	100.64
		-	100.64

35.1 Components of Tax Expense:

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Tax			
In respect of the current year		-	100.64
Total Current Tax Expense recognised in the current year		-	100.64
Deferred Tax			
In respect of the current year		(129.87)	(44.73)
Total Deferred Tax Expense recognised in the current year		(129.87)	(44.73)
Total Tax Expense recognised in the current year		(129.87)	55.91

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

35. Tax Expenses - Current Tax (Contd.)

35.2 Reconciliation of Income tax expense for the year with accounting profit is as follows:

Taxable Income differs from “Profit before tax” as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax		(316.96)	412.08
Income tax expense calculated at 26%*		(82.41)	114.64
Less : Effect of			
Difference in tax rate for Long Term Capital Gain		(15.42)	(15.32)
Effect of other adjustments		(32.04)	(43.41)
Income tax expense recognised in Profit and Loss		(129.87)	55.91

* The tax rate used for reconciliations above is the corporate tax rate of 26% payable by corporate entities in India on taxable profits under the Indian tax laws.

35.3 Income tax recognised in Other Comprehensive Income

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred tax			
Arising on income and expenses recognised in Other Comprehensive Income:			
Tax impact on Remeasurement of defined benefit obligation		21.40	7.40
Total income tax recognised in Other Comprehensive Income		21.40	7.40
Bifurcation of the income tax recognised in Other Comprehensive Income into:-			
Items that will not be reclassified to Profit and Loss		21.40	7.40
Items that may be reclassified to Profit and Loss		-	-

36. Components of Other Comprehensive Income

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Items that will not be reclassified to Statement of Profit and Loss-			
Remeasurement of gains / (losses) on defined benefit plans		(82.32)	(26.61)
		(82.32)	(26.61)

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

37. Financial Instruments

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

(₹ in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Financial Assets designated at Amortised Cost				
Trade receivables	3847.63	3847.63	4076.49	4076.49
Cash and Cash Equivalents	222.91	222.91	116.07	116.07
Bank Balances other than Cash and Cash Equivalents	83.15	83.15	119.76	119.76
Loans and Other financial assets	159.09	159.09	740.50	740.50
Financial Assets designated at Fair Value through Profit and Loss Account				
Investment in Mutual Funds	1755.11	1755.11	2122.72	2122.72
Financial Liabilities (Current and Non-Current)				
Financial Liabilities designated at Amortised Cost				
Borrowings	2619.43	2619.43	2323.24	2323.24
Trade Payables	-	-	-	-
Other financial liabilities	55.51	55.51	102.15	102.15

Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, trade receivables, trade payables, current financial liabilities/financial assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.

A substantial portion of the company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

Investments (other than Investments in Joint Venture) i.e. Mutual Funds are determined by reference to the quoted market prices (i.e. NAV) at the reporting date multiplied by the quantity held.

Fair value hierarchy

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2020:

(₹ in lakhs)

Particulars	As at March 31*	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial Assets				
Investment in Mutual Funds (Current and Non-Current) - 2020	1755.11	1755.11	-	-
- 2019	(2122.72)	(2122.72)	-	-
- 2018	[2405.45]	[2405.45]	-	-

(*) Figures in round brackets () indicate figures as at March 31, 2019 and in brackets [] indicate figures as at April 01, 2018

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

37. Financial Instruments (Contd.)

During the year ended March 31, 2020 and March 31, 2019, there were no transfers between Level 1, Level 2 and Level 3.

The Inputs used in fair valuation measurement are as follows:

Fair valuation of Financial assets and liabilities not within the operating cycle of the Company is amortised based on the borrowing rate of the Company.

Financial instruments are valued based on quoted price for similar assets and liabilities in active market or similar inputs that are directly or indirectly observable in the market place.

Financial Risk Factors

The Company's activities expose it to a variety of financial risks. The key financial risk includes market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company has an Enterprise Risk Management (ERM) process which involves periodic identification of risks likely to affect the business adversely, rating the risks, their importance and likelihood, preparation of risk identification procedures, implementation of risk mitigation plans and its continuous monitoring by the Executive Management/ Divisional Heads. The Risk Management Committee has already identified the risks in the various business areas and it also develops and monitors various mitigation strategies and plans in these areas to reduce or eliminate the likelihood of such risks. The presence in India of players with low cost products which has intensified the competition in the large domestic market consequently shrinking the margins for the Company's products is an area of risk. To mitigate the risk involved in this area, steps have been initiated to move ahead of the competition with the Company's strong brand image along with upgradation of technology, carving out a niche product portfolio and effective marketing framework.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are foreign currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments and trade and other payables.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated transactions.

The Company is having a net foreign exchange outflow and has adopted a comprehensive risk management review system wherein it evaluates exchange rate exposure arising from these transactions and follows established risk management policies.

The carrying amount of various exposure to foreign currency at the end of the reporting period are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2020			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	6.35	170.38	8.97	(173.00)
EURO	25.14	-	58.67	(33.53)
Total	31.49	170.38	67.64	(206.53)

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

37. Financial Instruments (Contd.)

(₹ in lakhs)

Particulars	As at March 31, 2019			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	0.16	-	-	0.16
EURO	23.18	-	37.84	(14.66)
Total	23.34	-	37.84	(14.50)

The Company is principally exposed to foreign currency risk against USD & EURO. Sensitivity of profit or loss arises mainly from USD & EURO denominated are as follows:

(₹ in lakhs)

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Receivables (Weaking of INR by 5%)		
USD	0.32	0.01
EURO	1.26	1.16
Payables (Weaking of INR by 5%)		
USD	(8.97)	-
EURO	(2.93)	(1.89)

A 5% strengthening of INR would have an equal and opposite effect on the Company's financial statements

Interest rate risk

The Company's exposure in market risk related to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Borrowings at fixed interest rate exposes the Company to the fair value interest rate risk.

Further, there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. These deposits are however generally for trade purposes and as such does not cause material implication.

With all other variables held constant, the following table demonstrates the impact of exposure of Company's borrowings to interest rate changes at the end of the reporting period. A hypothetical basis point shift, as detailed below, would result in a corresponding increase or decrease in interest costs for the Company on a yearly basis.

(₹ in lakhs)

Nature of Borrowing	Increase in basis points	For the year ended March 31, 2020	For the year ended March 31, 2019
Foreign Currency Loan	+0.25	0.43	-
Rupee Loan	+0.50	12.09	11.44

A decrease in 0.50 basis point in Rupee Loan and 0.25 basis point in foreign currency loan would have an equal and opposite effect on the Company's financial statements

Other price risk

The Company's exposure in Joint Venture are carried at cost and these are subject to impairment testing as per the policy followed in this respect. Further, the investment in mutual funds which are fair valued through

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

37. Financial Instruments (Contd.)

profit and loss are material as these are Fixed Maturity Plan(FMP) that are closed ended scheme with a pre-defined maturity which is subject to investment objective and allocation which is basically in debt instruments, Certificate of Deposits and Commercial papers. Accordingly, other price risk of the financial instrument to which the Company is exposed is not expected to be material.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). To manage this, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Collection of sale proceeds promptly from the clients on sale of products is also an area where risk is involved. The Company has adopted various recovery measures for improvement in collection and liquidity position which is also monitored by the Executive Management at regular intervals.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the year, there are no single customer accounted for more than 10% of the accounts receivable and 10% of revenue as at March 31, 2020 and March 31, 2019 respectively.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery thereagainst has been considered to be remote.

Financial assets that are neither past due nor impaired

Cash and Cash Equivalents, investment and deposits with banks are neither past due nor impaired. Cash and Cash Equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

Trade Receivables disclosed include amounts that are past due at the end of the reporting period but against which the Company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. The Company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement. The Company has laid down procedure for smooth servicing of the Term Loan for Building Material Division through the maturity proceeds of the Investment in FMP.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at the Balance Sheet date:

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

37. Financial Instruments (Contd.)

Interest rate and currency of borrowings

(₹ in lakhs)

Particulars	As at March 31, 2020			
	Total Borrowings	Floating rate Borrowings	Fixed rate Borrowings	Weighted average Interest Rate (%)
INR	2449.05	2418.19	30.86	-
DOLLAR	170.38	170.38	-	-
Total	2619.43	2588.57	30.86	-

Particulars	As at March 31, 2019			
	Total Borrowings	Floating rate Borrowings	Fixed rate Borrowings	Weighted average Interest Rate (%)
INR	2323.24	2287.88	35.36	-
EURO	-	-	-	-
Total	2323.24	2287.88	35.36	-

Maturity Analysis of Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2020					
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	2619.43	2089.67	152.42	152.55	224.79	2619.43
Other Liabilities	55.51	4.70	50.81	-	-	55.51
Trade and other payables	-	-	-	-	-	-

Particulars	As at March 31, 2019					
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	2323.24	970.08	320.54	324.62	708.00	2323.24
Other Liabilities	102.15	14.85	87.30	-	-	102.15
Trade and other payables	-	-	-	-	-	-

The Company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The Company has laid down procedure for smooth servicing of the Term Loan for Building Material Division through the maturity proceeds of the Investment in FMP. Further, the Company relies on mix of borrowings and excess operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

37. Financial Instruments (Contd.)

The gearing ratio are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	2619.43	2323.24
Equity	9472.90	9749.10
Gearing Ratio	0.28	0.24

38. Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on “Employee Benefits” are given below:

a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized for the year are as under:

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer’s Contribution to Provident Fund	108.91	95.81
Employer’s Contribution to Pension Fund	62.45	59.72
Employer’s Contribution to Superannuation Fund	-	1.43
Employers State Insurance Fund	13.62	29.97

b) Defined Benefit Plans

The employee’s gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2019-20	2018-19
a) Change in the fair value of the defined benefit obligation:		
Liability at the beginning of the year	869.88	764.86
Interest Cost	66.99	57.89
Current Service Cost	62.36	51.65
Actuarial (gain) / loss on obligations	75.90	21.45
Benefits paid	(83.89)	(25.97)
Liability at the end of the year	991.24	869.88
b) Changes in the Fair Value of Plan Asset		
Fair value of Plan Assets at the beginning of the year	780.20	698.45
Expected Return on Plan Assets	60.34	53.78
Contributions by the Company	90.60	59.10
Benefits paid	(83.89)	(25.97)
Actuarial gain / (loss) on Plan Assets	(6.42)	(5.16)
Fair value of Plan Assets at the end of the year	840.83	780.20

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

38. Post Retirement Employee Benefits (Contd.)

b) Defined Benefit Plans (Contd.)

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2019-20	2018-19
c) Actual return on Plan Asset		
Expected return on Plan assets	60.34	53.78
Actuarial gain / (loss) on Plan Assets	(6.42)	(5.16)
Actual Return on Plan Assets	53.92	48.62
d) Amount Recognized in Balance Sheet		
Liability at the end of the year	991.24	869.88
Fair value of Plan Assets at the end of the year	840.83	780.20
	150.41	89.68
e) Components of Defined Benefit Cost		
Current Service Cost	62.36	51.65
Interest Cost	66.99	57.89
Expected Return on Plan Assets	(60.34)	(53.78)
Net Actuarial (gain) / loss on remeasurement recognised in OCI	82.32	26.61
Total Defined Benefit Cost recognised in Profit and Loss and OCI	151.33	82.37
f) Balance Sheet Reconciliation		
Opening Net Liability	89.68	66.41
Expenses as above	151.33	82.37
Employers Contribution	(90.60)	(59.10)
Amount Recognized in Balance Sheet	150.41	89.68
g) Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	7.00%	7.70%
Salary Escalation - First 5 years	6.00%	6.00%
Salary Escalation - After 5 years	6.00%	6.00%
Rate of Return on Plan Assets	7.00%	7.70%

h) Percentage allocation of plan assets in respect of fund managed by insurer is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
G-Sec/ Corporate Securities	-	-
Equity	-	-
Fixed Deposit and other Assets	-	-
Insurance Policies	100.00%	100.00%

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

38. Post Retirement Employee Benefits (Contd.)

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity except remeasurement benefit which is treated as part of OCI. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at March 31, 2020 is given below:

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Leave Encashment	145.29	111.60

Particulars	Leave Encashment (Non-Funded)	
	2019-20	2018-19
a) Change in the fair value of the defined benefit obligation:		
Liability at the beginning of the year	111.60	113.13
Interest Cost	8.59	7.47
Current Service Cost	32.85	37.03
Benefits paid	(39.33)	(32.12)
Actuarial (gain) / loss on obligations	31.58	(13.91)
Liability at the end of the year	145.29	111.60
b) Amount Recognized in Balance Sheet		
Liability at the end of the year	145.29	111.60
Fair value of Plan Assets at the end of the year	-	-
	145.29	111.60
c) Components of Defined Benefit Cost		
Current Service Cost	32.85	37.03
Interest Cost	8.59	7.47
Expected Return on Plan Assets	-	-
Net Actuarial (gain) / loss on remeasurement recognised in Profit & Loss	31.58	(13.91)
Total Defined Benefit Cost recognised in Profit and Loss and OCI	73.02	30.59
d) Balance Sheet Reconciliation		
Opening Net Liability	111.60	113.13
Expenses as above	73.02	30.59
Benefits paid	(39.33)	(32.12)
Amount Recognized in Balance Sheet	145.29	111.60
e) Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	7.00%	7.70%
Salary Escalation - First 5 years	6.00%	6.00%
Salary Escalation - After 5 years	6.00%	6.00%
Rate of Return on Plan Assets	N.A	N.A

Notes:

- Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

38. Post Retirement Employee Benefits (Contd.)

Recognised in Other Comprehensive Income

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	
For the year ended March 31, 2019	26.61
Remeasurement - Actuarial loss/(gain)	
For the year ended March 31, 2020	82.32

Sensitivity analysis:

Particulars	Change in Assumption	Defined Benefit Obligation	
		Gratuity	Leave Encashment
For the year ended March 31, 2019			
Discount Rate	+1%	822.47	104.82
	-1%	922.67	119.23
Salary Growth Rate	+1%	921.23	119.40
	-1%	822.54	104.60
Withdrawal Rate	+1%	874.32	112.38
	-1%	865.00	110.73
For the year ended March 31, 2020			
Discount Rate	+1%	935.70	136.82
	-1%	1053.19	154.85
Salary Growth Rate	+1%	1051.03	154.88
	-1%	936.03	136.71
Withdrawal Rate	+1%	993.97	145.85
	-1%	988.19	144.67

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (Projected Unit Credit Method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

History of experience adjustments is as follows:

Particulars	Gratuity	Leave Encashment
For the year ended March 31, 2019		
Plan Liabilities - (loss)/gain	15.80	(12.59)
Plan Assets - (loss)/gain	5.16	-
For the year ended March 31, 2020		
Plan Liabilities - (loss)/gain	34.44	25.91
Plan Assets - (loss)/gain	6.43	-

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Gratuity	Leave Encashment
01 Apr 2020 to 31 Mar 2021	232.24	40.99
01 Apr 2021 to 31 Mar 2022	50.48	40.84
01 Apr 2022 to 31 Mar 2023	79.21	11.83
01 Apr 2023 to 31 Mar 2024	84.6	9.41
01 Apr 2024 to 31 Mar 2025	93.47	13.44
01 Apr 2025 to 31 Mar 2030	519.24	63.49

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

38. Post Retirement Employee Benefits (Contd.)

Estimate of expected benefit payments (In absolute terms i.e. undiscounted) (Contd.)

Particulars	As at March 31, 2020	As at March 31, 2019
Average no of people employed	484	474

39. Calculation of Earning Per Share is as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Net profit for Basic and Diluted Earnings Per Share as per Statement of Profit and Loss	(187.09)	356.17
(b) Weighted average number of equity shares for calculation of Basic and Diluted Earnings Per Share (Face value Rs. 10/- per share)		
No of equity shares outstanding as on 31st March	2390276	2390276
Number of equity shares considered in calculating basic and diluted EPS	2390276	2390276
(c) Weighted average number of equity shares outstanding	2390276	2390276
(d) Earnings per share (EPS) of Equity Share of Rs. 10 each:		
a) Basic (Rs.)	(7.83)	14.90
b) Diluted (Rs.)	(7.83)	14.90

40. Contingent Liabilities not provided for in respect of:

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding Bank Guarantees	69.46	65.90

41. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on “Related Party Disclosures” are as follows:

A) Names of related parties and description of relationship

- | | |
|-----------------------------------|---|
| 1) Joint Venture Company | Mozer Process Technology Pvt. Ltd. |
| 2) Key Management Personnel (KMP) | Mr. Indrajit Sen - Managing Director
Mr. Asish Kumar Neogi - Chief Financial Officer
Mr. Suhas Chandra Saha - Company Secretary |
| 3) Non-Executive Directors | Mr. Sanjay Bagaria - Chairman
Mr. Ratan Lal Gaggar - Director
Mr. Ravi Ranjan Prasad - Director (resigned w.e.f. 19th November, 2019)
Mrs. (Prof.) Bharati Ray - Director
Mr. Sandipan Chakravorty - Director (admitted w.e.f.7th February,2020)
Mr. Sanjoy Saha - Director (admitted w.e.f.7th February,2020) |

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

41. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on “Related Party Disclosures” are as follows: (Contd.)

B) Related Party Transactions for the year ended March 31st, 2020

(₹ in lakhs)

Particulars	Joint Venture Company	KMP	Non-Executive Directors	Total	Outstanding as on March 31, 2020	Outstanding as on March 31, 2019
Remuneration						
Mr. Indrajit Sen	-	208.75		208.75	0.15	
Mr. Asish Kumar Neogi	-	43.00		43.00	-	-
Mr. Suhas Chandra Saha	-	44.74		44.74		
Total	-	296.49		296.49	0.15	-
Previous Year						
Mr. Indrajit Sen	-	193.74		193.74	-	-
Mr. Asish Kumar Neogi	-	39.54		39.54	-	-
Mr. Suhas Chandra Saha	-	41.67		41.67		
Sitting Fees						
Mr. Sanjay Bagaria	-	-	1.60	1.60		
Mr. Ratan Lal Gaggar	-	-	1.90	1.90	-	-
Mr. Ravi Ranjan Prasad	-	-	1.00	1.00	-	-
Mrs. (Prof.) Bharati Ray	-	-	1.70	1.70	-	-
Mr. Sandipan Chakravortty			0.20	0.20		
Mr. Sanjoy Saha			0.20	0.20		
Previous Year						
Mr. Sanjay Bagaria	-	-	14.46	14.46	-	12.36
Mr. Ratan Lal Gaggar	-	-	1.60	1.60	-	-
Mr. Ravi Ranjan Prasad	-	-	1.50	1.50	-	-
Mrs. (Prof.) Bharati Ray	-	-	1.80	1.80	-	-
Sale of Stock in Trade						
Mozer Process Technology Pvt. Ltd.	181.59	-	-	-	-	-
Total	181.59	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	157.96	-	-	-	-	-
Recovery of Rent						
Mozer Process Technology Pvt. Ltd.	0.36	-	-	-	-	-
Total	0.36	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	0.36	-	-	-	-	-
Recovery of Selling and Distribution expenses						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Total	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Recovery of Misc. expenses						
Mozer Process Technology Pvt. Ltd.	1.85	-	-	-	-	-
Total	1.85	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	2.29	-	-	-	-	-
Advance Received						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	23.22	-	-	-	-	-
Receivable at year end						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

41. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on “Related Party Disclosures” are as follows: (Contd.)

C) Details of compensation paid to KMP during the year are as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Short-term employee benefits	-	-
Post-employment benefits*	-	-
Other long-term benefits*	-	-

* Post-employment benefits and other long-term benefits have been disclosed based on actual payment made on retirement/resignation of services, but does not includes provision made on actuarial basis as the same is available for all the employees together.

41.1 in respect of the above parties ,there is no provision for doubtful debts as on March 31, 2020 and no amount has been written off or written back during the year in respect of debt due from/to them.

41.2 The above related party information is as identified by the management and relied upon by the auditor.

42. Segment Information

a) Reportable Segments:

The Company’s operating segment are established on the basis of those component of the Company that are evaluated regularly by the Board (“The Chief Operating Decision Maker”) as defined in Ind AS 108 “Operating Segments”. The Company has three principal operating and reporting segments i.e.

- i) Mineral & Material Processing and Handling Equipment
- ii) Gear Box and Geared Motor Drive System
- iii) Building Material Division

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter Segment Transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

42. Segment Information (Contd.)

(b) Summary of segment information as at and for the year ended March 31, 2020 and March 31, 2019 is as follows:

(₹ in lakhs)

Particulars	Mineral & Material Processing And Handling Equipment		Gear Box and Gearing Motor Drive System		Building Material Division		Unallocated/Corporate		Eliminations		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Segment Revenue												
External Revenue	7011.24	8470.82	5019.22	4751.63	364.57	193.26	-	-	-	-	12395.03	13415.71
Inter-Segment Revenue	0.33	18.53	102.58	182.25	-	-	-	-	(102.91)	(200.78)	-	-
Total Revenue	7011.57	8489.35	5121.80	4933.88	364.57	193.26	-	-	(102.91)	(200.78)	12395.03	13415.71
Segment Result												
Add/(less):												
Interest earned on loans and deposits, income from current and non-current investments, Profit and Loss on sale of investments etc. - net	-	-	-	-	-	-	-	-	-	-	153.13	213.57
Finance costs	-	-	-	-	-	-	-	-	-	-	(280.87)	(316.49)
Provision for Taxes/(Reversal)	-	-	-	-	-	-	-	-	-	-	(129.87)	(55.91)
Profit for the year	-	-	-	-	-	-	-	-	-	-	(187.09)	356.17
Other Information												
Segment Assets	6123.25	6024.33	3950.85	3455.94	3041.64	3041.89	2688.47	3597.63	-	-	15804.21	16119.79
Segment Liabilities	2058.93	2246.54	1234.11	1241.18	67.66	111.88	510.50	455.93	-	-	3871.20	4055.53
Capital Expenditure												
Segment capital expenditure	207.03	96.86	327.14	58.66	16.79	16.29	36.94	69.18	-	-	587.90	240.99
Depreciation and Amortisation												
Segment depreciation and amortisation	92.68	86.81	163.24	161.47	161.02	189.03	71.42	76.46	-	-	488.36	513.77
Significant Non Cash Expenditure												
Segment significant Non Cash Expenditure	-	-	-	-	-	-	-	-	-	-	-	-

Notes to Financial Statements for the year ended March 31, 2020 (Contd.)

42. Segment Information (Contd.)

c) Geographical Information

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from sale of Products by Geographical Market		
Within India	11707.54	12770.37
Outside India	558.72	425.06
	12266.26	13195.43

43. Due to the effect of the COVID - 19 pandemic, there has been substantial disruption on the operations of the Company which has severely impacted the supply chain, consumer demand for the Company's products, availability of manpower due to restrictions on movement and travel and access to offices. The situation is still evolving and the management is continuously assessing and evaluating the situation with respect to the challenges faced.
44. These financial statements have been approved by the Board of Directors of the Company on 29th June, 2020 for issue to the shareholders for their adoption. Previous year's figures have been regrouped/ rearranged wherever necessary.

As per our report of even date

For Ray & Ray
Chartered Accountants
(Firm's Registration No 301072E)

K.K. Ghosh
Partner
(Membership No. 059781)

Place: Kolkata
Date: 29th June, 2020

For and on behalf of the Board of Directors

I. Sen
Managing Director
(DIN No 00216190)

S.C. Saha
Company Secretary

S. Bagaria
Chairman
(DIN No 00233455)

A.K. Neogi
Chief Financial Officer

Form AOC-I

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

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

Part "A": Subsidiaries - NIL

Part "B": Associates and Joint Ventures

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

1.	Name of Joint Venture Company	Mozer Process Technology Private Limited
2.	Latest audited Balance Sheet Date	31st March, 2020
3.	Date on which the Joint Venture Company was acquired	22nd May, 2013
4.	Shares of Joint Venture Company held by the Company on the year end:	
	No.	5,00,000 (Five Lakhs)
	Amount of Investment in the Joint Venture Company	Rs. 50.00 Lakhs
	Extent of Holding (in percentage)	50%
5.	Description of how there is significant influence	50% Equity Shareholding in the Joint Venture Company and joint control of its Board of Directors together with the Joint Venture Partner, M/s. Allgaier Werke, GmbH, Germany, in terms of the agreement dated 23rd July, 2012 for creation of the Joint Venture Company.
6.	Reason why the associate/joint venture is not consolidated	Not Applicable as the Consolidated Financial Statements have been prepared for the Financial Year ended 31st March, 2020.
7.	Networth attributable to Shareholding as per latest audited Balance Sheet	Rs. 1.89 Lakhs*
8.	Profit/(Loss) for the year	
	i. Considered in Consolidation	Rs. 3.84 Lakhs*
	ii. Not Considered in Consolidation	–

* The figures as given above are as per the Standalone Financial Statements of the Joint Venture Company and hence, effect of inter-company and other adjustments carried out on consolidation have not been considered for the purpose of the above disclosure.

As per our report of even date

For Ray & Ray
Chartered Accountants
(Firm's Registration No. 301072E)

K.K. Ghosh
Partner
(Membership No. 059781)
Place: Kolkata
Date: 29th June, 2020

For and on behalf of the Board of Directors

I. Sen
Managing Director
(DIN No. 00216190)

S. Bagaria
Chairman
(DIN No. 00233455)

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer

Five Years' Financial Statistics (Standalone)

(₹in lakhs)

	2015-16	2016-17	2017-18	2018-19	2019-20
OPERATING RESULTS:					
Sales	9132#	9678#	10493	13195	12266
Other Income	357	1011	460	462	323
Total Income	9489	10689	10953	13657	12589
Profit before Interest, Depreciation & Tax (PBIDT)	299	1180	561	1242	452
Interest	89	402	397	316	281
Depreciation	388	507	524	514	488
Profit before Tax/(Loss)	(178)	271	(360)	412	(317)
Profit after Tax/(Loss)	(51)	214	(235)	356	(187)
Comprehensive Income (net of tax)	-	(17)	(14)	(19)	(61)
Dividends	-	-	-	-**	-
Tax on Dividend	-	-	-	-**	-
Retained Profit	(51)	197*	(249)*	337*	(248)
NET ASSETS EMPLOYED					
Net Fixed Assets	4440	5111	4741	4435	4535
Net Current Assets *	5915	4973	5145	4367	4221
Other Non-current Assets (net)	1970	2144	1487	2300	1076
Net Assets Employed	12325	12228	11373	11102	9832
Financed by					
Shareholders' Fund	9182	9661	9412	9749	9473
Borrowings	3143	2567	1961	1353	359
Funds Employed	12325	12228	11373	11102	9832
RATIOS					
PBIDT to Sales (%)	3.27	12.19	5.35	9.41	3.68
Debt: Equity	0.34	0.27	0.21	0.14	0.04
Earnings per Share (Basic)	(2.14)	8.94	(9.83)	14.90	(7.83)
Dividend per Equity Share	-	-	-	-	-**
Book value per Share (Rs.)	384.14	404.18	393.76	407.86	396.31

- 1 Since the Company transitioned into Ind AS w.e.f. 1st April, 2016, the prior years' figures are not comparable
- 2 # Sales represent net of excise duty
- 3 *Includes short term investments
- 4 ** Dividend @10% amounting to Rs. 23.90 lakhs (2017-18 – Rs. NIL) excluding tax on dividend amounting to Rs. 4.92 lakhs has been paid for 2018-19 appropriating balance in Retained Earnings Account.

Independent Auditors' Report

To the Members of International Combustion (India) Limited

Report on Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of International Combustion (India) Limited (hereinafter referred to as the “Holding Company”) and its joint venture, which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (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 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 Group as at March 31, 2020, of consolidated loss, consolidated changes in equity and its 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 Companies Act, 2013 (‘the Act’). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Modified Audit Procedures carried out in light of COVID-19 outbreak:</p> <p>Due to COVID-19 pandemic, Nationwide lockdown and travel restrictions imposed by Central / State Government / Local Authorities, during the period of our audit and carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of some units of the Company.</p> <p>As we could not gather audit evidence in person or physically or through discussions and personal interactions with the officials at these units, we have identified such modified audit procedures as a Key Audit Matter.</p> <p>Accordingly, our audit procedures were modified to carry out the audit remotely.</p>	<p>Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to some of the units and carry out the audit processes physically at the respective offices.</p> <p>Wherever physical access was not possible, necessary records, reports, documents and certificates were made available to us by the unit through digital medium and emails. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Such restrictions in performing audit procedures have enhanced the risk in effectively carrying out the audit and the quality of audit evidence gathered by us.</p> <p>Accordingly, we modified our audit procedures as follows:</p> <p>Conducted verification of necessary records and documents electronically through remote access via emails in respect of some of the units wherever physical access was not possible.</p> <p>Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails.</p> <p>Making enquiries and gathering necessary audit evidence through dialogues and discussions over phone calls/conference calls, emails and similar communication channels.</p> <p>Resolution of our audit observations telephonically/ through email instead of a face-to-face interaction with the designated officials.</p> <p>Audit Conclusion: Our procedures did not identify any material exceptions.</p>

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

Emphasis of Matter

We draw attention to Note No. 43 of the Consolidated Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Management is evaluating the situation on an ongoing basis with respect to the challenges faced.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the draft Directors' Report including annexures to Directors' Report, which we obtained prior to the date of this auditors' report and other reports included in the Annual report, which are expected to be made available to us after that date, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the full Annual report which is expected to be made available to us after the date of this auditors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

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

The respective Board of Directors of the companies included in the Group and of its joint venture is responsible for overseeing the financial reporting process of the Group and of its joint venture.

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

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

As part of an audit in accordance with SAs, we exercise professional 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

- Obtain sufficient appropriate audit evidence regarding the financial information of the Group 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 the financial statements of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

Other Matters

We did not audit the financial statements of one jointly controlled entity included in the consolidated financial results, whose financial statements reflect total assets of Rs.26.76 lakh as at March 31, 2020, total revenues of Rs.220.89 lakh, total profit of Rs.6.96 lakh, total comprehensive income of Rs. 6.96 lakh and net cash flows of Rs.5.67 lakh for the year ended on March 31, 2020, as considered in the consolidated financial results. These financial statement have been audited by another auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the joint venture, is based solely on the report of the other auditor after considering the requirements of Standard of Auditing (SA 600) on 'using the work of another auditor including materiality' and the procedures performed by us as already stated above.

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not qualified in respect of the above matter with respect to our reliance on the work done by the other auditor and their report.

Report on Other Legal and Regulatory Requirements

- 1) Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of the sub-section (11) of section 143 of the Act, is not applicable on the consolidated financial statements as referred in proviso to Para 2 of the said Order.
- 2) As required by Section 143(3) of the Act, 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 report of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the relevant rules issued thereunder.
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report, according to the information and explanations given to us, managerial remuneration has been paid by the Company to its director during the year in accordance with the requirements of section 197(16) of the Act, as amended, and the rules framed thereunder.
 - (g) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure – A".
 - (h) 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, read with the Companies (Audit & Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor in case of the joint venture as noted in the "Other Matters" paragraph above:

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

- (i) There is no pending litigation on the Holding Company or its joint venture
- (ii) The Holding Company and its joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and the joint venture.

Place: Kolkata,
Date: 29th June, 2020

For **RAY & RAY**
Chartered Accountants
(Firm's Registration No: 301072E)

K K Ghosh
Partner
(Membership No.059781)
UDIN : 20059781AAAACG2407

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

“Annexure-A” to the Independent Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of the Holding Company and considered report of the other auditor of its joint venture incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its joint venture, are responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the “Other Matters” paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Independent Auditors' Report on Consolidated Financial Statements (Contd.)

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

According to the information and explanations given to us, and based on our audit, the Holding Company and its joint venture unit, in our opinion, have generally maintained, in all material respects, an adequate internal financial control over financial reporting and such internal financial controls over financial reporting were generally operating effectively as of March 31, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of 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.

However further improvement is required in the process of recording, reporting and documenting of scrap generated from operations including parameters of its risk assessment process and related risk mitigation measures towards strengthening of the monitoring mechanism in this respect aimed at providing for a complete and integrated information system consistent with financial reporting objectives.

Our opinion is not qualified in respect of this matter.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, in so far as it relates to the joint venture, is based on the corresponding report of the other auditor.

Place: Kolkata,
Date: 29th June, 2020

For RAY & RAY
Chartered Accountants
(Firm's Registration No: 301072E)
K K Ghosh
Partner
(Membership No.059781)
UDIN : 20059781AAAACG2407

Consolidated Balance Sheet as at March 31, 2020

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	5	4484.72	4367.46
(b) Intangible Assets	6	50.13	67.85
(c) Financial Assets			
(i) Investments	7	937.17	1702.53
(ii) Other financial assets	8	150.77	688.39
(d) Deferred Tax Assets	9	159.35	8.08
		5782.14	6834.31
Current Assets			
(a) Inventories	10	4545.52	3948.51
(b) Financial Assets			
(i) Investments	11	819.83	420.19
(ii) Trade Receivables	12	3847.63	4076.49
(iii) Cash and Cash equivalents	13	222.91	116.07
(iv) Bank Balances other than (iii) above	14	83.15	119.76
(v) Other financial assets	15	8.32	52.11
(c) Other Current Assets	16	605.94	510.42
		10133.30	9243.55
Total Assets		15915.44	16077.86
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	17	239.03	239.03
(b) Other Equity	18	9185.76	9460.07
		9424.79	9699.10
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
Borrowings	19	54.41	708.00
(b) Provisions	20	219.47	149.32
		273.88	857.32
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	2260.05	970.08
(ii) Trade Payables	22		
A. Total outstanding dues of micro enterprises and small enterprises		786.23	106.76
B. Total outstanding dues of creditors other than micro enterprises and small enterprises		1631.27	2461.48
(iii) Other financial liabilities	23	360.48	747.31
(b) Other Current Liabilities	24	1032.05	991.87
(c) Provisions	25	112.92	97.16
(d) Current Tax Liabilities (Net)	26	33.77	146.78
		6216.77	5521.44
Total Equity and Liabilities		15915.44	16077.86

Significant Accounting Policies and other accompanying Notes (1 to 44) form an integral part of the financial statements

This is the Balance Sheet as per our report of even date

For and on behalf of the Board of Directors

For Ray & Ray
Chartered Accountants
(Firm's Registration No 301072E)

I. Sen
Managing Director
(DIN No 00216190)

S. Bagaria
Chairman
(DIN No 00233455)

K.K. Ghosh
Partner
(Membership No. 059781)
Place: Kolkata
Date: 29th June, 2020

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue From Operations	27	12395.03	13415.71
Other Income	28	193.92	241.38
Total Income		12588.95	13657.09
EXPENSES			
Cost of materials consumed	29	6049.15	6352.59
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(524.80)	(47.25)
Employee benefits expense	31	3890.60	3405.57
Finance costs	32	280.87	316.49
Depreciation and amortisation expense	33	488.36	513.77
Other expenses	34	2721.73	2703.84
Total Expenses		12905.91	13245.01
Share of Profit /(Loss) of Joint Venture		1.89	(3.58)
Share of Unrealised Profit of Joint Venture			-
Profit / (Loss) before tax		(315.07)	408.50
Tax expense:	35		
Current tax		-	100.64
Deferred tax/(Reversal)		(129.87)	(44.73)
Total Tax Expenses		(129.87)	55.91
Profit/(Loss) for the year		(185.20)	352.59
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss	36	(82.32)	(26.61)
(ii) Income tax relating to items that will not be reclassified to profit or loss	35.3	21.40	7.40
Other Comprehensive Income for the year (Net of taxes)		(60.92)	(19.21)
Total Comprehensive Income /(Loss) for the year		(246.12)	333.38
Earnings per equity share of par value of Rs. 10 each.	39		
(1) Basic (Rs.)		(7.75)	14.75
(2) Diluted (Rs.)		(7.75)	14.75

Significant Accounting Policies and other accompanying Notes (1 to 44) form an integral part of the financial statements

This is the Statement of Profit and Loss
as per our report of even date

For Ray & Ray
Chartered Accountants
(Firm's Registration No 301072E)

K.K. Ghosh
Partner
(Membership No. 059781)

Place: Kolkata
Date: 29th June, 2020

For and on behalf of the Board of Directors

I. Sen
Managing Director
(DIN No 00216190)

S.C. Saha
Company Secretary

S. Bagaria
Chairman
(DIN No 00233455)

A.K. Neogi
Chief Financial Officer

Consolidated Statement of changes in Equity for the year ended March 31, 2020

A. Equity Share Capital	Amount (₹ in lakhs)
Balance as at April 1, 2018	239.03
Changes during the year	-
Balance as at March 31, 2019	239.03
Changes during the year	-
Balance as at March 31, 2020	239.03

B. Other Equity

As at March 31, 2020

(₹ in lakhs)

Particulars	Surplus				Items of other comprehensive income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	
Balance as at April 1, 2019	605.34	890.41	7301.82	774.52	(112.02)	9460.07
Total Comprehensive Income for the year	-	-	-	(185.20)	(60.92)	(246.12)
Dividends including dividend distribution tax	-	-	-	(28.82)	-	(28.82)
Transfer from Loan Ammortisation	-	-	-	0.63	-	0.63
Balance at March 31, 2020	605.34	890.41	7301.82	561.13	(172.94)	9185.76

As at March 31, 2019

Particulars	Surplus				Items of other comprehensive income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	
Balance as at April 1, 2018	605.34	890.41	7301.82	421.93	(92.81)	9126.69
Total Comprehensive Income for the year	-	-	-	352.59	(19.21)	333.38
Balance at March 31, 2019	605.34	890.41	7301.82	774.52	(112.02)	9460.07

Refer Note no. 18 for nature and purpose of reserves

This is the Statement of Changes in Equity
as per our report of even date

For Ray & Ray
Chartered Accountants
(Firm's Registration No 301072E)

K.K. Ghosh
Partner
(Membership No. 059781)
Place: Kolkata
Date: 29th June, 2020

For and on behalf of the Board of Directors

I. Sen
Managing Director
(DIN No 00216190)

S. Bagaria
Chairman
(DIN No 00233455)

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer

Consolidated Cash Flow For The Year Ended March 31, 2020

(₹ in lakhs)

Particulars	Year ended		Year ended	
	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax		(315.07)		408.50
Add: Depreciation and amortisation expenses	488.36		513.77	
Irrecoverable Debts/Advances written off	33.16		63.55	
Provision for expected Credit losses	23.25		(23.82)	
Finance Cost	280.87	825.64	316.49	869.99
		510.57		1278.49
Less: Interest Income	11.82		10.56	
Net gain/(loss) on sale of Current Investments	-		11.60	
Net gain/(loss) on fair valuation of investments through Profit and Loss	148.25		126.05	
Provisions/Liabilities no longer required written back	8.80		16.12	
Fair valuation of Surrender Value of Keyman Insurance policy	34.78		65.36	
Profit/(Loss) on sale/discard of Fixed Assets (Net)	10.30	213.95	2.91	232.60
Operating Profit before Working Capital changes		296.62		1045.89
Less: Increase/(Decrease) in Inventories	597.01		543.89	
Increase/(Decrease) in Trade Receivables	(172.45)		239.57	
Increase/(Decrease) in Loans & advances, other financial and non-financial assets	63.00		109.46	
(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	98.17	585.73	(389.90)	503.02
Cash generated from Operations		(289.11)		542.87
Less: Direct Taxes paid (Net)		113.01		2.35
Net cash flow from Operating activities (A)		(402.12)		540.52
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment and movements in Capital work in progress	(618.44)		(166.18)	
(Purchase)/Sale of Investment (net)	513.97		423.96	
Interest received	14.59		2.88	
Maturity of Keyman Insurance Policy	656.40			
Investment in fixed deposits (having original maturity of more than 3 months)	(37.89)	528.63	11.49	272.15
Net Cash flow from Investing activities (B)		528.63		272.15
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayments) from short term borrowings (net)	1289.97		109.52	
Proceeds/(Repayments) from long term borrowings (net)	(993.15)		(608.24)	
Interest and other borrowing cost paid	(285.85)		(322.27)	
Dividends	(30.64)	(19.67)	(1.75)	(822.74)
Net cash flow from Financing activities (C)		(19.67)		(822.74)
Cash and Cash equivalents (A+B+C)		106.84		(10.07)
Cash and Cash equivalents as at 1st April		116.07		126.14
Cash and Cash equivalents as at 31st March (Refer note no. 13)		222.91		116.07

Note: The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7- 'Statement of Cash Flows'.

This is the Cash Flow Statement as per our report of even date

For Ray & Ray
Chartered Accountants
(Firm's Registration No 301072E)

K.K. Ghosh
Partner
(Membership No. 059781)
Place: Kolkata
Date: 29th June, 2020

For and on behalf of the Board of Directors

I. Sen
Managing Director
(DIN No 00216190)

S.C. Saha
Company Secretary

S. Bagaria
Chairman
(DIN No 00233455)

A.K. Neogi
Chief Financial Officer

Notes to Consolidated Financial Statements for the year ended March 31, 2020

1 Corporate Information

International Combustion (India) Limited is a public limited company in India, having its registered office in Kolkata, West Bengal located in India engaged in the manufacture and supply of Heavy Engineering Equipment, Geared Motors and Gear Boxes and Dry Mix Mortars. The Company's shares are listed and publicly traded on the Bombay Stock Exchange Limited.

The Consolidated Financial Statements relates to International Combustion (India) Limited (hereinafter referred to as 'the Company') and its joint ventures as detailed below:

Investment in Joint Ventures

Name of the Joint Venture	Principal Activity	Country of incorporation	% of holding	
			As at March 31, 2020	As at March 31, 2019
Mozer Process Technology Private Limited	Trading in Mozer Dryers	India	50.00%	50.00%

2 Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2016 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017 and therefore Ind ASs issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements.

3 Significant Accounting Policies

3.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention except certain financial instruments which are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period.

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

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

Fair Value Measurement

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 under current market conditions.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- (a) **Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) **Level 2:** Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- (c) **Level 3:** Inputs for the asset or liability which are not based on observable market data.

Consolidation Procedure

The Consolidated Financial Statements have been prepared in accordance with principles laid down in Ind AS 110 on “Consolidated Financial Statements”, Ind AS 28 on “Accounting for Investments in Associates and Joint Ventures” as notified vide Companies (Accounting Standards) Rules, 2015 (as amended).

Investment in Associates and Joint Ventures

Investments in Associates and Joint Ventures are accounted in accordance with Ind AS - 28 on “Accounting for Investments in Associates and Joint Venture”, under “equity method”. Unrealised profit/loss are eliminated other than in respect of transactions pertaining to non depreciable assets.

The difference between the cost of investment in Associates and Joint Ventures and the share of net assets at the time of acquisition of such shares is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be. Under the equity method, the investments are recognised at cost and thereafter the carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group’s share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group’s interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

The statement of profit and loss reflects the Group’s share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

When the Group’s share of losses in an equity accounted investments equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payment on behalf of the other entity. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy of the group.

3.2 Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or deemed cost on the date of

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

transition or construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. Cost of an asset comprises its purchase price or its construction cost including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, inward freight, dismantling costs, installation expenses and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management. For major projects, interest and other costs incurred on / related to direct borrowings to finance projects / fixed assets during construction period and related pre-operative expenses, if appropriate, are capitalized.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred.

Capital Work-in-progress includes preoperative and development expenses of equipments to be installed, construction and erection materials, advances etc. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

Depreciation and Amortization of Expenses:

Depreciation on Property, Plant and Equipment (other than on certain building and vehicles which is amortised over the period of lease) is provided on useful life as specified in Schedule II of the Companies Act, 2013 on the following basis:

- (a) Nagpur, Aurangabad and Ajmer Units - on straight line method;
- (b) Other Units - on written down value method.
- (c) Leasehold Land being perpetuity in nature and having a term upto 99 years of lease with an option of renewal has not been amortised.

Intangible assets are amortized on straight line method over a period of six years.

Depreciation on Property, Plant and Equipments commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets for the current period are as follows.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

Category	Useful life (years)
Buildings	
Non-Factory Building (RCC Frame Structure)	60
Factory Building	30
Roads	
Carpeted Roads-RCC	-
Carpeted Roads-other than RCC	-
Non-Carpeted Roads -RCC	10
Non-Carpeted Roads	3
Plant and machinery	
Continuous Process Plant	15
Computer equipment	
Servers and networks	6
Others	3
Furniture and fixtures and Laboratory Equipment's	10
Office equipment	5
Vehicles	
Motor cycles, scooters and other mopeds	-
Others	8

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

3.3 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, Technical Knowhow fees, cost of computer software packages (ERP and others) and Patents are amortized over a period of 6 years.

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

3.4 Derecognition of Tangible assets

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

3.5 Leases

Leases are classified as finance leases, whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

present value of the minimum lease payments and a liability is recognised for an equivalent amount. Any initial direct costs of the lessee are added to the amount recognised as an asset. Each lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless the lease arrangements are structured to increase in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.6 Impairment of Tangible Assets

Tangible assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the Statement of Profit and Loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost to disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

3.7 Financial assets and financial liabilities

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

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

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at fair value through Profit and Loss (FVTPL) or at fair value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)**(i) Cash and cash equivalents**

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial Assets and Financial Liabilities measured at amortised cost

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

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) Financial Asset at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through Other Comprehensive Income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in Other Comprehensive Income.

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

(v) Financial Assets or Liabilities at Fair value through Profit or Loss (FVTPL)

Financial Instruments which does not meet the criteria of amortised cost or fair value through Other Comprehensive Income are classified as fair value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Statement of Profit and Loss.

(vi) Investments in Joint Venture are being carried at cost.

(vii) Impairment of financial assets

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

The Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

(viii) Derecognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in Statement of Profit and Loss.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Equity to Profit or Loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

3.8 Inventories

Inventories are valued at lower of cost or net realisable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in case of work-in-progress and finished goods represent material, labour, and other appropriate overheads. Cost in respect of raw materials, components, stores and spares include expenses incurred for procuring the same.

3.9 Asset Held for Sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criterias are met: (i) decision has been made to sell (ii) the assets are available for immediate sale in its present condition (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

3.10 Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the Profit and Loss Account. Foreign exchange gain/loss to the extent considered as adjustment to interest cost are considered as part of borrowing cost.

3.11 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements 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 when there is 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 same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

3.13 Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the related service is rendered.

Contribution to defined contribution plans such as Provident Fund , Superannuation Fund and Pension Fund is being made in accordance with statute and are recognised as and when incurred.

Contribution to defined contribution schemes such as Provident Fund, Superannuation Fund etc. and are recognized as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity scheme and Interest Rate Guarantee on Provident Fund schemes which are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

arising from experience adjustments and changes in actuarial assumptions are recognized in Other Comprehensive Income.

Other long term employee benefits consisting of leave encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in the Statement of Profit and Loss.

3.14 Revenue

Sale of goods:

Revenue from contract with customers is recognised when the Company satisfies performance obligations by transferring promised goods and services to the customer. Performance obligations are said to be satisfied at a point of time when the customer obtains controls over the assets.

Revenue is considered at the fair value of consideration received or receivable when the significant risk and rewards of goods and ownership of goods have been transferred and the amount thereof can be measured reliably. This represents the net invoice value of goods supplied after deducting discounts, rebates and taxes collected on behalf of third parties and is inclusive of goods and service tax which the Company pays as principal.

Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

Export Benefits

Export benefits are accounted for as and when the ultimate realisability of such benefits are established.

3.15 Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under “Other Income” or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

3.16 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

3.17 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in Equity or Other Comprehensive Income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with the same will be realised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

3.18 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares

3.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods. Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

“Unallocated Corporate Expenses” include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments”

4 Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the Balance Sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

4.1 An arrangement containing leases and classification of leases

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

4.2 Depreciation / amortization and impairment loss on property, plant and equipment

Property, plant and equipment and intangible assets are depreciated/ amortized on straight-line /written down value basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The Company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

4.3 Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

4.4 Income taxes

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized. MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and is included in Deferred Tax Assets. The Company reviews the same at each Balance Sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to absorb such credit during the specified period.

4.5 Provisions and Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy. Based on management best estimates the same does not qualify for recognition in the financial statements.

4.6 Insurance Claim and Liquidated damages

Insurance claims are accounted as and when admitted/settled. Liquidated damages and penalties are accounted for in accordance with the terms of agreement for loss of opportunity/profit of the Company due to delay in completion. Subsequent changes in value if any are provided for.

4.7 Defined benefit obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose/ Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.8 Impairment on Investments in Joint Venture

Investments in Joint Venture are been carried at cost. The Company has tested for impairment at year end based on the Net Asset Value computed with reference to the book value/ projected discounted cash flow of such Company in respect of unquoted investments.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

5. Property, Plant and Equipment:

As at March 31, 2020

Particulars	(₹ in lakhs)											
	Freehold land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Total	Capital Work-in-progress	Total Property, Plant and Equipment including Work-in-progress
Gross Block as at April 1, 2019	3.04	549.04	1234.27	591.33	3038.98	81.09	68.62	5.16	264.17	5835.70	-	5835.70
Additions	-	-	27.01	-	537.18	1.96	-	0.68	1.07	587.90	-	587.90
Disposals	-	-	-	-	20.47	-	-	-	-	20.47	-	20.47
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	3.04	549.04	1261.28	591.33	3575.69	83.05	68.62	5.84	265.24	6403.13	-	6403.13
Accumulated Depreciation as at April 1, 2019	-	0.15	194.13	120.63	991.44	45.53	31.46	2.66	82.24	1468.24	-	1468.24
Charge for the period	-	0.04	41.68	35.18	344.32	8.60	13.84	0.96	26.02	470.64	-	470.64
Disposals	-	-	-	-	20.47	-	-	-	-	20.47	-	20.47
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	0.19	235.81	155.81	1315.29	54.13	45.30	3.62	108.26	1918.41	-	1918.41
Net carrying amount as at March 31, 2020	3.04	548.85	1025.47	435.52	2260.40	28.92	23.32	2.22	156.98	4484.72	-	4484.72

As at March 31, 2019

Particulars	(₹ in lakhs)											
	Freehold land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Total	Capital Work-in-progress	Total Property, Plant and Equipment including Work-in-progress
Gross Block as at April 1, 2018	3.04	549.04	1193.76	578.35	2911.90	71.08	12.60	4.09	260.03	5583.89	38.79	5622.68
Additions	-	-	40.51	13.16	127.08	10.01	52.74	1.07	4.20	248.77	-	248.77
Disposals	-	-	-	0.18	-	-	1.59	-	0.06	1.83	-	1.83
Adjustment	-	-	-	-	-	-	4.87	-	-	4.87	(38.79)	(33.92)
As at March 31, 2019	3.04	549.04	1234.27	591.33	3038.98	81.09	68.62	5.16	264.17	5835.70	-	5835.70
Accumulated Depreciation as at April 1, 2018	-	0.10	126.59	83.33	660.64	34.10	6.42	1.58	55.26	968.02	-	968.02
Charge for the period	-	0.05	67.54	37.30	330.80	11.43	20.27	1.08	26.99	495.46	-	495.46
Disposals	-	-	-	-	-	-	0.10	-	0.01	0.11	-	0.11
Adjustment	-	-	-	-	-	-	4.87	-	-	4.87	-	4.87
As at March 31, 2019	-	0.15	194.13	120.63	991.44	45.53	31.46	2.66	82.24	1468.24	-	1468.24
Net carrying amount as at March 31, 2019	3.04	548.89	1040.14	470.70	2047.54	35.56	37.16	2.50	181.93	4367.46	-	4367.46

Notes:

5.1 The Company has elected to continue with the carrying value of its Property, Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

5. Property, Plant and Equipment (Contd.):

Notes: (Contd.)

5.2 The Building Material Division of the Company for the manufacture of dry mix product has been commissioned on March 31, 2016.

5.3 Refer Notes 19.2, 19.3 and 21 to financial statements in respect of charges created against borrowings.

5.4 Details of assets under lease included above

A. Finance Lease disclosures :

The leasehold lands located at Nagpur, Aurangabad, Ajmer and Kolkata has been classified under finance lease. The lease term ranges from 89 to 99 years.

The net carrying amount of the leasehold land, classified as finance lease, is Rs 548.84 lakh as at March 31, 2020 (March 31, 2019 : Rs 548.89 lakh).

Finance Lease Liabilities

(₹ in lakhs)

Particulars	Minimum Lease Payments		Present Value of Minimum Lease	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Not later than one year	0.38	0.38	0.16	0.16
Later than one year and not later than five years	2.23	2.16	0.67	0.67
Later than five years	189.43	189.89	1.53	1.63

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

6. Intangible Assets:

As at March 31, 2020

Particulars	(₹ in lakhs)					
	Technical Knowhow fees	ERP Software	Autocad Software	Total	Capital Work-in-progress	Total Other Intangible Assets including Work-in-progress
Gross Block as at April 1, 2019	84.72	23.64	6.76	115.12	-	115.12
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2020	84.72	23.64	6.76	115.12	-	115.12
Accumulated Depreciation as at April 1, 2019	30.93	11.48	4.86	47.27	-	47.27
Charge for the period	12.81	3.94	0.97	17.72	-	17.72
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2020	43.74	15.42	5.83	64.99	-	64.99
Net carrying amount as at March 31, 2020	40.98	8.22	0.93	50.13	-	50.13

As at March 31, 2019

Particulars	(₹ in lakhs)					
	Technical Knowhow fees	ERP Software	Autocad Software	Total	Capital Work-in-progress	Total Other Intangible Assets including Work-in-progress
Gross Block as at April 1, 2018	84.72	23.64	6.76	115.12	-	115.12
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2019	84.72	23.64	6.76	115.12	-	115.12
Accumulated Depreciation as at April 1, 2018	18.12	7.54	3.30	28.96	-	28.96
Charge for the period	12.81	3.94	1.56	18.31	-	18.31
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at March 31, 2019	30.93	11.48	4.86	47.27	-	47.27
Net carrying amount as at March 31, 2019	53.79	12.16	1.90	67.85	-	67.85

Notes:

6.1 The Company has elected to continue with the carrying value of its Intangible Assets recognised as on April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

7. Non-Current Investments

(Fully paid up except otherwise stated)

(₹ in lakhs)

Particulars of Investment	As at March 31, 2020		As at March 31, 2019	
	Holding (Nos)	Value	Holding (Nos)	Value
A) Investments in Equity Instruments				
Investment measured at Cost				
Unquoted				
Joint Venture -				
Mozer Process Technology Private Limited (Face value of Rs.10/- each)	500000	-	500000	3.58
Share of Profit /(Loss) of Joint Venture		1.89		(3.58)
Total of (A)		1.89		-
B) Investment in Mutual Funds				
Investment measured at fair value through Profit and Loss				
Quoted				
Reliance Corporate Bond	-	-	1875314.12	275.74
L&T FMP Sr.XVII - Plan B(1452D) Growth Plan (Face Value of Rs. 10 each)	5000000	589.16	5000000	537.25
DSP BlackRock FMP Series 238 36M Regular Growth (Face Value of Rs. 10 each)	3000000	346.12	3000000	317.71
HDFC FMP 1213 D Mar 2017(1) Reg Gr (Face Value of Rs. 10 each)	-	-	3000000	345.51
ICICI Prudential FMP Series 81 - 1101 Days-Plan E (Face Value of Rs. 10 each)	-	-	2000000	226.32
Total of (B)		935.28		1702.53
Total-Non-Current Investments (A+B)....		937.17		1702.53
Aggregate NAV of Quoted Investments -				
Mutual Funds		935.28		1702.53

- 7.1 The Company as on the transition date has adopted the policy to measure investment in Joint Venture at Cost
- 7.2 Particulars of Investments as required under section 186(4) of the Companies Act, 2013 has been disclosed herein above
- 7.3 Refer Note No. 19.1 and 21.2 to financial statements in respect of charges created against borrowings
- 7.4 Summarised financial information of Joint Venture:

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

7. Non-Current Investments (Contd.)

(Fully paid up except otherwise stated) (Contd.)

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Summarised financial information		
1) Balance Sheet		
(i) Non-Current Assets		
Intangible Assets	-	0.01
Deferred Tax Asset	0.01	-
(ii) Current Assets		
(a) Inventories	-	-
(b) Financial Assets		
Trade Receivables	6.30	6.30
Cash and cash equivalents	12.13	6.46
Bank balances other than above	-	-
(c) Other current assets	8.32	31.66
(iii) Non-Current Liabilities		
(a) Deferred Tax Liabilities (Net)	-	-
(iv) Current Liabilities		
(a) Trade Payables	9.13	7.75
(b) Current Liabilities (Net)	13.86	39.87
2) Statement of Profit and Loss		
Revenue From Operations	220.29	157.96
Other Income	0.60	2.50
Purchase of Stock-in-trade	181.59	138.28
Employee benefits expense	20.59	21.68
Depreciation and amortisation expense	0.01	0.03
Other expenses	11.74	10.81
Profit before tax	6.96	(10.34)
Profit for the year	6.96	(10.34)
Total Comprehensive Income for the year	6.96	(10.34)

7.9 Reconciliation of the above summarised information to the carrying amount of the interest in Associates and Joint Ventures recognised in the consolidated financial statement

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Closing Net Assets	3.77	(3.18)
Proportion of the Parent's ownership interest in JV / associates (%)	50.00%	50.00%
Proportion of the Parent's ownership interest in JV / associates (INR)	1.89	(1.59)
Less: Unrealised Profit on Stock	-	-
Less: Deferred Tax recognition on Unabsorbed business loss	-	-
Net Assets as per Consolidated Financial statement (to the extent of carrying value of investment)	1.89	(1.59)

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

8. Other Financial Assets

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good			
Security Deposits		73.29	65.12
Fixed Deposit with Banks (having original maturity of more than 1 year)	14.1	75.80	1.30
Accrued Interest on Fixed Deposit with Banks (having original maturity of more than 1 year)		0.68	0.35
Capital Advance		1.00	-
Surrender Value of Keyman Insurance Policy		-	621.62
		150.77	688.39

9. Deferred Tax Assets

The following is the analysis of Deferred Tax Assets/(Liabilities) presented in the Balance Sheet:

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Deferred tax Assets		545.66	406.38
Deferred tax Liabilities		386.31	398.30
Net Deferred Tax Assets/(Liabilities)		159.35	8.08

Components of Deferred tax Assets/(Liabilities) as at March 31, 2020 are given below:

Particulars	As at April 1, 2019	Charge/ (Credit) recognised in Profit and Loss	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2020
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	3.15	0.21	-	2.94
Leasehold liability	0.68	0.08	-	0.60
MAT Credit Entitlement	177.75	-	-	177.75
Unabsorbed depreciation loss	97.24	(129.78)	-	227.02
Provision for expected credit losses against financial assets	13.78	(5.14)	-	18.92
Expenses allowable on payment basis	64.88	16.75	-	48.13
Remeasurement of defined benefit obligations	48.90	-	(21.40)	70.30
Total Deferred Tax Assets	406.38	(117.88)	(21.40)	545.66
Deferred Tax Liabilities:				
Fair valuation (gain)/ loss on Investments	71.74	(0.21)	-	71.53
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	326.04	(11.43)	-	314.61
Borrowings designated at Amortised Cost	0.52	(0.35)	-	0.17
Total Deferred Tax Liabilities	398.30	(11.99)	-	386.31
Net Deferred Tax Assets/ (Liabilities)	8.08	(129.87)	(21.40)	159.35

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

9. Deferred Tax Assets (Contd.)

Components of Deferred tax Assets/(Liabilities) as at March 31, 2019 are given below:

(₹ in lakhs)

Particulars	As at April 1, 2018	Charge/ (Credit) recognised in Profit and Loss	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2019
Deferred Tax Assets:				
Fair valuation of financial assets and financial liabilities	3.50	0.35	-	3.15
Leasehold liability	0.82	0.14	-	0.68
MAT Credit Entitlement	77.11	(100.64)	-	177.75
Unabsorbed depreciation loss	201.84	104.60	-	97.24
Provision for expected credit losses against financial assets	22.69	8.91	-	13.78
Expenses allowable on payment basis	80.10	15.22	-	64.88
Remeasurement of defined benefit obligations	41.50	-	(7.40)	48.90
Total Deferred Tax Assets	427.56	28.58	(7.40)	406.38
Deferred Tax Liabilities:				
Fair valuation (gain)/ loss on Investments	91.51	(19.77)	-	71.74
Timing difference with respect to Property, Plant & Equipment and Intangible Assets	378.42	(52.38)	-	326.04
Borrowings designated at Amortised Cost	1.68	(1.16)	-	0.52
Total Deferred Tax Liabilities	471.61	(73.31)	-	398.30
Net Deferred Tax Assets/ (Liabilities)	(44.05)	(44.73)	(7.40)	8.08

10. Inventories

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Raw materials		1923.58	1892.60
Work-in-Progress		1099.20	629.33
Finished goods		1242.04	1187.11
Packing Materials		31.95	24.52
Stores and spares		248.75	214.95
		4545.52	3948.51

Note : Refer Note No. 21.1 to financial statements in respect of charges created against borrowings

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

11. Current Investments

(Fully paid up except otherwise stated)

(₹ in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Holding (Nos)	Value	Holding (Nos)	Value
Investment measured at fair value through Profit and Loss				
Investment in Mutual Funds				
Mutual Funds (Quoted)				
Kotak FMP Series 127 -730 Days (Face Value of Rs. 10 each)	-	-	1500000	240.85
Kotak FMP 183 -Direct Plan Growth (Face Value of Rs. 10 each)	-	-	42000	5.21
Kotak FMP 186 -Direct Plan Growth (Face Value of Rs. 10 each)	-	-	50000	6.74
BOI AXA Corporate Credit Spectrum Fund (Face Value of Rs. 10 each)	-	-	837478.85	110.85
Kotak FMP Series 194 Direct Plan Growth (Face Value of Rs. 10 each)	-	-	30000	3.77
UTI Credit Risk Fund - Regular Growth Plan (Face Value of Rs. 10 each)	-	-	315471.35	52.77
HDFC FMP 1213 D Mar 2017(1) Reg Gr (Face Value of Rs. 10 each)	3000000	376.10		
ICICI Prudential FMP Series 81 -1101 Days-Plan E (Face Value of Rs. 10 each)	2000000	247.38		
ICICI Prudential Short Term Fund Growth (Face Value of Rs. 38.6586 each)	465615.583	196.35		
Total		819.83		420.19
Aggregate amount of Unquoted Investments				
- In Mutual Funds		819.83		420.19

11.1 Refer Note No. 19.1 and 21.2 to financial statements in respect of charges created against borrowings

11.2 Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in Note No. 7 and 11

12. Trade Receivables

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Secured, considered good		-	-
Unsecured, considered good		3847.63	4076.49
Receivables having significant increase in Credit Risk		72.77	49.52
		3920.40	4126.01
Less: Impairment allowances for doubtful debts	12.2	(72.77)	(49.52)
		3847.63	4076.49

12.1 Refer Note No. 21.1 to financial statements in respect of charges created against borrowings

12.2 Movement of Impairment allowances for doubtful debts

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the year		49.52	73.34
Recognised during the year		23.25	-
Reversal during the year		-	(23.82)
Balance at the end of the year		72.77	49.52

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

13. Cash and Cash Equivalents

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Balances with banks			
In current and cash credit accounts		217.65	113.82
Cash on hand		5.26	2.25
		222.91	116.07

14. Bank Balances Other than Cash and Cash Equivalents

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Other Balances with banks			
In Margin Money Accounts	14.1	78.45	113.24
In Unpaid Dividend Account		4.70	6.52
		83.15	119.76

14.1 Fixed Deposits with banks in Margin Money Account amounting Rs.154.25 lakhs (March 31, 2019: Rs 114.54 lakhs) includes Rs 75.80 lakhs (March 31, 2019: Rs 1.30 lakhs) disclosed under non-current "Other financial assets" in Note 8 have been lodged with Banks as margin money against guarantee issued by them.

15. Other Financial Assets

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Export Incentive receivable		4.09	31.75
Others		-	13.03
Accrued Interest on Fixed Deposit with Banks (having original maturity of less than 1 year)		4.23	7.33
		8.32	52.11

15.1 Refer Note No. 21.1 to financial statements in respect of charges created against borrowings

16. Other Current Assets

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Advances for supply of goods		100.29	41.16
Balance with Government authorities		442.73	419.69
Prepaid expenses		33.37	32.11
Loans and advances to employees		14.79	10.03
Others		14.76	7.43
		605.94	510.42

16.1 Refer Note No. 21.1 to financial statements in respect of charges created against borrowings

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

17. Equity Share Capital

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Authorised			
50,00,000 (March 31, 2019: 50,00,000) Equity Shares of Rs.10 each		500.00	500.00
		500.00	500.00
Issued, Subscribed and Paid-up			
23,90,276 (March 31, 2019: 23,90,276) Equity Shares of Rs.10 each		239.03	239.03
		239.03	239.03

17.1 The Company has one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

17.2 Reconciliation of the number of equity shares outstanding

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Number of shares at the beginning		2390276	2390276
Add: Addition during the year		-	-
Number of shares at the end		2390276	2390276

17.3 Shareholders holding more than 5% equity shares

Name of shareholders	% of holding	Note No.	As at March 31, 2020	As at March 31, 2019
Tradelink Securities Limited	14.38		343703	343703
Stephen Court Limited	11.68		279088	279088
Woolworth Merchandise Private limited	7.14		170609	170609

18. Other Equity

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Capital Reserve	18.2	605.34	605.34
Securities Premium	18.3	890.41	890.41
General Reserve	18.4	7301.82	7301.82
Retained Earnings	18.5	561.13	774.52
Other Comprehensive Income			
Re-measurement of Defined benefit plans	18.6	(172.94)	(112.02)
		9185.76	9460.07

18.1 Refer Statement of changes in Equity for movement in balances of reserves

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

18. Other Equity (Contd.)

18.2 Capital Reserve

Capital Reserve comprises of:

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(a) Capital Profit on sale of land & building		550.05	550.05
(b) Profit on reissue of forfeited Debentures		0.29	0.29
(c) Subsidy from State Government against capital investment in new units		55.00	55.00
		605.34	605.34

18.3 Securities Premium

Securities Premium represents the amount received in excess of par value of securities and is available for utilisation as specified under section 52 of Companies Act, 2013.

18.4 General Reserve

The General Reserve is used from time to time by appropriating profits from retained earnings. As the General Reserve is created by a transfer from one component of equity to another, it is not reclassified to the Statement of Profit and Loss.

18.5 Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company.

18.6 Other Comprehensive Income

Other Comprehensive Income represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions have been recognised in OCI and will not be reclassified to Statement of Profit and Loss.

18.7 The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. Thus, the amounts reported above are not entirely distributable.

19. Borrowings

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020		As at March 31, 2019	
		Non Current	Current	Non Current	Current
Secured					
Term Loan from Bank	19.1 and 19.2	28.52	300.00	677.14	640.66
Vehicle Finance loan from Bank	19.3	25.89	4.97	30.86	4.50
		54.41	304.97	708.00	645.16

19.1 Term Loan from Kotak Bank is secured by way of lien on investments in units of Mutual Fund held by the Company and is repayable in 60 monthly instalments starting from January, 2016. The Interest rate is Base Rate + 185 basis points which is currently 11.35%. The outstanding as on March 31, 2020 is Rs Nil (March 31, 2019: Rs. 690.96 lakhs)

19.2 Term Loan from Axis Bank is secured by way of exclusive hypothecation charge over movable fixed assets at Ajmer unit, equitable mortgage over Company's leasehold land and building thereon situated at Ajmer and second charge as collateral securities by way of equitable mortgage on immovable assets located at Nagpur and Aurangabad units on which first charge is held for working capital facilities for Baidyabati, Nagpur and Aurangabad units. The Interest rate is Base Rate + 250 basis points which is currently 12.00%. The outstanding as on March 31, 2020 is Rs.328.52 lakhs (March 31, 2019: Rs. 626.84 lakhs)

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

19. Borrowings (Contd.)

19.3 Finance lease obligation is secured against car taken on two finance lease and are repayable in 60 and 36 monthly instalments starting from June,2018 and March,2016 respectively. The Interest rate is 10.1389% and 9.40% respectively. The outstanding as on March 31, 2020 is Rs 30.86 lakhs (March 31, 2019: Rs 35.36 lakhs)

19.4 Terms of Repayment :

(₹ in lakhs)

Particulars	Term Loan	Vehicle Finance Loan
2020-21	300.00	4.97
2021-22	28.52	5.50
2022-23	-	6.09
2023-24	-	14.30

19.5 The outstanding balance disclosed in Note no. 19 are based on the amortised cost in accordance with Ind AS 109 "Financial Instruments".

20. Provisions

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	38	219.47	149.32
		219.47	149.32

21. Borrowings

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Secured			
Repayable on demand			
Working capital facilities from banks			
Indian Currency	21.1 and 21.2	2089.67	970.08
Buyer's Credit	21.3	170.38	-
		2260.05	970.08

21.1 Loans repayable on demand being Working Capital facilities from UCO Bank and Axis Bank (both fund based and non-fund based) are secured by hypothecation of stock of raw materials, work-in-progress, finished goods, stores and spares, trade receivables and other current assets of the Company and all moveable assets and by equitable mortgage by deposit of title deeds of immoveable properties comprising of land and buildings of the Company's factories situated at Nagpur and Aurangabad.

21.2 Loans repayable on demand being Working Capital facilities from Kotak Mahindra Bank is secured by way of lien on investments in units of mutual funds held by the Company.

21.3 Buyer's Credit is secured against hypothecation of the plant and equipment purchased there against

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

22. Trade Payables

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Payable for Goods and Services			
Total outstanding dues of micro and small Enterprises	22.1	786.23	106.76
Total outstanding dues of creditors other than micro and small Enterprises		1631.27	2461.48
		2417.50	2568.24

22.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

Particulars	As at March 31, 2020	As at March 31, 2019
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	786.23	106.76
Interest	-	-
b) The amount of interest paid by the Company in terms of Section 16 of the "Micro, Small and Medium Enterprise Development Act, 2006" (27 of 2006) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year:	Nil	Nil
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as 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	Nil	Nil

23. Other Financial Liabilities

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Current maturities of long term debt - Secured	19	300.00	640.66
Current maturities of finance lease obligation- Secured	19	4.97	4.50
Interest accrued but not due on borrowings		3.35	8.33
Unclaimed dividends		4.70	6.52
Capital vendors		47.46	87.30
		360.48	747.31

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

24. Other Current Liabilities

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Advance from customers		726.66	486.57
Statutory dues - PF, ESI, Goods and Service Tax, TDS etc.		305.39	505.26
Others		-	0.04
		1032.05	991.87

25. Provisions

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	38	112.92	97.16
		112.92	97.16

26. Current Tax Liabilities (Net)

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Provision for taxation (net of advance tax)		33.77	146.78
		33.77	146.78

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

27. Revenue From Operations

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products		12266.26	13195.43
Sale of Services		35.79	74.18
Other operating revenues			
Scrap Sales		75.96	119.74
Liabilities no longer required written back		8.80	16.12
Incentive on exports		8.22	10.24
		12395.03	13415.71

27.1 The Company has adopted Ind AS 115, "Revenue from Contracts with Customers" which is mandatory for reporting from the period beginning on after 1st April, 2018. Adoption of this standard did not have any material impact on the financial results of the Company.

28. Other Income

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income			
On deposits, overdue debts etc.		11.82	10.56
Net gain/(loss) on redemption of current investments		(41.71)	11.60
Net gain/(loss) on fair valuation of investments through Profit and Loss		148.25	126.05
Profit/(loss) on sale of fixed assets (net)		10.30	2.91
Net gain/(loss) on foreign currency transaction and translation		-	5.23
Fair valuation of Surrender Value of Keyman Insurance policy		34.78	65.36
Miscellaneous income		30.48	19.67
		193.92	241.38

29. Cost of materials consumed

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Material Consumed		6049.15	6352.59

30. Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock			
Finished Goods		1187.11	1248.00
Work-in-Progress		629.33	521.19
		1816.44	1769.19
Less: Closing Stock			
Finished Goods		1242.04	1187.11
Work-in-Progress		1099.20	629.33
		2341.24	1816.44
		(524.80)	(47.25)

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

31. Employee Benefits Expense

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages		3039.89	2645.57
Contribution to provident and other funds		240.37	212.72
Travelling and Conveyance		477.86	407.17
Staff welfare expenses		132.48	140.11
		3890.60	3405.57

32. Finance Costs

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense		87.92	187.93
Other borrowing cost		192.95	128.56
		280.87	316.49

33. Depreciation and Amortisation Expenses

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation Expenses	5	470.64	495.46
Amortisation Expenses	6	17.72	18.31
		488.36	513.77

34. Other Expenses

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumable Stores		313.30	368.52
Packing Materials consumed (net of recoveries)		194.01	196.48
Power and fuel		224.75	224.70
Rent		37.85	29.33
Repairs to buildings		26.65	31.66
Repairs to machinery		13.53	10.91
Repairs to others		62.62	69.91
Insurance		14.83	11.16
Rates and taxes		21.03	24.74
Directors fees and Commission		6.60	19.36
Selling and Distribution Expenses	34.2	702.71	637.41
Auditors' Remuneration	34.1	5.00	4.15
Irrecoverable Debts/Advances written off		33.16	63.55
Royalty		321.86	356.61
Communication Expenses		29.35	30.34
Provision for expected Credit losses		23.25	-
Consultancy		55.90	60.52
Freight and Forwarding Charges (Net of realisation of Rs. 29.56 lakhs (March 31, 2019: Rs. 26.97 lakhs))		211.08	209.33
Net (gain)/loss on foreign currency transaction and translation		5.10	-
Miscellaneous expenses	34.3	419.15	355.16
		2721.73	2703.84

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

34. Other Expenses (Contd.)

34.1 Auditor's Remuneration comprises of:

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Audit Fees		4.00	3.25
(b) Certification and other expenses		1.00	0.90

34.2 Selling and Distribution Expenses comprises of:

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Travelling Expenses		390.62	421.10
(b) Commission on Sales		116.25	80.73
(c) Other Expenses		195.84	135.58

34.3 During the year, the Company has incurred Rs. 2.20 lakhs (March 31, 2019 Rs. 1.10 lakhs) on account of Corporate Social Responsibility (CSR) expenses.

34.4 Operating Lease disclosures:

The Company has operating lease arrangements for office accommodations etc. with tenure extending upto 1 or 3 or 5 yrs. Term of certain lease arrangements include escalation clause for rent on expiry of 12 or 24 or 36 months as the case may be from the commencement date of such lease and deposit / refund of security deposit etc. Expenditure incurred on account of rent during the year and recognized in the Profit and Loss account amounts to Rs.37.85 lakhs (March 31, 2019- Rs. 29.33 lakhs).

35. Tax Expenses - Current Tax

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Provision for Current Tax		-	100.64
		-	100.64

35.1 Components of Tax Expense:

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Tax			
In respect of the current year		-	100.64
Total Current Tax Expense recognised in the current year		-	100.64
Deferred Tax			
In respect of the current year		(129.87)	(44.73)
Total Deferred Tax Expense recognised in the current year		(129.87)	(44.73)
Total Tax Expense recognised in the current year		(129.87)	55.91

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

35. Tax Expenses - Current Tax (Contd.)

35.2 Reconciliation of Income tax expense for the year with accounting profit is as follows:

Taxable Income differs from "Profit before tax" as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit Before Tax		(315.07)	408.50
Income tax expense calculated at 26%*		(81.92)	113.65
Less : Effect of			
Difference in tax rate for Long Term Capital Gain		(15.42)	(15.32)
Effect of other adjustments		(32.53)	(42.42)
Income tax expense recognised in Profit and Loss		(129.87)	55.91

* The tax rate used for reconciliations above is the corporate tax rate of 26% payable by corporate entities in India on taxable profits under the Indian tax laws.

35.3 Income tax recognised in Other Comprehensive Income

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred tax			
Arising on income and expenses recognised in Other Comprehensive Income:			
Tax impact on Remeasurement of defined benefit obligation		21.40	7.40
Total income tax recognised in Other Comprehensive Income		21.40	7.40
Bifurcation of the Income Tax recognised in Other Comprehensive Income into:-			
Items that will not be reclassified to Profit and Loss		21.40	7.40
Items that may be reclassified to Profit and Loss		-	-

36. Components of Other Comprehensive Income

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Items that will not be reclassified to Statement of Profit and Loss-			
Remeasurement of gains / (losses) on defined benefit plans		(82.32)	(26.61)
		(82.32)	(26.61)

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

37. Financial Instruments

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Financial Assets designated at Amortised Cost				
Trade receivables	3847.63	3847.63	4076.49	4076.49
Cash and Cash Equivalents	222.91	222.91	116.07	116.07
Bank Balances other than Cash and Cash Equivalents	83.15	83.15	119.76	119.76
Loans and Other financial assets	159.09	159.09	740.50	740.50
Financial Assets designated at Fair Value through Profit and Loss Account				
Investment in Mutual Funds	1755.11	1755.11	2122.72	2122.72
Financial Liabilities (Current and Non-Current)				
Financial Liabilities designated at Amortised Cost				
Borrowings	2619.43	2619.43	2323.24	2323.24
Trade Payables	-	-	-	-
Other financial liabilities	55.51	55.51	102.15	102.15

Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, trade receivables, trade payables, current financial liabilities/financial assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/ amortised cost in the financial statements approximate their fair values.

A substantial portion of the company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

Investments (other than Investments in Joint Venture) i.e. Mutual Funds are determined by reference to the quoted market prices (i.e. NAV) at the reporting date multiplied by the quantity held.

Fair value hierarchy

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2020:

(₹ in lakhs)

Particulars	As at March 31*	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial Assets				
Investment in Mutual Funds (Current and Non-Current) - 2020	1755.11	1755.11	-	-
- 2019	(2122.72)	(2122.72)	-	-
- 2018	[2405.45]	[2405.45]	-	-

(*) Figures in round brackets () indicate figures as at March 31, 2019 and in brackets [] indicate figures as at April 01, 2018

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

37. Financial Instruments (Contd.)

During the year ended March 31, 2020 and March 31, 2019, there were no transfers between Level 1, Level 2 and Level 3.

The Inputs used in fair valuation measurement are as follows:

Fair valuation of Financial assets and liabilities not within the operating cycle of the Company is amortised based on the borrowing rate of the Company.

Financial instruments are valued based on quoted price for similar assets and liabilities in active market or similar inputs that are directly or indirectly observable in the market place.

Financial Risk Factors

The Company's activities expose it to a variety of financial risks. The key financial risk includes market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company has an Enterprise Risk Management (ERM) process which involves periodic identification of risks likely to affect the business adversely, rating the risks, their importance and likelihood, preparation of risk identification procedures, implementation of risk mitigation plans and its continuous monitoring by the Executive Management/ Divisional Heads. The Risk Management Committee has already identified the risks in the various business areas and it also develops and monitors various mitigation strategies and plans in these areas to reduce or eliminate the likelihood of such risks. The presence in India of players with low cost products which has intensified the competition in the large domestic market consequently shrinking the margins for the Company's products is an area of risk. To mitigate the risk involved in this area, steps have been initiated to move ahead of the competition with the Company's strong brand image along with upgradation of technology, carving out a niche product portfolio and effective marketing framework.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are foreign currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments and trade and other payables.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated transactions.

The Company is having a net foreign exchange outflow and has adopted a comprehensive risk management review system wherein it evaluates exchange rate exposure arising from these transactions and follows established risk management policies.

The carrying amount of various exposure to foreign currency at the end of the reporting period are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2020			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	6.35	170.38	8.97	(173.00)
EURO	25.14	-	58.67	(33.53)
Total	31.49	170.38	67.64	(206.53)

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

37. Financial Instruments (Contd.)

(₹ in lakhs)

Particulars	As at March 31, 2019			
	Trade receivables	Loans and borrowings	Trade payables & Other current Liability	Net Assets/ (liabilities)
USD	0.16	-	-	0.16
EURO	23.18	-	37.84	(14.66)
Total	23.34	-	37.84	(14.50)

The Company is principally exposed to foreign currency risk against USD & EURO. Sensitivity of profit or loss arises mainly from USD & EURO denominated are as follows:

(₹ in lakhs)

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Receivables (Weaking of INR by 5%)		
USD	0.32	0.01
EURO	1.26	1.16
Payables (Weaking of INR by 5%)		
USD	(8.97)	-
EURO	(2.93)	(1.89)

A 5% strengthening of INR would have an equal and opposite effect on the Company's financial statements

Interest rate risk

The Company's exposure in market risk related to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Borrowings at fixed interest rate exposes the Company to the fair value interest rate risk.

Further, there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. These deposits are however generally for trade purposes and as such does not cause material implication.

With all other variables held constant, the following table demonstrates the impact of exposure of Company's borrowings to interest rate changes at the end of the reporting period. A hypothetical basis point shift, as detailed below, would result in a corresponding increase or decrease in interest costs for the Company on a yearly basis.

(₹ in lakhs)

Nature of Borrowing	Increase in basis points	For the year ended March 31, 2020	For the year ended March 31, 2019
Foreign Currency Loan	+0.25	0.43	-
Rupee Loan	+0.50	12.09	11.44

A decrease in 0.50 basis point in Rupee Loan and 0.25 basis point in foreign currency loan would have an equal and opposite effect on the Company's financial statements

Other price risk

The Company's exposure in Joint Venture are carried at cost and these are subject to impairment testing as per the policy followed in this respect. Further, the investment in mutual funds which are fair valued through

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

37. Financial Instruments (Contd.)

Profit and Loss are material as these are Fixed Maturity Plan(FMP) that are closed ended scheme with a pre-defined maturity which is subject to investment objective and allocation which is basically in debt instruments, Certificate of Deposits and Commercial papers. Accordingly, other price risk of the financial instrument to which the Company is exposed is not expected to be material.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). To manage this, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Collection of sale proceeds promptly from the clients on sale of products is also an area where risk is involved. The Company has adopted various recovery measures for improvement in collection and liquidity position which is also monitored by the Executive Management at regular intervals.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the year, there are no single customer accounted for more than 10% of the accounts receivable and 10% of revenue as at March 31, 2020 and March 31, 2019 respectively.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery thereagainst has been considered to be remote.

Financial assets that are neither past due nor impaired

Cash and Cash Equivalents, investment and deposits with banks are neither past due nor impaired. Cash and Cash Equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

Trade Receivables disclosed include amounts that are past due at the end of the reporting period but against which the Company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. The Company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement. The Company has laid down procedure for smooth servicing of the Term Loan for Building Material Division through the maturity proceeds of the Investment in FMP.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at the Balance Sheet date:

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

37. Financial Instruments (Contd.)

Interest rate and currency of borrowings

(₹ in lakhs)

Particulars	As at March 31, 2020			
	Total Borrowings	Floating rate Borrowings	Fixed rate Borrowings	Weighted average Interest Rate (%)
INR	2449.05	2418.19	30.86	-
DOLLAR	170.38	170.38	-	-
Total	2619.43	2588.57	30.86	-

Particulars	As at March 31, 2019			
	Total Borrowings	Floating rate Borrowings	Fixed rate Borrowings	Weighted average Interest Rate (%)
INR	2323.24	2287.88	35.36	-
EURO	-	-	-	-
Total	2323.24	2287.88	35.36	-

Maturity Analysis of Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2020					
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	2619.43	2089.67	152.42	152.55	224.79	2619.43
Other Liabilities	55.51	4.70	50.81	-	-	55.51
Trade and other payables	-	-	-	-	-	-

Particulars	As at March 31, 2019					
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	2323.24	970.08	320.54	324.62	708.00	2323.24
Other Liabilities	102.15	14.85	87.30	-	-	102.15
Trade and other payables	-	-	-	-	-	-

The Company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The Company has laid down procedure for smooth servicing of the Term Loan for Building Material Division through the maturity proceeds of the Investment in FMP. Further, the Company relies on mix of borrowings and excess operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

37. Financial Instruments (Contd.)

The gearing ratio are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	2619.43	2323.24
Equity	9424.79	9699.10
Gearing Ratio	0.28	0.24

38. Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on "Employee Benefits" are given below:

a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized for the year are as under:

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's Contribution to Provident Fund	108.91	95.81
Employer's Contribution to Pension Fund	62.45	59.72
Employer's Contribution to Superannuation Fund	-	1.43
Employer's State Insurance Fund	13.62	29.97

b) Defined Benefit Plans

The employee's gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2019-20	2018-19
a) Change in the fair value of the defined benefit obligation		
Liability at the beginning of the year	869.88	764.86
Interest Cost	66.99	57.89
Current Service Cost	62.36	51.65
Actuarial (gain) / loss on obligations	75.90	21.45
Benefits paid	(83.89)	(25.97)
Liability at the end of the year	991.24	869.88
b) Changes in the Fair Value of Plan Asset		
Fair value of Plan Assets at the beginning of the year	780.20	698.45
Expected Return on Plan Assets	60.34	53.78
Contributions by the Company	90.60	59.10
Benefits paid	(83.89)	(25.97)
Actuarial gain / (loss) on Plan Assets	(6.42)	(5.16)
Fair value of Plan Assets at the end of the year	840.83	780.20

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

38. Post Retirement Employee Benefits (Contd.)

b) Defined Benefit Plans (Contd.)

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2019-20	2018-19
c) Actual return on Plan Asset		
Expected return on Plan assets	60.34	53.78
Actuarial gain / (loss) on Plan Assets	(6.42)	(5.16)
Actual Return on Plan Assets	53.92	48.62
d) Amount Recognized in Balance Sheet		
Liability at the end of the year	991.24	869.88
Fair value of Plan Assets at the end of the year	840.83	780.20
	150.41	89.68
e) Components of Defined Benefit Cost		
Current Service Cost	62.36	51.65
Interest Cost	66.99	57.89
Expected Return on Plan Assets	(60.34)	(53.78)
Net Actuarial (gain) / loss on remeasurement recognised in OCI	82.32	26.61
Total Defined Benefit Cost recognised in Profit and Loss and OCI	151.33	82.37
f) Balance Sheet Reconciliation		
Opening Net Liability	89.68	66.41
Expenses as above	151.33	82.37
Employers Contribution	(90.60)	(59.10)
Amount Recognized in Balance Sheet	150.41	89.68
g) Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	7.00%	7.70%
Salary Escalation - First 5 years	6.00%	6.00%
Salary Escalation - After 5 years	6.00%	6.00%
Rate of Return on Plan Assets	7.00%	7.70%

h) Percentage allocation of plan assets in respect of fund managed by insurer is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
G-Sec/ Corporate Securities	-	-
Equity	-	-
Fixed Deposit and other Assets	-	-
Insurance Policies	100.00%	100.00%

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity except remeasurement benefit which is treated as part of OCI. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at March 31, 2020 is given below:

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

38. Post Retirement Employee Benefits (Contd.)

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Leave Encashment	145.29	111.60

Particulars	Leave Encashment (Non-Funded)	
	2019-20	2018-19
a) Change in the fair value of the defined benefit obligation:		
Liability at the beginning of the year	111.60	113.13
Interest Cost	8.59	7.47
Current Service Cost	32.85	37.03
Benefits paid	(39.33)	(32.12)
Actuarial (gain) / loss on obligations	31.58	(13.91)
Liability at the end of the year	145.29	111.60
b) Amount Recognized in Balance Sheet		
Liability at the end of the year	145.29	111.60
Fair value of Plan Assets at the end of the year	-	-
	145.29	111.60
c) Components of Defined Benefit Cost		
Current Service Cost	32.85	37.03
Interest Cost	8.59	7.47
Expected Return on Plan Assets	-	-
Net Actuarial (gain) / loss on remeasurement recognised in Profit & Loss	31.58	(13.91)
Total Defined Benefit Cost recognised in Profit and Loss and OCI	73.02	30.59
d) Balance Sheet Reconciliation		
Opening Net Liability	111.60	113.13
Expenses as above	73.02	30.59
Benefits paid	(39.33)	(32.12)
Amount Recognized in Balance Sheet	145.29	111.60
e) Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	7.00%	7.70%
Salary Escalation - First 5 years	6.00%	6.00%
Salary Escalation - After 5 years	6.00%	6.00%
Rate of Return on Plan Assets	N.A	N.A

Notes:

- i) Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

Recognised in Other Comprehensive Income

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	
For the year ended March 31, 2019	26.61
Remeasurement - Actuarial loss/(gain)	
For the year ended March 31, 2020	82.32

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

38. Post Retirement Employee Benefits (Contd.)

Sensitivity analysis:

Particulars	Change in Assumption	Defined Benefit Obligation	
		Gratuity	Leave Encashment
For the year ended March 31, 2019			
Discount Rate	+1%	822.47	104.82
	-1%	922.67	119.23
Salary Growth Rate	+1%	921.23	119.40
	-1%	822.54	104.60
Withdrawal Rate	+1%	874.32	112.38
	-1%	865.00	110.73
For the year ended March 31, 2020			
Discount Rate	+1%	935.70	136.82
	-1%	1053.19	154.85
Salary Growth Rate	+1%	1051.03	154.88
	-1%	936.03	136.71
Withdrawal Rate	+1%	993.97	145.85
	-1%	988.19	144.67

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (Projected Unit Credit Method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

History of experience adjustments is as follows:

Particulars	Gratuity	Leave Encashment
For the year ended March 31, 2019		
Plan Liabilities - (loss)/gain	15.80	(12.59)
Plan Assets - (loss)/gain	5.16	-
For the year ended March 31, 2020		
Plan Liabilities - (loss)/gain	34.44	25.91
Plan Assets - (loss)/gain	6.43	-

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Gratuity	Leave Encashment
01 Apr 2020 to 31 Mar 2021	232.24	40.99
01 Apr 2021 to 31 Mar 2022	50.48	40.84
01 Apr 2022 to 31 Mar 2023	79.21	11.83
01 Apr 2023 to 31 Mar 2024	84.6	9.41
01 Apr 2024 to 31 Mar 2025	93.47	13.44
01 Apr 2025 to 31 Mar 2030	519.24	63.49

Particulars	As at March 31, 2020	As at March 31, 2019
Average no of people employed	484	474

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

39. Calculation of Earning Per Share is as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Net profit for Basic and Diluted Earnings Per Share as per Statement of Profit and Loss	(185.20)	352.59
(b) Weighted average number of equity shares for calculation of Basic and Diluted Earnings Per Share (Face value Rs. 10 per share)		
No of equity shares outstanding as on 31st March	2390276	2390276
Number of equity shares considered in calculating basic and diluted EPS	2390276	2390276
(c) Weighted average number of equity shares outstanding	2390276	2390276
(d) Earnings per share (EPS) of Equity Share of Rs. 10 each:		
a) Basic (Rs.)	(7.75)	14.75
b) Diluted (Rs.)	(7.75)	14.75

40. Contingent Liabilities not provided for in respect of:

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding Bank Guarantees	69.46	65.90

41. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows:

A) Names of related parties and description of relationship

- | | |
|-----------------------------------|--|
| 1) Joint Venture Company | Mozer Process Technology Pvt. Ltd. |
| 2) Key Management Personnel (KMP) | Mr. Indrajit Sen - Managing Director
Mr. Asish Kumar Neogi - Chief Financial Officer
Mr. Suhas Chandra Saha - Company Secretary |
| 3) Non-Executive Directors | Mr. Sanjay Bagaria - Chairman
Mr. Ratan Lal Gaggar - Director
Mr. Ravi Ranjan Prasad - Director (resigned w.e.f. 19th November, 2019)
Mrs. (Prof.) Bharati Ray - Director
Mr. Sandipan Chakravortty - Director (admitted w.e.f.7th February, 2020)
Mr. Sanjoy Saha - Director (admitted w.e.f.7th February, 2020) |

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

41. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on “Related Party Disclosures” are as follows: (Contd.)

B) Related Party Transactions for the year ended March 31st, 2020

(₹ in lakhs)

Particulars	Joint Venture Company	KMP	Non-Executive Directors	Total	Outstanding as on March 31, 2020	Outstanding as on March 31, 2019
Remuneration						
Mr. Indrajit Sen	-	208.75	-	208.75	0.15	-
Mr. Asish Kumar Neogi	-	43.00	-	43.00	-	-
Mr.Suhas Chandra Saha	-	44.74	-	44.74	-	-
Total	-	296.49	-	296.49	0.15	-
Previous Year						
Mr. Indrajit Sen	-	193.74	-	193.74	-	-
Mr. Asish Kumar Neogi	-	39.54	-	39.54	-	-
Mr.Suhas Chandra Saha	-	41.67	-	41.67	-	-
Sitting Fees						
Mr. Sanjay Bagaria	-	-	1.60	1.60	-	-
Mr. Ratan Lal Gaggar	-	-	1.90	1.90	-	-
Mr. Ravi Ranjan Prasad	-	-	1.00	1.00	-	-
Mrs. (Prof.) Bharati Ray	-	-	1.70	1.70	-	-
Mr. Sandipan Chakravortty	-	-	0.20	0.20	-	-
Mr. Sanjoy Saha	-	-	0.20	0.20	-	-
Previous Year						
Mr. Sanjay Bagaria	-	-	14.46	14.46	-	12.36
Mr. Ratan Lal Gaggar	-	-	1.60	1.60	-	-
Mr. Ravi Ranjan Prasad	-	-	1.50	1.50	-	-
Mrs. (Prof.) Bharati Ray	-	-	1.80	1.80	-	-
Sale of Stock in Trade						
Mozer Process Technology Pvt. Ltd.	181.59	-	-	-	-	-
Total	181.59	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	157.96	-	-	-	-	-
Recovery of Rent						
Mozer Process Technology Pvt. Ltd.	0.36	-	-	-	-	-
Total	0.36	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	0.36	-	-	-	-	-
Recovery of Selling and Distribution expenses						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Total	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Recovery of Misc. expenses						
Mozer Process Technology Pvt. Ltd.	1.85	-	-	-	-	-
Total	1.85	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	2.29	-	-	-	-	-
Advance Received						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	23.22	-	-	-	-	-
Receivable at year end						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-
Previous Year						
Mozer Process Technology Pvt. Ltd.	-	-	-	-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

41. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on “Related Party Disclosures” are as follows: (Contd.)

C) Details of compensation paid to KMP during the year are as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Short-term employee benefits	-	-
Post-employment benefits*	-	-
Other long-term benefits*	-	-

* Post-employment benefits and other long-term benefits have been disclosed based on actual payment made on retirement/resignation of services, but does not includes provision made on actuarial basis as the same is available for all the employees together.

41.1 in respect of the above parties ,there is no provision for doubtful debts as on March 31, 2020 and no amount has been written off or written back during the year in respect of debt due from/to them.

41.2 The above related party information is as identified by the management and relied upon by the auditor.

42. Segment Information

(a) Reportable Segments:

The Company’s operating segment are established on the basis of those component of the Company that are evaluated regularly by the Board (“The Chief Operating Decision Maker”) as defined in Ind AS 108 “Operating Segments”. The Company has three principal operating and reporting segments i.e.

- i) Mineral & Material Processing and Handling Equipment
- ii) Gear Box and Geared Motor Drive System
- iii) Building Material Division

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter Segment Transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

42. Segment Information (Contd.)

(b) Summary of segment information as at and for the year ended March 31, 2020 and March 31, 2019 is as follows:

Particulars	Mineral & Material Processing And Handling Equipment		Gear Box and Geared Motor Drive System		Building Material Division		Unallocated/Corporate		Eliminations		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(₹ in lakhs)											
Segment Revenue												
External Revenue	7,011.24	8,470.82	5,019.22	4,751.63	364.57	193.26	-	-	-	-	12,395.03	13,415.71
Inter-Segment Revenue	0.33	18.53	102.58	182.25	-	-	-	-	(102.91)	(200.78)	-	-
Total Revenue	7,011.57	8,489.35	5,121.80	4,933.88	364.57	193.26	-	-	(102.91)	(200.78)	12,395.03	13,415.71
Segment Result	2,271.51	2,733.49	61.65	117.86	(470.06)	(417.23)	(2,050.43)	(1,922.70)	-	-	(187.33)	511.42
Add/(less):												
Interest earned on loans and deposits, income from current and non-current investments, Profit and Loss on sale of investments etc. - net	-	-	-	-	-	-	-	-	-	-	153.13	213.57
Finance costs	-	-	-	-	-	-	-	-	-	-	(280.87)	(316.49)
Provision for Taxes (Reversal)	-	-	-	-	-	-	-	-	-	-	129.87	(55.91)
Profit for the year	-	-	-	-	-	-	-	-	-	-	(185.20)	352.59
Other Information												
Segment Assets	6,123.25	6,024.33	3,950.85	3,455.94	3,041.64	3,041.89	2,638.06	3,547.62	-	-	15,753.80	16,069.78
Segment Liabilities	2,058.93	2,246.54	1,234.11	1,241.18	67.66	111.88	510.50	455.93	-	-	3,871.20	4,055.53
Capital Expenditure												
Segment capital expenditure	207.03	96.86	327.14	58.66	16.79	16.29	36.94	69.18	-	-	587.90	240.99
Depreciation and Amortisation												
Segment depreciation and amortisation	92.68	86.81	163.24	161.47	161.02	189.03	71.42	76.46	-	-	488.36	513.77
Significant Non Cash Expenditure												
Segment significant Non Cash Expenditure	-	-	-	-	-	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2020 (Contd.)

42. Segment Information (Contd.)

(c) Geographical Information

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from sale of Products by Geographical Market		
Within India	11707.54	12770.37
Outside India	558.72	425.06
	12266.26	13195.43

43. Due to the effect of the COVID - 19 pandemic, there has been substantial disruption on the operations of the Company which has severely impacted the supply chain, consumer demand for the Company's products, availability of manpower due to restrictions on movement and travel and access to offices. The situation is still evolving and the management is continuously assessing and evaluating the situation with respect to the challenges faced.
44. These financial statements have been approved by the Board of Directors of the Company on 29th June, 2020 for issue to the shareholders for their adoption. Previous year's figures have been regrouped/ rearranged wherever necessary.

As per our report of even date

For Ray & Ray
Chartered Accountants
(Firm's Registration No 301072E)

K.K. Ghosh
Partner
(Membership No. 059781)

Place: Kolkata
Date: 29th June, 2020

For and on behalf of the Board of Directors

I. Sen
Managing Director
(DIN No 00216190)

S. Bagaria
Chairman
(DIN No 00233455)

S.C. Saha
Company Secretary

A.K. Neogi
Chief Financial Officer

